ENACTING SOCIAL INNOVATION IN SCOTTISH WELFARE: REGIONAL CHALLENGES

The Scottish Government's investment in social innovation reflects the European focus on resolving 'wicked' societal problems through socioeconomic solutions. In welfare, local governing agencies play a key role in delivering opportunities for social innovation in Scotland which might resolve some social challenges.

Fiona Henderson

INTRODUCTION

Social innovation in Scotland has been argued to present a threat to local institutions invested in the regional status quo as it will inevitably disrupt the current social equilibrium to some degree, including governing structures [1, 2]. Paradoxically, it has also been argued that the social innovation policy agenda in Europe maintains these existing structures and institutions [3] through policy interpretation at local municipal level. This historical institutionalism ensures the structural dominance of local state agencies, enabling their control of regional health and social care quasi-markets, and sustaining their regional governance through nationally and internationally turbulent economic and political times [1].

The definition underpinning recent European Commission policy [2] frames social innovation in socioeconomic terms, describing it as the creation of new products, services and/or models that generate new collaborations, meeting social needs while being good for society [4]. Cattacin and Zimmer [5] argue that this economic perspective brings a Darwinian element to the definition which is not useful when explaining the emergence and development of social innovation at a local level. They propose instead that it is a political process which is highly embedded in the local environment.

Social innovations are emerging in Scotland as a result of Scottish Government policies. For example, there is a growing number of Scottish community buy-outs arising from the Land Reform (Scotland) Act 2003 that in turn drive bottom-up social innovations, generating new socioeconomic opportunities for depleted communities. Similarly the Community Empowerment (Scotland) Act 2015 has now led to the development of The Participatory Budgeting Charter for Scotland (2019), allowing communities to take control of some aspects of local government spending. While these policies are supporting local transformations and shifts in power, conclusive evidence has yet to emerge of the long-term success and sustainability of these social innovations. These initiatives, like other social innovations in Scotland, are often subsumed by – or discussed as synonymous with – the state-controlled social enterprise sector.

THE INEVITABILITY OF SOCIAL ENTERPRISE

In Scotland, like the rest of the UK, the relationship between social enterprise and social innovation can be dated back to the early conceptualisation of social enterprise as innovative and disruptive. This social innovation-social enterprise discourse enables the Scottish and UK Governments to frame social enterprises as innovative and sustainable, thereby showing their support for community-led economic solutions to social challenges.

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The Scottish social enterprise sector references characteristics of social innovation at micro-, meso- and macro- levels. At the micro-level, the Scottish government funds agencies and networks across Scotland that offer grants and financial support directly to local social enterprises and community businesses. These agencies focus on *creating new services, products and/or models* through social enterprises, and generating *new collaborations and relationships* to grow social enterprises.

At meso-level, local Scottish institutions are currently undergoing a significant period of transformation under the politically-driven UK austerity agenda, which has significantly cut funding to local authorities (municipalities) across the last decade. As a result, the local authorities are undergoing a fiscally-driven transformation that has required all 32 local authorities to work more closely with the social enterprise sector. Early research evidence has shown that in some local authorities this transformation is supporting social enterprise-led social innovations in welfare, yet in others it is preventing social enterprise-led social innovations [1, 2].

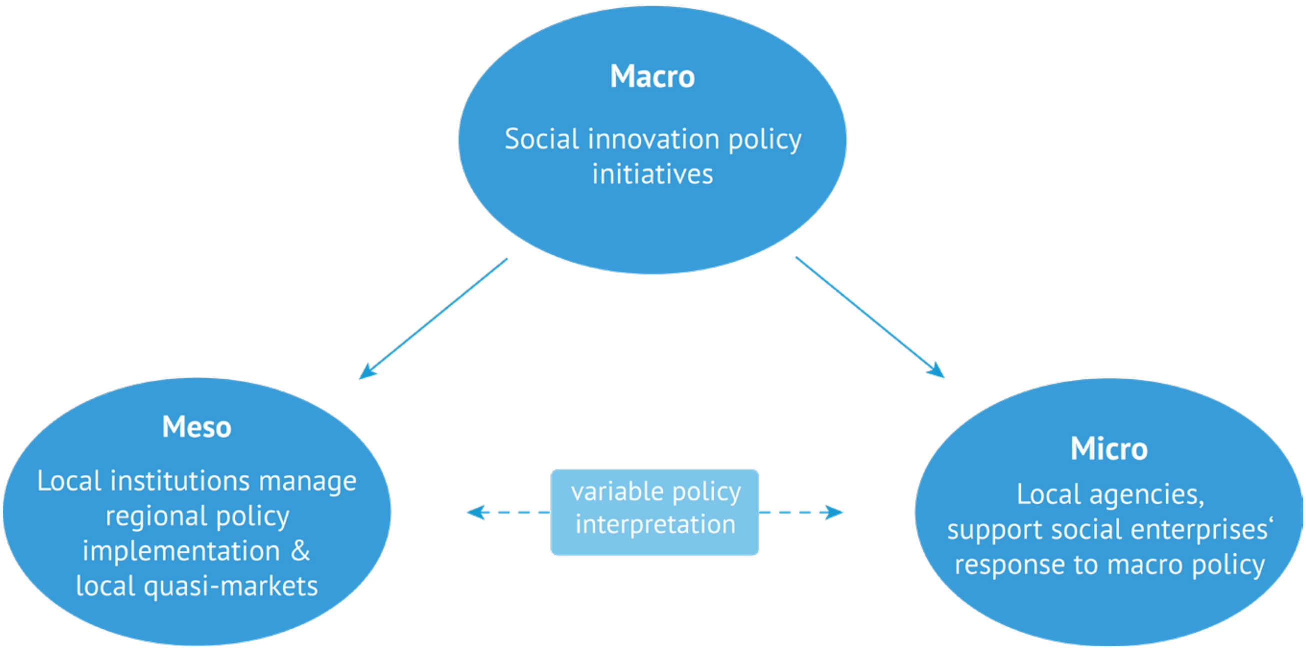
At macro-level, the Scottish Government, like the UK Government, explicitly locates social innovation in welfare within the third sector, including social enterprise. This was evidenced by the Social Innovation Fund, which aimed to create new community-led initiatives to tackle poverty and improve wellbeing, and the Growing the Social Economy Programme.

Strategically, the Scottish Government has adopted the neoliberalist political rhetoric of self-responsibility and self-reliance, reducing the paternalistic discourse around health and social care as significant budget cuts reduce local authority provided welfare services. Social enterprise as the provider of sustainable community-led solutions to social challenges fits neatly under this new self-determinist approach. Evidence of this political commitment to social enterprise includes:

- Scotland's Social Enterprise Strategy 2016-2026;
- The Social Enterprise Census conducted every 2 years;
- Building a Sustainable Social Enterprise Sector in Scotland: Action Plan 2017-2020.

In addition, Scotland has created a complex state-led ecosystem with over 50 key actors, most of whom are funded at least in part by the Scottish Government. These agencies, institutions and organisations provide new and existing social enterprises with development advice, skills training, funding and networking, whilst enabling the Government to retain control over the agendas pursued by each.

Scottish political commitment to community-led social innovation through social enterprise therefore does support localised regional responses to social challenges. However, beyond this, political support remains a lack of academic evidence demonstrating the value of social enterprise's contribution to the delivery of welfare and social care services.



Enacting socially innovative Scottish policies

WELFARE AND SOCIAL INNOVATION – AN EXAMPLE

Academic evidence suggests welfare services in Scottish local authority (municipality) areas are not being replaced on a significant scale by social enterprise-led social innovations, despite claims of shift in the UK towards the marketization of welfare [2]. This is not a result of a lack of evidence of such initiatives' effectiveness, but rather it reflects local authorities' traditional risk aversion which prevents the devolution of responsibility for vulnerable citizens to organisations perceived as unproven or unsustainable.

This was demonstrated in a qualitative study of stakeholders in the Scottish Self-Directed Support (SDS) ecosystem, which traced a socially innovative policy from development to implementation, and documented the resulting emergent socially innovative initiatives in regional social care [1]. However the study also demonstrated that these socially innovative initiatives were highly dependent on the interpretation of the policy at local authority level.

Scottish SDS policy empowers budget holders to direct their own care, giving them a choice and control over how they spend their SDS budget, including what they spend it on and from whom. In a limited number of regions in Scotland, this policy has been closely followed and implemented as the policy document intended. In some areas, the policy has driven the emergence of a thriving socially innovative sub-culture of microenterprises offering socially innovative social care services (e.g. writing; herbal medicine; walking; life coaching) that breaks away from traditional 'cleaning and shopping' social care provision. This is particularly the case in some remote rural Scottish areas where socially innovative solutions have emerged from necessity as budget cuts, combined with increased pressure from the ageing Scottish demographic, have reduced service availability [1].

In other Scottish regions, however, local authorities have interpreted SDS policy to maintain the status quo, insisting SDS budgets must only be spent on traditional home care services from a limited number of large organisations the local authority has pre-approved. This has inhibited the development of social innovations by providers in those regions, and prevented microenterprises and small social care organisations from participating in the market due to this pre-approval process [1]. This control of the social care quasi-market through local policy interpretation in those regions evidences both the political influence (dictating organisation size and approval) and the Darwinian nature (only the favoured fittest survive) of the emergence of regional social innovation.

CONCLUSION

The current social innovation political discourse in Scotland is socioeconomically-led and focuses on social enterprise. Evidence from social care suggests some Scottish regional local authorities have created a Darwinian competitiveness in local quasi-markets, supporting large organisations to maintain their historic service delivery and so negatively impacting the organic emergence of future socially innovative transformations.

> **This paradox of social innovation disrupting regional institutional governing structures whilst responding to national and international policy initiatives highlights the need for evidence-based theories.**

Social innovation continues to pose a threat to local institutions and their historical governing structures. This paradox of social innovation disrupting regional institutional governing structures whilst responding to national and international policy initiatives highlights the need for evidence-based theories to explain the contexts in which Scottish social innovation is successfully and sustainably enacted. Such theories should embrace the complex Scottish ecosystem of political, economic, social and environmental influences on emerging social innovation.

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