Towards a more effective governance of socially innovative policies – First insights from the case studies

Stijn Oosterlynck, Andreas Novy, Yuri Kazepov, Gert Verschraegen, Tatiana Saruis, Fabio Colombo, Pieter Cools, Roberta Cucca, Bernhard Leubolt & Carla Weinzierl

Discussion Paper No. 16/11
April 2016
Acknowledgements
The research for this Case Study has benefited from financial support by the European Union’s Seventh Framework Programme (FP7/2012-2016) under grant agreement n° 290613 (ImPRovE: Poverty Reduction in Europe: Social Policy and Innovation; http://improve-research.eu). The authors are solely responsible for any remaining shortcomings and errors.

April 2016
© Stijn Oosterlynck, Andreas Novy, Yuri Kazepov, Gert Verschraegen, Tatiana Saruis, Fabio Colombo, Pieter Cools, Roberta Cucca, Bernhard Leubolt and Carla Weinzierl

Bibliographic Information

Information may be quoted provided the source is stated accurately and clearly.
Reproduction for own/internal use is permitted.

This paper can be downloaded from our website: http://improve-research.eu
Table of contents

1 Local social innovations combatting poverty as a governance challenge ............................ 4
2 On elephants, lions and butterflies: social protection, investment and innovation .............. 5
3 The multi-scalar puzzle of social innovation ........................................................................ 12
4 Modalities of governing the welfare mix ............................................................................. 15
5 Participation, empowerment and social innovation .............................................................. 18
6 Negotiating equality and diversity ......................................................................................... 19
7 Knowledge for/in social innovation: on knowledge alliances .............................................. 21
8 Integrating Europe into local social innovation .................................................................. 23
9 Consolidating and diffusing social innovation .................................................................. 25
References ............................................................................................................................. 32
1 Local social innovations combating poverty as a governance challenge

Stijn Oosterlynck, Andreas Novy and Yuri Kazepov

How are local social innovations combating poverty governed in Europe? This is the central research question that motivates the ImPRovE research strand on social innovation. Social innovation is an increasingly important, but contested quasi-concept without a universally agreed definition. In the ImPRovE project, we have defined social innovation as actions and initiatives aimed at the satisfaction of social needs that are not adequately met by market and macro-level welfare policies (content dimension) through the transformation of social relations (process dimension), which involves empowerment and socio-political mobilization (political dimension linking the process and content dimension). They depend on the active involvement of civil society organizations, social entrepreneurs and/or local governments, which are seen as crucial sources of innovation. Although local social innovations work from the everyday life context from people living in poverty, they mostly mobilize resources, actors and instruments that are situated on supra-local scales and therefore have a ‘bottom-linked’ character.

Social innovation implies a specific approach to poverty. Within the context of the welfare state and its redistributive and protective policies, poverty came to be seen mainly as an issue of a lack of monetary income. The resurgence of social innovation attaches itself to a broader definition of poverty in terms of a set of processes of social exclusion in various spheres of life that hinders people’s full participation in society. The potential of social innovation lies therefore not directly in an answer to the failure of many European welfare states to reduce monetary poverty, but in a broadening of what constitutes poverty and hence anti-poverty strategies. Social innovation has thus contributed to open the hitherto rather centralized and bureaucratized field of social policy.

In this context, the ImPRovE social innovation research aims to understand the governance dynamics of local social innovations and how they are informed by the spatio-institutional context of specific welfare regimes. We refer in particular to the territorial organization of welfare systems (degree of decentralization) and the welfare mix. We have explored and analysed the governance dynamics of local social innovations through 31 case studies in three policy fields: labour market activation, education for ethnic minorities and housing (with an emphasis on homelessness). The case studies are located in eight different countries, namely Austria, Belgium, Brazil, Hungary, Italy, Spain, Sweden and UK. This includes the various types of welfare regimes (corporatist, liberal, social-democratic, transitional and familistic) and Brazil as an emerging welfare regime to contrast with the mature welfare regimes in Europe. Each case study report describes the socially innovative initiative and its genesis, assesses in what sense the initiatives are socially innovative, maps the institutional context, welfare mix and governance relations and discusses a range of governance challenges that were previously identified through a literature survey (e.g. mainstreaming, participation, fragmentation of welfare mix, diversity, etc.).

Our initial comparative strategy to analyze how local social innovations are shaped by the welfare-institutional context in which they develop was based on variation finding (Robinson, 2011). We aimed at explaining the systematic variation between the governance dynamics of local social innovations by keeping some factors constant: Either the policy field of social innovation (housing, education for minorities and labour market activation) or (in some cases) a specific case of social innovation (e.g. Housing First or Roma engagement) or the welfare regime and its specific governance arrangements (territorial organization, mode of governing the welfare mix and state-third sector relationships). However, when we started to compare the most similar cases and contrasted them with different cases, no clear and visible patterns in the governance dynamics of social innovations emerged. The collected cases study material, despite being both rich in empirical detail as well as formally organized...
for cross-case comparison, did not allow us to test a range of a priori formulated hypotheses on the relationship between the welfare-institutional context and social innovation governance dynamics (e.g. the expectation that in corporatist welfare regimes negotiated social innovation would prevail, while fragmented social innovations would dominate in familistic welfare regimes). We learned that we cannot sufficiently explain the governance of local social innovations based on a limited set of welfare-institutional variables.

We therefore changed from a variation finding to an individualizing comparative strategy, in which we aim to explain the governance dynamics in one case through a comparison with a set of other relevant cases. We do no longer seek to test hypotheses about the governance dynamics of social innovation, but focus on theory building and sharpening our concepts. The governance dynamics of social innovation is determined by a multiplicity of interacting and often highly contextual factors, so that any explanation can only be historical and specific and should be arrived at through a sustained comparison with one or more cases across specific welfare-institutional contexts and/or the broader literature on social innovation and welfare reform. Our unit of analysis is the localized social innovation. However, we do not focus on the intervention or action in isolation, but include its spatial form and institutional embedding, i.e. its multiscalar and networked nature as a complex assemblage of actors, institutions and instruments, as an intrinsic part of the social innovation initiative. In the sections of the report that follow, we summarize our main findings regarding the governance dynamics of social innovations as they are shaped by specific welfare mix and multi-level governance configurations. Each section focuses on one specific governance challenge for social innovation.

2 On elephants, lions and butterflies: social protection, investment and innovation

Yuri Kazepov, Tatiana Saruis, Fabio Colombo

In the last forty years, the post-war European welfare systems have changed profoundly. This chapter disentangles the tensions which have emerged in this restructuring processes by analysing the relationship between three paradigms of social policy making – social protection, social innovation and social investment – through the social innovative initiatives investigated in the thirty one ImPRovE case studies.

The first paragraph will present the three paradigms, analysing their characteristics as well as their relationships. The social protection paradigm is the oldest pillar of the welfare state. The main competence belongs to the (nation) state, as guarantor of social rights and responsible for social security. This paradigm has been weakened due to the neoliberal restructuring of the state with respective rescaling processes of institutional competences, mainly aimed at decentralisation. Social innovation has been presented as a new – but essentially contested – paradigm for social innovation that aims to satisfy social needs that are not adequately met by market and macro-level welfare policies through the transformation of social relations. It is often critical of conventional public institutions and sees civil society initiatives as well as social enterprises as the main sources of innovation in welfare provision. In ImPRovE, however, we argue that neither the innovative capacity of civil society and the market nor the conservative attitude of public institutions should be taken for granted and should be subject to empirical research. Finally, the social investment paradigm emerged as an increasingly powerful paradigm that aims to combine social support with the strengthening of economic competitiveness in globalizing economies. Competitiveness should be enhanced by creating synergies among three different functions: human capital development, activation and social inclusion. The second paragraph aims at analysing the relationship among the three paradigms as trends of development of welfare policies targeted to poverty and social exclusion through the case studies.
analysis. In order to explain their specificities and interactions we proceed metaphorically, describing them as animals with characteristics that allow to identify their potential interactions. In the concluding remarks, we provide some final reflections on the following research questions: How are the three paradigms developing? How do they interact and can be integrated? What kind of balance is being created among them in order to fight poverty and social exclusion? What are the preconditions which allow them to strengthen instead of weakening each other? Is a mutual symbiosis, an alliance, among these “animals” possible? An alliance which may probably create more innovative solutions and contexts, valuing each other’s strengths and contrasting weaknesses?

2.1 Social protection, social innovation and social investment: interacting and context-embedded paradigms

In the last forty years, deep changes have restructured profoundly the European welfare systems. These changes can be described by referring to three different paradigms of welfare policy-making: social protection, social innovation and social investment paradigms. None of them introduces logics that are completely new for the European welfare systems, but they have developed and become increasingly relevant and evident over time. The social protection paradigm is the first pillar of the welfare system, but it did not remain unchanged. On the contrary, over the last few decades it underwent substantial changes. Its role belonged historically to the (nation) state, as guarantor of social rights, responsible for social security and policy producer and provider during the so-called “Golden Age”, from the Second World War to the end of the 1970s.

This paradigm was sustained by specific contextual conditions: continuous economic growth, demographic balance among age groups, high employment stability, broad and generous policy programs and strong and stable family relations based on a gendered division of labour. These conditions have come to a crisis starting from the 1970s. On the one hand, important socio-demographic, socio-cultural and socio-economic changes, described in all European countries (Castel, 1995; Taylor-Gooby, 2005; Bonoli, 2006; Ranci, 2010), have led to a gap between traditional policies and new social risk profiles. On the other hand, the breaking down of the reciprocal support between a growing economy and the availability of public resources started a period of deep crisis, followed by structural reforms aimed at an overall reorganization, rationalization of costs, involvement of new actors and introduction of new philosophies of social intervention (like activation, see: Serrano-Pascual, Magnusson, 2007). A process of destatisation (Jessop, 2002; Swyngedouw, 2009) and institutional rescaling, including decentralization, have been concerning welfare policies (Kazepov, 2010). These changes have furthermore been introduced during economic crisis and budgetary constraints, not favourable to redistribution. These conditions have risked to delegitimise and undermine the social protection paradigm, on which the welfare state is primarily based.

The social innovation paradigm is considered crucial in the process of adaptation of social welfare provision to new social needs, job market, cultural changes and family organisation. Civil society, social enterprises and local public institutions are often identified as the main developers of socially innovative initiatives. They are supposed to be intrinsically flexible and effective and ‘represent’ the needs and interests of weaker social groups, but these aspects should not be taken for granted, as they are not immune from many risks, included conservative dynamics as monopolism and isomorphism (Oosterlynck et al., 2013a). Their role is often opposed to public institutions and private markets, both not completely able to satisfy social needs and demands (Hirst, 2002). There is a lot of debate regarding the relationship between social innovation and public institutions, with the latter often described as essentially resistant to change and resisting innovation due to their bureaucratic operation (e.g. sectorial and procedural) (Young Foundation 2010). However, the long season of reforms started in the 1970s highlights that these organisations have been open to transformations and relevant changes, while their role in creating favourable conditions for social innovation is part of the new role
TOWARDS A MORE EFFECTIVE GOVERNANCE OF SOCIALLY INNOVATIVE POLICIES

of public institutions implementing reforms aimed at subsidiarity and governance (Oosterlynck et al., 2013a and b).

The social investment paradigm aims at creating a new synergic balance between welfare policies and economic growth. Welfare policies are re-addressed in order to increase labour productivity, technological innovation and competitiveness to foster an inclusive knowledge-based economy (Jenson 2009; Morel et al. 2012). Public institutions assume a new role in this paradigm, in order to actively promote human capital development through education, activation and other measures of social inclusion, basic social protection and services aimed to guarantee equal possibility of access to the labour market (Hemerijck 2013, 2015; Morel et al., 2013; Bonoli 2014; Kazepov, Ranci, 2015). This strategy is supposed to produce a long-term positive impact both in social wellbeing and economic growth, but critics argue that the subordination of social policies to market productivity tends to delegitimise the social protection function of welfare state (Cantillon, 2011; Bouget et al., 2015), especially in a period of austerity policy and strong fiscal constraints, and produces negative distributional outcomes (Pintelon et al., 2013; Van Vliet and Whan 2015) and social exclusion of weaker groups (like disable or elder people) that are not able to participate to the labour market (Cantillon and van Lancker 2013). Kazepov and Ranci (2015) highlight that contextual pre-conditions – both structural and institutional – influence social investment strategy’s outcomes and that welfare infrastructures constitute a precondition to make social investment policies produce the supposed positive effects. In this paradigm, the State re-assumes a relevant role, as important investor, policy designer and coordinator, but the central role is assigned to market, as job inclusion is considered the main mechanism to be supported to produce social inclusion and combat poverty.

The three paradigms can be represented as animals with specific characteristics that might allow us to better identify their potential relations and interaction. The social protection paradigm can be compared to a big and slow elephant, moving in a brittle changing context, but also able to live in a herd and cooperate. Social innovation can be represented as a butterfly, experimenting its new colours, egocentric beauty, lightness and agility. Its flight is frail and it lives for only one day. Finally, lions represent the social investment paradigm providing a specific re-interpretation of state intervention in a political-economic context increasingly dominated by the market logic and competition. Each ‘animal’ has its strengths, but can they co-exist with other animals on an equal footing? Each of the three paradigms can also be referred to central subjects: the national state can represent the social protection paradigm, as the main provider of welfare policy and measures. Civil society, social enterprises and local public institutions are the main promoter of participation and social innovation. The market is crucial in the social investment paradigm, in which public investments are oriented to support the labour market as the main mechanism for social inclusion. They can represent the paradigms’ dominant logics, but have not to be identified with them, as their role is central but not exclusive.

2.2 The paradigms and their relations in practice: lessons from the case studies.

In this paragraph, the ImPRovE case studies are analysed and compared to highlight the interactions among the three described paradigms. The case studies concern social innovation initiatives, but the analysis will focus on how the other paradigms are acting too and emerge in their realisation. The three policy areas of inclusive education, labour market activation and housing selected for the field research are differently configured in EU countries. This means the balance among the paradigms has a specific connotation in the local contexts where they are embedded. New interventions and pre-existing measures can support or weaken each other. It is important to consider the policy packages: every measure is part of policy and institutional assets that can complement or create weaknesses in social innovative initiatives.
**Education.** The policy area of education is a core area both for the universalistic tradition of most European welfare systems and for the social investment paradigm. The social innovative initiatives analysed here aim at improving the social inclusion of children from an ethnic and cultural minorities background. In most cases, the initiatives integrate educational activities with various forms of social and economic support and/or activation measures. In these complex interventions, the three paradigms assume different weights and assume variable combinations.

The Austrian initiative *Vielfalter* (case 1) promotes a competition for the realisation of innovative local proposals to improve the inclusion through education of children with immigrant background. The projects are funded by the Vienna hub of the company *Western Union* and assessed and selected in collaboration with the Federal Ministry of Education and Women’s Affairs and *Interkulturelles Zentrum* (IZ), an independent non-profit organization. The investment of resources is mainly private, but the public sector and the involved NGO dedicate professional resources, time and ideas and contribute to the selection procedures. All the organisations involved are aware that the investment in children education and promotion of a positive inclusion has both a social and economic value, as they will (probably) become Austrian citizens and workers. For Western Union taking up social responsibility is combined with building a positive image for the company. The funded initiatives are not substituting the public intervention in schools and kindergartens, but are helping schools and nurseries to experiment with new approaches to meet the challenges of multiculturalism. The involved organisations expect the state to develop a structural strategy for building an institutional setting that meets the needs of an increasingly diverse and unequal society and to support a good and effective promotion of all children’ resources, including their multicultural and multi-lingual background, in Austrian society and labour market. This perspective combines the idea of a universalistic provision of education with the social investment perspective, supported by a social innovative strategy that develops bottom-up experiments to address increasing diversity in the education system and use it as a strength for individuals as well as society at large. What is lacking in the opinion of some interviewed is a better awareness among the general population and politicians to commit structural investments of public resources to this strategy.

Another interesting case study that exemplifies how the paradigms are combined is the project about Roma children education and social inclusion realised in Lecce (Italy) by the Association *Alteramente* (case 2). In this project, Roma-Italian children’s double cultural identity and language is considered a strength on which to base education and social inclusion pathways and the development of future skills to be applied in the labour market. Offering support to the children also allowed activating a range of actors in different roles: parents and teachers, other inhabitants of the camps, but also voluntary workers, teachers and social assistants. In the project children became the ‘key’ to develop new and improved social contacts between Roma, public and other institutions and the rest of the population in Lecce. The start-up of the project was financed by Puglia Region with EU funds (which were not aimed at Roma inclusion, but at the provision of work opportunities for the young members of the association). The municipal social services’ employees and school-teachers have established a good relationship and collaboration with the Association and consider the project as a service helping them to better do their own job. Despite this, the project suffered from lack of resources and was not picked up by the welfare system. In this case, the universalistic education system faces substantial difficulties in dealing with diversity and socially innovative initiatives jump in to substitute public institutions in this task. The social investment perspective is reflected in the idea that investing time and resources in the children will have positive effects on the whole camp and the city integration, supporting public institutions’ work and increasing social cohesion. The problem is the lack of long term public investment in the project and of a shared strategy for Roma inclusion, probably also for reasons of political opportunity.
Labour market activation. Labour market activation is crucial for the social investment paradigm. In some European countries, it has been part of national welfare traditions for some decades now (especially in the Nordic area), while in others (e.g. in Italy and other South European countries), it is a more recent and not yet consolidated policy area. This means that social innovation and social investment can play different roles in these contexts: improving or supporting welfare infrastructures on the one hand and stimulating their construction or substituting them on the other hand. The different articulations of policy paradigms can be described here through a short comparison of three case studies on reuse projects in Belgium, Hungary and the United Kingdom.

The Kringwinkel centres in Belgium (case 8) are autonomous social enterprises engaged in the reuse of old materials and goods. In general, they combine three aims: 1) waste reduction and sustainable use of materials; 2) jobs and learning experiences for long-term unemployed and 3) provision of quality materials at low prices. They collect and (if necessary) repair donated goods in order to sell them as second hand products. The Kringwinkel has become a strong player in the regional reuse sector in Flanders over the last decade. The enhancement of ‘employability’ of formerly unemployed is a key issue for the initiative and the investment in supervision and personal case management is a priority for the organisation. This aim is supported by public welfare institutions through financial support for the hiring unemployed and labour market care work. Furthermore, the sensitiveness to this mission contributes to attract donations of dismissed goods and materials. At the same time, the company gives attention to gather and save up resources by developing new activities and pursuing product and process innovation. The social enterprises can hence partially fund themselves through their own activities, but could not survive financially without employment subsidies from the government.

A similar socially innovative initiative has been studied in Hungary (case 15). Here the Charity Shops pursue the same three aims as Kringwinkel, but charity shops mainly fund themselves through their own activities. No special public support is provided for their combined ecological and social mission: reuse of materials and objects, employment of disadvantaged people and low prices policies aimed at providing cheap buying opportunities for people with limited financial assets. Despite the social and business mix of interests, no legislative framework supports charity shops specifically. They do not receive tax relief or wage subsidies. They only have agreements with local governments, despite their network having a national dimension. The local administrations usually provide a place for the social enterprise for a cheaper rent, mostly in exchange for the charity shop to employ disadvantaged people. In order to challenge this situation, the charity shops recently established an advocacy organization, named Association of Hungarian Charity Shops.

A similar umbrella organisation, the Furniture Reuse Network, was analysed in the United Kingdom (case 19). This second level organisation has been created to represent the interests of associations and social enterprises managing initiatives on both reuse and the activation of the unemployed. The cuts in resources dedicated to Local Welfare Assistance in UK risks damaging these social enterprises. The budget cuts reflect a shift of responsibility from the central state to local governments and other organisations, despite the rhetoric on activation policies.

All three of these projects aim at reconciling economic activities with an ecologic and social mission. In these projects, the social innovation paradigm is combined with a social investment perspective. They employ disadvantaged workers and formerly unemployed, supporting their social inclusion and promoting the development of labour market competences and skills. All three of them finance themselves partially or fully with the earnings deriving from their own activities. All interviewees, however, underline that the support of the welfare state remains crucial to give them the possibility to survive in the market. Much of this support could be justified on the classical welfarist grounds of the need for social protection of groups with a weak labour market profile.
Housing. The social housing policy area has been part of welfare policies since a long time, with private and public organisations engaged in varying roles in different contexts. From a Keynesian-welfarist point of view the state should guarantee investments in this social housing to both promote social inclusion and stimulate economic development. The role of civil society in this field is comparatively less well developed. Social innovative initiatives, however, are producing interesting results, like the Housing First projects that challenged established policies against homelessness. The case studies on Housing First inspired initiatives, realised in Austria, Belgium, Hungary, Italy, Sweden and United Kingdom, are interesting because they make context sensitivity explicit by showing how the very same model of intervention on homelessness is adapted to the different welfare conditions and regulatory arrangements. They are an example of how the very same trends have created many combinations interacting with local conditions and with the pre-existing welfare state arrangements.

Two case studies carried out in two very different contexts, Sweden and Italy, help us seeing how the different social policy paradigms interact in the housing field. The first example is provided by the Swedish case study UngBo 12 (Young Housing 2012) (case 28). In this case a public institution, the Municipality of Malmö, invests not only in a participatory initiative to elaborate new housing solutions for young people, but also triggers interest of private organisations and attracts investments in a common project. In this context, the social protection paradigm is prominent and public actors are able to stimulate initiatives emerging both within the social innovation and the social investment paradigms, helping young people to make the transition to adult life. The second example regards the Housing First inspired initiative Tutti a casa, realised by the Association Piazza Grande in Bologna (Italy) (case 22). Challenging the traditional staircase model, in this project, homeless people and families are provided with affordable apartments, mainly rented from private owners. If the tenants have incomes (pensions or wages) they can pay their own rent, at least partially. Otherwise, a tailored solution is developed within a mixed public-private network, involving the Municipality and social cooperatives and offering them activation measures in order to support their inclusion in the labour market. A major problem in the realisation of the project is that Italy has never introduced a measure of minimum income and the municipal social services can provide only very limited and temporary economic subsidies, paid internships, or both. The acceptance of activation measures, in order to become able to pay a rent is crucial to guarantee housing stability to tenants. This is a reason why, differently from the original Housing First model (Tsemberis, 2010) and many European experimentations, active users of drug or alcohol who are not in treatment have been excluded from the initiative because they have more difficulties and need further personal support. In this context, the socially innovative initiative had to take into account the limits of a residual welfare system (even though Bologna is one of the richest cities in Europe) and could not avoid conditionality of access. However, active policies had a positive impact on claimants. Involved actors argue that providing a house without any other form of support might be ineffective for people who had experienced forms of extreme poverty and social exclusion. An example is the unexpected request made by claimants to social workers to be accompanied and helped in exploring their new neighbourhood. This request made the organisers understand that social inclusion process could not be spontaneous for these people, as some aspects of their life were compromised by the period spent in the streets. The social investment perspective is more difficult to identify in this project. However, the Housing First approach has been promoted as a cost-effective practice, thus attracting the attention of policymakers.

2.3 Concluding remarks

As the case studies shown, socially innovative initiatives develop context-specific articulations and combinations between the logics of the three paradigms described above as social protection, social innovation and social investment. Sometimes these logics and the associated actors, institutions, instruments and resources complement each other, while at other times they challenge one another in attempts to overcome consolidated practices and regulations. The social innovation paradigm often
challenges established welfare policies, usually based on the logic of social protection, while at the same time many of these initiatives benefit from instruments and resources of classical welfare policies (or would need them to become more effective or sustainable in the long term). Social innovations are also often aligned with the logic of social investment (like in Sweden, for example) and use its instruments and resources, while in other cases tensions emerge, amongst others with the latter’s narrow labour-market focus.

The role of the social protection paradigm has not to be belittled. Established national welfare policies face substantial problems and weaknesses, e.g. in adapting interventions to rapid changing needs and contexts, mismatching needs, dualising citizenship rights and stratifying society in specific ways. However, our analysis of local social innovation from the perspective of the three policy paradigms highlights the importance of the framing role of social protection and welfare state arrangements in allowing social innovation to deploy its full potential. The strengths of public institutions are clear: securing citizens’ rights from randomness, creating systems of services and interventions, investing significant resources and programming long-term investment. Criticisms to public institutions and social protection have to be put in perspective and contextualized. The balance between problems and resources, flexibility and bureaucratisation, innovation and conservatism is variable and needs to be disentangled empirically.

The social protection paradigm, in fact, is more flexible than expected: (1) it has started a long process of reform in the 1970s and has renewed significantly, at least partially including the paradigm of social investment and showing a variable capacity of self-innovation; (2) it constitutes the background for self-organised social innovation, providing resources, limits, opportunities and constraints; and (3) it often constitutes an essential and complementary part of new initiatives and experimentations that are based and built on them (see e.g. the minimum income measures supporting Housing First experimentations). The biggest challenge for public institutions is to create favourable conditions for social innovation, at the same time guaranteeing social protection, equality in public provision, keeping control over exclusionary processes and avoiding the risk of delegation and passive subsidiarity (Kazepov, 2008, 2010). In fact, leaving space to citizens and communities’ self-organisation might increase and consolidate inequalities (Ilie and During, 2012), as the weakest have less possibility to mobilise in favour of their own rights.

The paradigm of social investment has shown a strong capacity to influence social innovation, especially the contents of initiatives, underlining the importance of the labour market as the main mechanism for social inclusion in conjunction with capabilities and training development. Its influence, however, is not neutral, as it can be a way of changing the social protection bases of welfare systems, pushing towards neoliberal regimes. This possibility depends also on how it is articulated to the other paradigms. On the one hand, the social investment paradigm encourages public welfare institutions to invest new resources in (often new) policies to combat poverty, while on the other hand it risks to undermine the social protection paradigm and entertain an ‘instrumental’ relation with social innovation. The prevailing of market mechanisms in social investment program tends to select employable individuals, leaving the weakest to cater for themselves. Those who enjoy the right to a minimum income might continue to be supported in long-term and chronic dependency, while those who do not enjoy this right might be totally excluded. This means that if the paradigm of social investment is not balanced by social protection measures, the risk is to reinforce inequality and social exclusion. At the same time, the social innovation paradigm can complement them with a more holistic perspective that gives attention not only to citizens’ needs and problems, but also to citizens’ resources that can be spent in pathways of social inclusion.

In the context of our metaphor on elephants, butterflies and lions. The former are not just big and slow animals moving in a brittle shop risking to crash everything fragile they find on their way. The second are not the only innovative actors, gently flying with their colourful features and spreading the flowers’ pollen to nurture new experiences. The latter are not only charming and powerful animals. Elephants’
memory, solidity, solidarity in the herd and ability of finding water to preserve life are to be conceived positively. Butterflies’ fragility and short existence and their egocentric beauty have to be considered at potential critical points. And due to the strength of the lion one can eat, but it also has to kill to offer food for its family. An alliance or mutual symbiosis between ‘animals’ so different seems to be difficult. It requires an imaginative zoo manager and the creation of innovative and productive contexts, to value each other’s strengths and to avoid their respective weaknesses.

3 The multi-scalar puzzle of social innovation

Yuri Kazepov, Fabio Colombo, Tatiana Saruis

The attention devoted to social innovation, both as a concept and as a practice, rose when the idea of the nation state started to be challenged under the pressure of various socio-economic and demographic factors, related to the crisis of Keynesian Fordism (Jessop, 2002). Major welfare state reforms foresee new configurations in which multiple scales and multiple actors start to play a growing role backed by the principle of subsidiarity (Kazepov, 2010). This chapter deals with the multi-scalar dimension of social innovation, i.e. with the opportunities and limits that the multi-scalar configuration of the welfare state poses to the development of socially innovative initiatives and, vice-versa, how social innovation is, or is not, capable to take up these opportunities. Taking up multi-scalar lenses to investigate social innovation might help us in understanding also how social innovation rises, grows and, eventually, disappears.

The primary scale of the majority of our case studies is the city or one or more city districts. This is partly the result of our empirical focus on local social innovations, but it also confirms the increased room for local experimentations due to the processes of decentralisation characterizing European welfare states. Many initiatives are embedded in the local institutional context and were put in place following perceptions of unsatisfied need. A condition providing room for local experimentations is the degree of autonomy of local public administrations, which in some cases was decisive for initiating and managing innovative practices. This is the case, for example, of Tradate Solidale (case study 23) in Italy, where the municipality – also to address cuts imposed by higher scales (regional and national) – activated a wide local network aimed at targeting the needs of low income households by drawing upon yet untapped resources in the community. This local embeddedness does not mean that socially innovative practices do not consider other scales. Most of them involved actors, instruments and resources from the national and/or European scales. The regional and/or provincial and/or municipal levels were involved in around half of the cases. Other scales implicated in our case studies are the street level and the global level. Table 2 synthetises the main functions and potential problems for each scale in our case studies.
Table 2: Main functions and hindrances connected to the scales implicated in case studies.

<table>
<thead>
<tr>
<th>Scale</th>
<th>Main functions</th>
<th>Potential problems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street-level</td>
<td>Need assessment; mobilisation</td>
<td>Localism</td>
</tr>
<tr>
<td>City District</td>
<td>Implementation; need assessment</td>
<td>Localism</td>
</tr>
<tr>
<td>Municipality</td>
<td>Coordination; management</td>
<td>Veto points; vested interests</td>
</tr>
<tr>
<td>Provincial</td>
<td>Research; funding; political backing</td>
<td>Veto points; vested interests</td>
</tr>
<tr>
<td>Regional</td>
<td>Funding; political backing; legislative framework; coordination</td>
<td>Political obstruction; vested interests; lack of coordination</td>
</tr>
<tr>
<td>National</td>
<td>Legislative framework; political backing; coordination; networking; funding</td>
<td>Political obstruction; vested interests; lack of coordination; cuts; top-down need assessment</td>
</tr>
<tr>
<td>European</td>
<td>Funding; networking; agenda setting; research; benchmarking</td>
<td>Administrative burden; top-down need assessment</td>
</tr>
<tr>
<td>Global</td>
<td>Benchmarking</td>
<td>Unfit for local contexts</td>
</tr>
</tbody>
</table>

The most successful social innovations include multi-scalar arrangements from the very design of the initiative. Drawing on a bottom-up need assessment and pilot (usually at the city or city district level), they are capable of integrating higher scales in the development, funding and spreading of innovation. In the case of Romane Buca in Sundbybergs (case study 24), the leading organisation (a Swedish NGO) was succeeded in framing the local initiative within a national programme. Users of the local educational project could also benefit from other activities of the wider programme, like job apprenticeship and support in the job search. The presence of an actor explicitly acting at a higher scale (the National Employment Service) multiplied access points to the initiative and allowed for a strong political backing by the central government. The European level was also important for the development of the initiative by providing funding and networking and through an indirect agenda setting, which committed Sweden (and all EU member states) to the adoption of a national strategy for Roma inclusion, which was an important political resource for Romane Buca, as it was also for other projects addressing Roma exclusion (e.g. the Austrian initiative Thara, case study 12). Camden Housing First (case study 14) is an example of a project not explicitly including a multi-scalar perspective and passively suffering from the impact of higher scales arrangements. In particular the initiative, implemented in a city district of London, suffers from national legislative constraints (excluding migrants from the scope of the project) and its long-term funding is hindered by cuts in the budget of local authorities. The project lacks of connections with the national scale, which would be fundamental to carry out a lobbying action to change the policy context.

The adoption of a multi-scalar perspective is also important to prevent higher scales from negatively impact on the development of social innovation, mainly through political obstruction, veto points, vested interests and lack of coordination. In the case of Housing First Budapest (case study 6), the central government hampers the development of the model by defending well-established interests and channelling EU funds to other issues. Another case of political obstruction can be observed in Thara (case study 12), which was not supported by the municipality of Vienna. Thanks to active connections established with the national and European levels, the initiative could bypass the municipal level and obtain political backing and resources from higher scales.

Social innovations that do not include a multi-scalar perspective and are not capable to create connections with different scales usually suffer from a short-term perspective. This risk, however, is highly context-dependent. In cities characterised by favourable political and economic conditions,
social innovation is likely to survive also with limited contacts with higher scales. Interestingly, this is observable in the case studies implemented in three European regions that enjoy strong autonomy: Flanders in Belgium, Cataluña in Spain and Trentino in Italy. All these three regions can provide local projects with strong political backing, an enabling legislative framework and adequate funding without the real necessity for political and economic support coming from higher scales. This created favourable local conditions for projects like *Domo vzw Leuven* in Flanders (case study 9), *SIDH* in Cataluña (case study 29) and *lo cambio status* in Trentino (case study 3). On the contrary, solid connections with higher scales are more important where local contexts are politically and/or economically weak. When the regional contribution for the start-up phase finished, the initiative *Ánde Škola* (case study 2), a project for Roma inclusion in Apulia region in southern Italy, was not able to raise funds to continue its innovative practice. The inability of both actors to liaise with higher scales in order to secure funding from other sources, clearly poses the question of the *innovation-gap* between rich and poor European regions. This issue and the way it leads to an “unequal distribution” of social innovation, however, needs further research.

To sum up, multi-scalarity is not only a background for social innovation, but actors putting forward social innovation initiatives should learn to actively operate across scales. But how can local, and often small-sized, social innovations manage to successfully include different scales in their action? A strategy adopted by some of our case studies is to include in the governance system of the project some key persons in strategic public institutions. We can refer to these key persons as *scale-keepers*, who can provide the local promoters with access to different types of resources available at higher scales. In the case of *Vierfalter* (AT, case study 1), the promoters were able to involve, since the design of the project, the head of a strategic unit in the federal Ministry of Education. This person played an important role in the development and national diffusion of the initiative. The development of *Romane Buca in Sundbybergs* (SE, case study 24) was made possible also thanks to the strategic action of a key person within the national Employment Service, who allowed for political backing, awareness raising and, more concretely, for a flexible interpretation of some national rules concerning social benefits, which have been exceptionally made available for the entire duration of the project. On the contrary, the same flexibility was not adopted in the case of *Sprakstödjande Insatser* (SE, case study 25), where bureaucratic rigidities hindered the experience of some beneficiaries and excluded others, because of lack of coordination between local and central services. The absence of a *scale-keeper*, able to mediate between levels, was explicitly mentioned as a reason for the lacking of the needed flexibility.

A key role in connecting local practices to higher scales is played by the umbrella organisations. They can provide social innovations with important resources, in terms of networking, advocacy and lobbying. Their capacity to influence policy makers at different scales is turning to a decisive point for fostering social innovation. For instance, FEANTSA, an umbrella organisation representing the interests of different organisations addressing homelessness in Europe, played a decisive role in the promotion of Housing First in all our six case studies implementing this innovative practices (case studies 5, 6, 14, 18, 22 and 26). The importance of these kind of organisations is confirmed by the observation that the establishment of umbrella organisations is also one of the outcomes of social innovation. In the case of *Charity Shops* (HU, case study 15), the diffusion of various shops in different Hungarian cities led to the establishment of a national umbrella organisation to accomplish tasks of coordination, advocacy, lobbying, support for new shops and inhibition of the spreading of fake charity shops.

The preliminary empirical insights provided in the previous section shed light on the fact that adopting a bottom-linked strategy for the development of socially innovative practices within multi-scalar arrangements might prove to be most effective. The bottom-up perspective remains crucial for mobilising resources and networks around perceived local needs, but the connection with top-down practices and policies on multiple scales is of equal importance. By referring to higher scales, social innovations can challenge the limits posed by local contexts in terms of resources, skills, modes of regulation. Higher scales, however, can also hinder the development of social innovation, i.e. by reproducing locally nation-wide vested interests, denying the needed supra-local political backing or
deciding on the allocation of European or national funds in conservative directions. Localised social innovations should therefore not be restricted to local actors and processes, but should include, preferably from the initial design phase of the initiatives, actors operating at different scales to seize the opportunities and prevent the risks of decoupled multi-scalar arrangements. This bottom-linked approach can be pursued through different strategies:

a) Using non-national (namely European) resources to compensate for the lack of national or local commitment, especially in the experimental phase. This strategy implies a certain degree of skills and resources to apply for European funds. An excessive administrative burden can prevent smaller players from accessing to grants and limit the creative facet of social innovation.

b) Involving national institutions, especially in the consolidation phase. This strategy requires lobbying capacities and the ability to advocate for changing policy frameworks.

c) Relying on umbrella organisations which retain lobbying capacities at the national and European level in order to remove limits to social innovation.

d) Involving key persons in strategic public institutions, who can facilitate access to resources available at higher scales. These scale-keepers can help to bypass certain institutional and bureaucratic rigidities, guaranteeing the flexibility that social innovation needs.

The way and extent to which these strategies are implemented in local practices highly depends on contextual conditions. A multi-scalar perspective is unavoidable: all social innovations develop within a legal framework established at different scales, ranging from the local to the European. In some cases social innovations were able to successfully challenge local, and even national, legislation, albeit this outcome requires a specific attention and a wide knowledge-alliance, mainly observable in our Austrian, Belgian, Swedish and UK case studies. The role of national public institutions, and therefore the necessity to involve them in innovative processes, depends on the different national welfare regimes and their differentiated configurations. Centrally framed countries like Sweden and UK require a more proactive involvement of the central state as the main source of mainstreaming social innovation. In other contexts, like Italy and Belgium, regions have substantial legislative competences and this level appears as the most useful to deal with. Local contexts can also make the difference. In regions characterised by favourable political and economic conditions, in terms of recognition, funding and legislative power, the necessity for social innovation to draw upon resources available at higher scales is reduced.

4 Modalities of governing the welfare mix

Stijn Oosterlynck and Pieter Cools

The governance dynamics of steering socially innovative initiatives and actions was a central concern in the ImPRovE social innovation case study research. Over the last decades, awareness has risen that the governance of welfare needs more than merely large scale universalized welfare services and support structures. Since social innovation initiatives are predicated on the idea that large scale and centralized public (and private) bureaucracies cannot address poverty and social exclusion alone and that new types of interventions are required, welfare mixes are becoming increasingly complex, with new actors and instruments being added to it. Hence, a key challenge for successful social innovation in the context of welfare provision and poverty reduction has to do with governing these increasingly diverse public-private relationships that pertain to the finance, provision, decision and regulation of welfare services (cfr. Burchardt, 2013). Within the ImPRovE research we have attributed particular attention to state-civil society relationships, looking at how these often small scale and fragile socially innovative initiatives and the large and robust, and only slowly changing, welfare state institutions mutually shape one another.
All this foregrounds the *problematique* of the coordination of the welfare mix. The concept of a ‘welfare mix’ (Evers, 1995; Ascoli & Ranci, 2001) implies the specific combination of different social domains, most notably state, market, civil society and the family, that are drawn upon to provide welfare and protect against social risks. Our use of the term ‘welfare mix’ here refers both to the historical and formal institutional arrangements between the public, private for profit and private non-profit sector in contemporary welfare capitalism as well as to the complex intermeshing and hybridization of different resources, instruments, institutional logics and normative frames ‘on the ground’ in actual social innovation practices (Seibel, 2015; Skelcher & Smith, 2015). Historically, of course, the production and provision of welfare has always been ‘mixed’ (Spicker, 2008). However, from our perspective, both changing social policy paradigms, notably the transition to an active welfare society, and the increasing prevalence of social innovation, makes the governance of the welfare mix an even more pressing problem. In this section, we discuss the main findings concerning the *problematique* of coordinating the welfare mix in the context of social innovation and welfare reform as they emerged from a transversal reading of the 31 ImPRovE case studies.

Firstly, the complexity of social needs is leading to the development of new welfare mixes, which often is precisely where social innovative character of the initiative resides. We observe a tendency to draw on a wider variety of actors, resources and instruments to develop personalized approaches (see case 7 on individualized support to match unemployed to employers), tailor-made interventions (see case 31 on the partnership in North London to bring young people back into education, training or employment), to address cultural sensitivities (see case 5 on supporting the inclusion of migrant women in the labour market) or establish trust (see e.g. case 2 on establishing relationships of trust with Roma families). We also observe cases in which the innovation resides in the strategic coupling of aims and instruments from different policy sectors (see e.g. labour market and environmental policy instruments in case 8) or the aims of various actors (see e.g. providing access to housing and need for resources for renovation of housing in case 6).

Secondly, since more elaborate and complex welfare mixes may undermine the general rationality of the system of welfare provision and make it unmanageable, its governance becomes of prime importance. Indeed, in many cases of social innovation we studied, innovative forms of governance were central to the initiative (see e.g. the implementation of a socio-educational program in case 30 or the cooperation between the social and housing sector and between various local public institutions in case 29). Governance innovations leads to new organizations, models of networked cooperation and steering instruments and new roles for state, market actors and civil society in welfare provision and their relationships with one another are explored. One example of governance innovation is that of the social movement, which we find mainly in the Spanish and Brazilian cases and in which cooperation with public institutions is established through social struggle (see e.g. the National Movement for Popular Housing in Brazil and the My House, My Life - Entities subprogram in the Brazilian housing policy). Another example of governance innovation is social entrepreneurship, in which social (work) organisations take on a more entrepreneurial attitude to developing a welfare mix to address certain social needs (see e.g. the ‘selling’ of long term unemployed participants in a focused training program to employers in case 7 and the training program to strengthen the entrepreneurial skills of social workers looking for solutions to the problem of energy poverty in case 13). Yet another example is venture philanthropy, in which private resources are invested in social organisations and also receive other support to generate social impact, or other new forms of strategic philanthropic involvement in social organisations (see e.g. the investment of Western Union in the promotion of intercultural communication and multilingualism in Austria in case 1). The most common governance innovation we observed, however, was networked cooperation, in which a wide and varied network of local and supra-local actors is pieced together to address certain social needs and which is often continuously adapted in response to changing situation (see e.g. case 16 on Roma engagement strategies in Manchester or the cooperation between a range of public and private actors to provide language courses and job matching to newcomers in Sweden in case 27).
Thirdly, we observe involvement of public institutions in almost all cases (for an exception see e.g. case 8 on a buddy system for disadvantaged families with young children), highlighting that public institutions remain a crucial actor in the welfare mix. The involvement of public institutions can take various forms, most notably funding (almost all cases involve public funding from local, regional, national or European institutions), mainstreaming either through testing, monitoring and rolling out government-initiated initiatives (see especially the Swedish cases, e.g. case 25 on the job matching and language training initiative for newcomers Språk-stödjande insatser) or through the integration of socially innovative ideas initiated by civil society organisations or social entrepreneurs in policy programs (see e.g. the big but largely unrealized potential for social learning on how to embed intercultural competencies and multilingualism in the educational system in case 1 on the Vielfalter initiative or the rapid adoption of the idea of zero interest loans for energy efficient appliances by the Flemish government in case 13), logistical or in kind support (see e.g. case 2 where the municipality Lecce does not want to contribute financially but lets a social workers and pedagogical expert participate in the network to support the social inclusion and educational trajectory of Roma children), providing a supportive legal framework (see e.g. case 8 on the importance of special labour market statutes for employing low skilled and long term unemployed in an environmental social economy firm in Flanders and case 14 on the loss of expertise that occurs through tendering procedures in the Camden Housing First project) or coordination of the welfare mix, although the latter is a theoretical possibility rather than something we have observed in the case studies, which are mostly characterized by the lack of appetite of public institutions to coordinate the welfare mix.

An important discussion with regard to the role of public institutions is whether their role can be characterized as active or passive subsidiarity. Active subsidiarity refers to a situation in which central or local government transfers or leaves the provision of welfare to civil society organizations or social entrepreneurs but provides adequate financial and logistical support (and hence does not avoid taking up its responsibility). Passive subsidiarity, then, is the situation in which governments transfer responsibilities without transferring or providing adequate resources. In our case studies we find examples of both passive subsidiarity, often in the same case (see e.g. case 2 where the municipality of Lecce is not providing adequate financial and logistical support for an initiative to support the social inclusion and educational trajectory of Roma children, whereas the Puglia region is supporting the initiative financially).

Fourthly, changes in the welfare mix often lead to new conflicts and competition. In our case studies, we have observed several cases in which socially innovative actions and initiatives are competing for resources, legitimacy and users with existing and more established actors, instruments and initiatives. For example, in the Migrom project in Manchester (case 16) there is strong competition between two clusters of organizations on how best to engage the local Roma population (i.e. a legitimacy conflict), while in the Camden Housing First project (case 14) the tendering procedures introduced a competition for resources. In the Emmaüs Monastery Housing First Experiment (case 18), a coalition of housing rights activists competed with a more traditional social work organization for ‘users’ of their housing and support service. However, we also see new forms of co-operation emerging, for instance the development of ‘service delivery consortiums’ where larger and smaller organizations team up to overcome financial risk and increase effectiveness of delivery (see the development of a service delivery consortium to provide support for NEETs in London in case 31).

---

1 Given that our definition of social innovation puts civil society organisations and social entrepreneurs in the ‘driving seat’ of social innovation, this observation may be biased by the selection of case studies following from this definition.
Participation, empowerment and social innovation

Roberta Cucca, Bernhard Leubolt and Carla Weinzierl

In line with a relational understanding of poverty, participation and empowerment are considered crucial elements of social innovations combating poverty. Participatory arrangements have been considered tools that have the potential to advance effectiveness, legitimacy and social justice (Fung, 2015), and since the 1990s have represented a strategic tool implemented by the EU to strengthen its fragile institutional architecture and to be closer to ‘its citizens’ (Maiani, 2011), by promoting a more inclusive approach to decision making. However, starting from the beginning of this EU participatory turn, the scientific literature has highlighted the use of these new policy tools from the perspective of increasing the effectiveness and legitimation of top-down policy-making rather than helping to develop a more inclusive democratic system, oriented to promote actions empowering the most marginal groups (Leubolt et al., 2009; Novy et al., 2012).

The specific approach to policy making characterizing a first period of the European Agenda has been the adoption of neo-Corporatist negotiations, emphasizing the role of employers’ organizations and trade unions in industrial and socio-economic concertation. An example in relation to socio-economic aspects is the creation of the Social Dialogue Procedure (SDP) in 1992, which required the Commission to consult the European social partners on all legislative proposals in the socio-economic field and allowed them to sign European collective agreements. Since the late 1990s, beside trade unions and employers’ organizations, also social and welfare association (the so called Third Sector) have become central actors in the decision making processes concerning social and economic issues at EU-level. This participatory approach has been particularly developed in relation to the Open Method of Coordination (OMC) (De la Porte and Nanz 2004) and it has extended to a broader ‘civil society’ discourse developed by the Community institutions over recent years, in particular by the Commission and the European Economic and Social Committee. Finally, a new shift in the participatory approach adopted by the EU in decision making processes concerning poverty and social inclusion has been introduced with the European Platform against Poverty (EPAP) in 2010. Area 4 of EPAP is explicitly focused on partnership with civil society in order to support more effective implementation of social policy reform (Sabato and Vanhercke, 2014).

From the neo-corporativist approach of the 1990s (characterising the Social Dialogue Procedure) to the promotion of the role of associations and the third sector in the Open Method of Coordination and the more recent and hybrid arena of European Platform Against Poverty, the changes were progressively led by an elitist deliberative form of decision making. In fact, the institutional reaction to some impasses in the participatory turn seems to have led, at the European level, to a more strategic role of some ‘technical expertise’ involved in deliberative decision making processes. On the contrary, this development misses the involvement of a very relevant target for discussing issues related to poverty and exclusion: the most disadvantaged themselves. In general, with regard to representation in EU inclusive arena for decision making on poverty and social exclusion, it remains unclear how representation comes about, in particular who is actually entitled to participate, who actually participates and what mandate these representatives have. In addition, critical ideas and interests seem even more to not be part of the consultation process, mainly because they have withdrawn from participation due to disappointment (Kroger, 2008). The latter fact can partly be attributed to the tendency to open participatory spaces mostly for ‘micro-decision making’, such as (re-)designing parks, while ‘macro-decision making’ has been restructured in a rather elitist way (Leubolt 2010). Policy areas such as economic policies tend to be governed with little concern for participation or inclusion of target groups.

In a nutshell, the empirical reality of different participatory arrangements is at odds with the related EU-discourse, and it does not live up to the expectations that the institutional discourse have raised.
The overall assessment strongly questions both the gap between the official EU-civil society discourse and its implementation, and the democratic theories that have invested hope in the involvement of civil society in decision making to fill the gap between the EU and its citizens. Nevertheless, the results of the participation processes can be seen as ambiguous, as some processes on the local level have also led to the inclusion of hitherto excluded groups.

A similar ambiguity is recognisable in the programs of local development. After two decades characterized by a strong participation turn, a new emphasis on the concept of social innovation is accompanying or sometimes even replacing the traditional focus on participatory democracy. Resembling the participatory approach, social innovations are considered as an effective and fresh ‘paradigm’ in order to ‘bring the Union closer to its citizens’, fostering legitimacy, effectiveness and social justice. As far as legitimacy is concerned, civil society organizations supported by these programs are supposed to be important ‘intermediaries between Europe and its citizens’. Effectiveness is supposed to be reinforced through the implementation of innovative services at local level, better dealing with social exclusion and poverty. Finally, Social Justice is supposed to be the result of the inclusion in the decision making and the empowerment of the population targeted by these programmes.

The forms of participation and empowerment found in the different case studies, are helpful to undertake a critical assessment of socially innovative initiatives in relation to participation and empowerment. In the case studies, we observe the dominance of a strongly individualized conception of empowerment (see e.g. cases 7 and 21 on labour market activation) as well as a stakeholder-focused conception of participation of civil society, professionals and service provider (see e.g. cases 14 and 30, in which most of the energy to innovative goes into bringing together a broad and complementary range of stakeholders rather than involving the target population in the governance structure). In general, the case studies show a low level of involvement of the target population, problematizing the shift and the linkages between social inclusion and participation. The intended empowerment of the target population is often reduced to individual capacity building. Citizens as political actors play a rather secondary role and in many cases, with poor people treated as clients and target groups, not as citizens.

There are, however, also some cases in which the emancipatory and democratising potential of social innovation are visible, particularly where social movements have been more strongly involved (see the Brazilian cases 20 and 21 or the Spanish case 29). The analysis of these cases has to consider the different contexts, as respective dynamics of participation and empowerment have been different in the diverse parts of Europe and Brazil. The above-mentioned cases show much stronger collective empowerment than in the cases without the involvement of social movements. The key role played by social movements led to a more active involvement of the target population.

6 Negotiating equality and diversity

Andreas Novy and Carla Weinzierl

Striking the balance between equality and diversity is key to social cohesion and one of the main challenges of our times, as is for example reflected in the adoption of the EU’s motto ‘United in Diversity’ in 2000. Over the last decades, diversity as well as inequality have increased and the concern for inequality has become a key issue in social policy (OECD, 2011). But diversity has not just increased in terms of ethnic background due to increasing mobility and migration, but also in terms of people’s position in the labour market (referring to increasing long-term unemployment, temporary contracting, the working poor or new forms of self-employment), as well as regarding gender roles and family models (female labour participation, single parents, patchwork families).
The key to tackling social cohesion in terms of ‘living together differently’ (Novy, Coimbra Swiatek, & Moulaert, 2012, p. 1874) is to conceptualize it as a problématique, i.e. a complex and multilayered problem that can only be tackled in a transdisciplinary, multi-scalar and multi-dimensional way. This approach to social cohesion is increasingly picked up by social innovation as showcased by our ImPRovE case studies, a large share of which deal with questions of inter-cultural interaction and inclusion across our three fields of education (cases 1, 2, 9, 11, 15, 16), housing (especially case 18) and labor market (e.g. 7, 10, 12, 24, 27). However, while they aim to do so in holistic or non-instrumentalist ways that integrate socio-cultural and economic and sometimes even political concerns, they encounter various challenges that are related to the welfare regimes they are embedded in and to the austerity-driven crisis management.

European welfare state models were developed during the Fordist era and for long based on the male breadwinner model and a national community of shared values and ethnic-cultural background. For long, the key objective of national welfare institutions has been offering social rights for all citizens to participate in socio-economic life equally. While material equality was neither the objective nor the outcome, there has been a uniformisation in the access to social services and infrastructure which was often not very attentive to diversity. The resurgence of social innovation attaches itself to a broad understanding of mechanisms of social exclusion in various spheres of life that hinder people’s full participation in society. Therefore, the potential of social innovation lies in its plea for integrated and multi-dimensional approaches. Socially innovative initiatives need to deal with the tension between claims for the recognition and respect for cultural, gender, age and other forms of diversity on the one hand and the more traditional socio-economic claims for universal social protection and civic and social rights on the other hand. In this context, we ask how socially innovative initiatives are laboratories that take on the challenge of social cohesion by tackling the negotiation between the right to belong and the right to be different at the same time. This is of special relevance due to the current policy discourse on poverty that mainly focuses on the lack of monetary income of persons at the margins of society. They are targeted, while the socio-economic model is assumed to be effective, fair and sustainable.

A key problem for social cohesion results from the tension between ‘outsiders’ and ‘insiders’ of the underlying social contract of most European welfare regimes. Beneficiaries from the middle and lower classes have been protected (as long as they remain employed), but social needs of newcomers (e.g. immigrants) or outsiders (e.g. homeless people) have remained discriminated against in access to social policies. Over the last years, this underlying social contract has been slowly, but steadily undermined due to austerity measures and structural unemployment. Therefore, new creative solutions and broad alliances are required to contribute to social inclusion and cohesion. Unfortunately, insiders have come under increased social stress exactly at a moment when the need for innovative solutions for outsiders is increasing as well. This dynamic has deepened the cleavages between insiders and outsiders, putting pressure on innovative initiatives and policies to deal with diversity.

We have perceived this strain of austerity in a number of case studies: overall it appears, that while many intercultural socially innovative initiatives aim at enhancing cohesion in a multi-dimensional way, it is usually due to a lack of funding that initiatives fall prey to the marketization logic and cannot keep up a focus on multi-dimensional empowerment (e.g. case 15). Austerity furthermore hinders especially smaller, often self-organized initiatives from obtaining funding and undermines collaborations between well-established institutions of social service delivery and such smaller organizations (especially visible in case 10). Socio-cultural discrimination of minorities has long been perceived as a key weakness of European welfare regimes, of some more than others. Over the last years, the European Commission has identified Roma communities as an important target group to tackle this weakness in European governance of diversity. Six case studies document this effort (cases 2, 12, 16, 17, 18, 24). Yet, these initiatives focus on socially excluded target groups which has a couple of implications. It permits focusing on the needs of a group marginalized in multiple ways, thereby, perceiving the multi-dimensionality of the problem. However, the poor are often dealt with as mere
Towards a More Effective Governance of Socially Innovative Policies

clients, not as citizens. Targeting only certain groups hinders a broader systemic understanding of problems as well as alliances of the most marginalized groups with other social groups, such as other poor groups in the case of Roma (e.g. case 17) or disadvantaged segments of the middle class. In some cases (cf. cases 18, 20, 21) such alliances seem to be a prerequisite to voice demands and to foster social inclusion and successful emancipation.

Striking the balance between equality and diversity is difficult and often leads to one-sided either-or solutions (e.g. a focus on social rights vs. activating labor market policy). Either, policies favor so-called universal services to which all ethnic and social groups have access, which often results in biased welfare services, as there is an inclination to misunderstand equality as homogenization and assimilation. Legitimized with the “war against terror”, these assimilationist policies – in line with law and order solutions – have become widespread. Or policies have a culturalization bias, e.g. in focusing on the problems of Roma as if they were only cultural, meeting them with culturally specific measures. This strategy is prevalent in a number of case studies. Either initiatives follow the idea of social rights, e.g. the promotion of children’s first languages as a cultural right, or focus on narrowly conceived activation policies, e.g. forcing immigrants to quickly learn the dominant language as a key to integration.

Instead, solutions consist in overcoming either-or dualism by identifying as-well-as strategies. From this perspective, cultural aspects of social exclusion need to be seen in the context of the power of symbolic (or cultural) and social capital, by which powerful groups monopolize resources and opportunities in the form of symbolic violence. But social cohesion additionally requires a focus on socio-economic factors, including aspects of ecological justice, and most of all political representation (cases 20, 21, 29). This indicates that social cohesion will not be achieved without a redefinition of citizenship based on more flexible forms of political rights and participation than nationality and on collective action of residents rather than narrowly defined citizenship due to birth and ‘blood’. From this perspective, a broadening of problem awareness needs to replace the tendency to culturalize issues in such a narrow view in some of the projects. This broadening of perspectives should lead to a critical assessment of the underlying structures, which could open up truly emancipatory room for maneuver.

Overall, our cases show that the multi-dimensional approach to social cohesion has two prerequisites: firstly, initiatives need to evolve from the marginalized groups themselves, but in alliance with the middle class, and secondly, these processes need to be supported by the state, i.e. be embedded in supportive governance structures. The initiatives’ aims are largely on track, but multi-dimensionality suffers because of austerity and the knowledge and awareness of social innovators cannot materialize. Context-sensitive policy making which valorizes the multi-dimensional and relational character of poverty is priceless, but not for free. Public authorities have to be aware of this, if they want to sustain social cohesion. Passive subsidiarity cannot be the answer to lack of public funds, which increasingly threatens the implementation of a key insight of poverty research: that successful strategies have to change the social relations in a specific context with the help of multi-dimensional interventions. Active subsidiarity offers the best institutional setting for increasing individual capabilities as well as collective empowerment.

7 Knowledge for/in social innovation: on knowledge alliances

Andreas Novy, Pieter Cools and Carla Weinzierl

This chapter deals with the governance of knowledge as a key ingredient of successful social innovations in general as well as knowledge alliances as a promising mode of democratic and context-sensitive governance of knowledge (Novy et al., 2013). As it happens, the strategic use and production of knowledge through such transdisciplinary ‘alliances’ between practitioners, beneficiaries of socially
innovative initiatives and knowledge produces were central in some of our most transformative SI cases.

It is important to distinguish distributional questions from the more complicated concern of grasping an adequate interpretation of current – in part new and emerging – social needs (cf. Esping-Anderson et al. 2002, Fraser 1989). The distribution of need satisfaction is strongly linked to the respective power of certain groups and classes. The ‘politics of need interpretation’ point towards the critical importance of the (co-)production and governance of knowledge to transformative social innovation. It also implies that knowledge institutes, like scholars, experts and consultants, can play an important role in the development and institutionalization of SI, particularly when they engage in ‘transdisciplinary research’ i.e.: research that transgresses borders between professional knowledge producers and society and between theoretical and practical knowledge to reflect upon and find solutions to concrete life world issues.

Recall that we define social innovation as a process of transforming social (power) relations to better address unmet needs and that social learning is one of the key dynamics in this process (Oosterlynck et al., 2015). What appears is that the transformative potential of local SI (our butterflies) in relation to institutions of the welfare state (our elephant) is not so much in the distribution of need satisfaction but in the identification and (re-)interpretation of social needs that have been misrecognized or overlooked in existing welfare schemes. For social innovation to overcome social exclusion and poverty implies supporting marginalized voices in re-conceptualising needs and poverty.

The case of Roma immigration illustrates well that the needs of marginalized target groups are often interpreted for – and not by - themselves with high risks of reproducing prejudices and stigma. The MigRom project in Manchester (case 18) addresses this by teaming up academics with Roma community representatives to scrutinize need interpretations of local authorities and NGO’s. They confront these need interpretations with the ones of community members and bring these different perspectives together in conflict-laden participatory processes.

Chapter 4 and 5 of this report have shown how devolution of powers connected to the welfare state restructuring over the past decades resulted in an increasing plurality of actors and methods of intervention. In this increasingly complex and competitive context, actors driving SI need to strengthen their capacity to decode, understand and share interpretations of social problems, identify solutions, act on them and communicate it with the wider public. This is very much prevalent in re-use economy networks in the UK (case 19) and Belgium (case 8). These cases illustrate the importance of a platform or coordinating institution, where social innovation experiences and strategies can be exchanged and a shared vision can be elaborated. In localised and fragmented welfare mixes, public authorities no longer succeed to organize or facilitate coherence through knowledge exchange and cooperation. This helps to explain the emergences of various new networks and partnerships with and beyond the state that are actively involved in producing, legitimizing and strategically using specific types of knowledge on social problems and solutions (see for instance Swyngedouw, 2009 who stresses the ambiguities of this evolution).

It is here that our research found the concept of ‘knowledge alliance’ to be particularly useful in two ways which reflect the analytical and normative duality of SI research. Firstly, knowledge alliance offers an analytical lens on the relation between knowledge production and welfare reform, which is more sensitive to context and socio-political dimensions compared to the mainstream use of “evidence-based policy making” and “best practise” (e.g. case 5). In the Manchester case (18) we used this lens to distinguish and compare two networks of NGO’s, local authorities, target group employees and researchers with international partners who both got recognition for their ‘best practices’, but were competing over the legitimacy of their respective approach to Roma inclusion. A governance of knowledge perspective helps to disentangle the politics of need interpretation by relating it to organized interest and strategic partnerships.
In a second use, ‘knowledge alliance’ means an ‘ideal type’ organisational form suited to deal with the increasing necessity of reflexive and participatory modes of governance. In this sense knowledge alliances are long-term learning and research partnerships2, which imply a transdisciplinary research process, i.e. the collective research activity of multiple, diverse actors from marginalized groups to policy makers and for profit knowledge producers. As a forum that shares some basic normative assumptions and general objectives such an alliance can connect various small-scale actors and locally and politically scattered initiatives and combine their voices in order to better understand processes of exclusion and disempowerment as well as collectively organize pressure for systemic change (see Novy et al., 2013 on the theoretical and methodological underpinnings as well as practical conditions for success).

A partnership that resembles this knowledge alliance ideal could be regarded as an ‘ideal type’ social innovation. This makes the concept suited to critically assess and compare existing partnerships. For instance, comparing two well established re-use economy networks (case 8, 19) from this perspective illuminates the critical role of the alliance between the re-use sector and the Flemish environmental department (Belgium). The latter invested in gathering information about the sector, promoting its local institutionalization, opening up its network and deliberating standards and objectives with the sector. This helps to explain the successful institutionalization and high socially innovative potential of the scheme compared to the more fragmented and competitive situation in the UK where the environmental department and the sector never reached such a mutual engagement and shared objectives.

Two features of the knowledge alliance perspective are of crucial importance. First, it recognizes researchers as an active actor, rather than an ‘objective outsider’ in transformative SI processes. The MigRom case shows that the national recognition of Manchester as a positive example of Roma integration is not in the least enabled by the expertise, network and resources brought in by an internationally renowned research group. ‘Knowledge Alliance’ offers critical perspectives and guidelines for researchers and their partners on these matters (see Novy et al., 2013;). Second, it stresses the key role of knowledge, not only in an instrumental way, but in interpretation and sense-making (semiosis) (Sum & Jessop, 2013). This has become evident in the Housing First cases with respect to the identification of new needs and its respective interpretation in a broader theoretical framework of striking an innovative balance between self-determination and solidarity.

8 Integrating Europe into local social innovation

Gert Verschraegen, Stijn Oosterlynck, Sebastiano Sabato and Andreas Novy

Over the last few decades, the European Union (EU) has made available a number of resources for promoting and supporting social innovation in the field of poverty and social exclusion (cf. Sabato et al. 2015). These resources include, most obviously, funding but also networking opportunities, cognitive resources, visibility and reputational resources. This chapter analyses how resources provided by the European Union (EU) have been used in place-based socially innovative initiatives, what has been their added value and which difficulties local actors have encountered when accessing and using these resources. Additionally, it also investigates the relationship between EU resources for social innovation and welfare regimes by asking how specific features of national welfare regimes and

---

2 It is noteworthy that the Educative, Audiovisual and Culture Executive Agency of the European Commission uses ‘Knowledge Alliances’ in a very specific, and in comparison much narrower, way as “transnational, structured and result-driven projects, notably between higher education and business. Online: https://eacea.ec.europa.eu/erasmus-plus/actions/key-action-2-cooperation-for-innovation-and-exchange-good-practices/knowledge-alliances_en (last accessed 17-02-2016)
governance arrangements influence the ability to use EU-resources for consolidating these innovations (see also chapter 9).

This chapter is based on an analysis of sixteen socially innovative initiatives, including eleven cases in which EU resources were used and five cases in which they were not used. Specifically, we have selected all cases in the five countries included in this analysis (Austria, Belgium, Italy, Sweden, and the UK) related to three policy areas: Roma inclusion (notably, initiatives concerning education), homelessness policies (notably, Housing First initiatives), and labour market activation. Rather than randomly selecting our cases, we have opted for an information-oriented case selection strategy (Flyvbjerg 2006), with the intent to gather the greatest possible amount of relevant information about which key features of cases are relevant to the use or otherwise of EU resources.

A number of conclusions can be drawn from our analysis. First, the EU level appears as a key layer of multi-scalar social innovation systems, often able to directly sustain local projects, bypassing the national level. In this sense, the EU has the potential to stimulate ‘bottom-linked strategies’ (Moulaert 2010) for innovating social policies and actions, even though, in some cases, the degree of innovation of EU supported initiatives appears limited, insofar as interventions often work to consolidate existing policy paradigms (e.g. in the field of labour market activation). EU resources – especially financial and cognitive resources – have been used in most of our case studies and have often been deemed essential for the implementation of those projects. Consider, for instance, the Swedish project Romane Buca (case 24), which aimed to increase social inclusion of Roma people, in which resources from the European Social Fund (ESF) were used not only to finance activities at the local level but also to develop an international network. Field trips and working meetings organized in the context of network activities were good opportunity for networking, exchanging knowledge and providing the organizations involved with visibility. The creation of this kind of dynamics for spreading knowledge about the national/local initiative financed is indeed among the objectives of the European Social Fund. In other projects, such as the British initiatives MigRom (case 16) and Inspire! NEET programme (case 31) the promoters of the projects explicitly stated that EU resources were fundamental to counterbalance public budget cuts entailing, respectively, a curtailment of outreach activities targeted at Roma people (in Manchester) and of services for the NEETs (in England). In the Belgian project Ten for Cooking (case 7) as well as the English initiative Inspire!NEET programme (case 31) the fact that EU resources ensure funding for the projects over the medium-term (i.e. about three years) was pointed to as one of their added values.

Secondly, in a number of cases EU resources have been strategically used by local actors in order to implement initiatives at odds with established domestic policy legacies, i.e. for experimenting with either new policy approaches or new instruments/methods within established approaches. We call this the leverage effect of EU resources. For instance, in the two cases related to Roma inclusion – Thara (Austria) (case 12) and Romane Buca (Sweden) (case 24) – the availability of EU financial, cognitive and legal resources allowed domestic actors to challenge mainstream approaches that were not in favour of affirmative action targeted at ethnic minorities. In the case of Thara, actors on the ground (including civil servants in the Federal Ministry of Labour, civil society organizations and Roma associations) were particularly skillful in exploiting EU policies on anti-discrimination and EU funding as a window of opportunity for advancing innovative (read, targeted) approaches for the social inclusion of Roma people. Similarly, in the case of Romane Buca, without the availability of EU co-funding, a project explicitly targeted at Roma, people would probably not have been supported by local welfare services, which traditionally work on the basis of the principle of equal treatment for every citizen. This possibility of experimenting with new policy approaches, instruments and working methods is often seen as the main added value of EU resources by domestic actors.

Thirdly, the various welfare regimes are characterized by different social innovation patterns, especially in relation to institutionalization and up-scaling dynamics: welfare regime-related peculiarities can be identified, also when it comes to using EU resources for such purposes. While countries belonging to universalistic and (in part) corporatist welfare regimes appear particularly able
in using EU resources to experiment with innovative initiatives, then mainstreaming successful projects into public policies once the EU co-funding period expires, this capacity appears much more limited in countries belonging to familistic and liberal welfare regimes. In Sweden, for instance, EU resources seem to be fully integrated into the pattern of ‘supported social innovation’ characterizing universalistic welfare regimes, where a big role (both in implementing and supporting social innovation) is generally played by public authorities. In this context, EU resources are used to experiment with innovative policy approaches and instruments challenging domestic policy legacies. In some cases (especially in the domain of labour market policies), this has entailed some moves towards a more market-oriented and for-profit governance of social policies. Successful initiatives supported by EU resources are often mainstreamed into public policies and, in some cases, up-scaled. Once the projects are institutionalized, no further usage of EU resources is envisaged. In countries belonging to corporatist-conservative welfare regimes (notably, in Austria) or to the liberal regime (UK), partnerships implementing socially innovative projects are more varied and NGOs often take the lead in such initiatives.

Fourth, EU resources have, remarkably enough, not been used for up-scaling socially innovative initiatives in any of our cases, even though the EU emphasizes that resources are also intended to be used for this. Finally, a number of shortcomings which make access to EU resources and their management difficult have been identified. Managing EU funds often represents a considerable burden: administrative procedures are perceived as complex and time-consuming. Furthermore, not all the organizations involved have internal expertise to deal with them. In the absence of internal expertise, and given the cost of turning to external consultancies, public bodies are often the main source of support in dealing with EU resources. However, the availability of this kind of support varies in the different countries and the effectiveness of support provided is not always optimal. Financial requirements related to EU funds can also be an obstacle for small organizations. In some cases, these shortcomings contribute to a ‘frozen’ situation where big and well-established organizations which have developed expertise and experience in dealing with EU resources enjoy a sort of incumbents’ advantage, while access to EU funds proves to be extremely hard for smaller organizations.

9 Consolidating and diffusing social innovation

Yuri Kazepov, Tatiana Saruis and Stijn Oosterlynck

The local is considered to be the privileged territorial dimension within which innovative initiatives are developed. Often they start as small and circumscribed actions, close to the target groups’ needs, involving networks aimed at the realisation of new solutions and investing limited resources to experiment new practices. The local dimension, however, could also become a weakness for social innovation, especially in relation to its consolidation: in fact, the risk is to remain trapped in the local context, without being able to produce a wider impact on social problems. This chapter analyses the processes and conditions at the very basis of the consolidation process of socially innovative projects, trying to identify the key variables influencing it. In doing so, the chapter is divided into three sections.

First, we will analyse the social innovation literature focusing on the specific process of institutionalization to identify what are considered to be the key dimensions underlying the process and influencing its directions. The case studies are then compared in order to describe the conditions for vertical/horizontal development, spontaneous/guided trajectories and public/private driven processes of consolidation (mainstreaming, upscaling, spreading social innovation). The conditions and processes that ‘freeze’ and ‘trap’ the innovative initiatives at the local level are analysed too. The cases are analysed paying attention also to the main characteristics of the welfare models within which they develop. Aim of this exercise is to understand how the contextual institutional conditions can influence
the process of consolidation and how institutional arrangements are favouring or hindering the process of institutionalisation (or upscaling) of the innovative solutions. Finally, we summarises the answers to the following questions: How social innovation can be consolidated: which are the most successful bottom-linked strategies to consolidate social innovative initiatives? Which conditions can stimulate and facilitate or restrain the process of consolidation? How can the different spatial scales transform, improve or undermine sustainability and effectiveness of social innovative initiatives?

9.1 Opportunities and difficulties.

The local and small dimension is considered the ideal dimension for social innovation to rise, even though we cannot exclude a priori its emergence at higher levels. The local dimension, closer to citizens, is considered as the best to meet their needs and specificities, but also to mobilise participation and resources and to conduct experimentations on the ground with minimum efforts and risk. But the local and small dimension can create ‘traps’ for social innovation. In fact, the processes of diffusion and consolidation need specific adequate conditions to be effective, like dedicated funds, time, politics’ attention, favourable policy arrangements, and governance assets.

These conditions can be strongly different among and within the European countries, depending on welfare regimes, governance traditions and assets, social cultural and economic contexts specificities. Welfare regimes can vary and create different policy regulatory frameworks and hierarchies each working according its own logics (typical of the traditional “bureaucratic” models), market mechanisms (based on contracts and privatisation) and networks (vertical, horizontal and based on reciprocal responsibility) (Oosterlynck et al. 2013b). In the actual multi-level and mixed welfare systems, key issues like coordination, subsidiarity and networking are increasingly important for guaranteeing their functionality, but also crucial for the consolidation and diffusion of social innovation. Inter- and intra-institutional and horizontal, vertical and multi-level arrangements (Hooghe and Marks 2003; Kazepov 2010; Minas and Overbye 2010) constitute the contextual conditions for ideas and information to circulate.

They create variable opportunity structures and obstacles to the harmonisation of the policy system and sharing innovative practices. The lack or weaknesses of links and coherence in the governance and policy systems risks to compromise the possibility for social innovation to overcome the local trap and small dimension and even undermining the survival chances of the single initiatives. Strong governance and policy systems provide favourable conditions for this process, allowing the individuation, assessment and diffusion of new initiatives and practices. These conditions might shape different processes for consolidating and diffuse social innovation along three axes: a) vertical and/or horizontal; b) spontaneous or guided; c) public- or private-driven processes. In the following paragraph, the case studies we carried out, will help us understanding what kind of opportunity structures and obstacles social innovation can meet in its consolidation process.

9.2 Consolidation and diffusion processes

The consolidation and diffusion of social innovation is a stage in the innovation cycle at which most of our case studies – being relatively recent initiatives – did not get yet. However, it is possible to describe which conditions, potential difficulties and opportunities they are finding or could find in expanding and deploying their innovative potential securing long term sustainability or even developing at other scales becoming part of mainstream welfare policies.

Public-sector driven. The process of consolidation and diffusion can be guided and stimulated by public institutions, regardless of who the actors of the innovative initiative are, being other public institutions,
Towards a More Effective Governance of Socially Innovative Policies

Third sector actors or other private for profit organisations. In contexts where the state, in its multilevel dimensions, keeps a strong and active role in the welfare system and active subsidiarity, social innovation tends to develop through public-supported pathways. The case study conducted in Malmö (case 28) helps to analyse the role of public institutions in supporting the development of social innovation in a Swedish local context. The initiative consists in a participatory project to design houses targeted to youngsters. It is created, managed and implemented by the Municipality of Malmö and involves young people, private companies and architects’ associations. A decisive input to the project came from the national political debate about the problem of housing for young people: during a public national event promoted by the national State, the Municipality of Malmö was recognised as an innovative laboratory on this topic for the whole country. What the local administration expects from the national welfare system to consider the results of the innovative experience in a national reform targeting – within the broader area of housing policies – building regulations for young citizens’ homes. In this project, the national level has promoted a debate about a social problem, the local institution has conducted an experimentation and communicated the results through reports and events, the following phase should consist in a national implementation taking in account its finding and results. In this example, public institutions drive completely the process of social innovation, from the identification of unmet needs, to the development of innovative initiatives and their consolidation, involving both local and national institutions with different roles and tasks.

Other case studies conducted in Sweden have shown an active role of municipalities in social innovative initiatives. For example, in the consolidated policy area of activation, local public services are experimenting new methods and interventions that are assessed, readapted and rapidly become part of the local welfare arrangements. Both Sprakstödjande Insatser and Rätt Steg (cases 25 and 27), are initiatives aimed at improving the inclusion of migrants in the labour market in the Municipality of Stockholm. In the field of social services, the experimentation of the Housing First model (case 26) targeted to homeless people is realised by the Municipality of Stockholm with the supervision of the University of Lund. The aim is not only of assessing the practices and provide suggestions for the local implementation as part of welfare policies but also to explore ways for a potential national implementation. In these examples, the presence of the State is not explicit, but it is expected to intervene in the phase of diffusion and consolidation. In order to stimulate this process, aspects like assessment, analysis and communication of the obtained results are part of the initiatives and have a dedicated budget.

Another interesting example can be found in a completely different welfare context: Spain, where the case study in the field of housing, called SIDH (case 29) was carried out. The economic crisis in this country has had heavy effects on the housing sector, involving families who faced unemployment, over-indebtedness and risked to lose their houses. After many protests against mortgages arrears and evictions, the movement PAH (Plataforma de Afectados por la Hipoteca) presented a Popular Legislative Initiative to the Spanish Parliament, validated by more than one million signatures. The Parliament approved the proposal establishing new rules for facilitate the negotiations for debts due to mortgages and housing debts. The Spanish initiative SIDH - Servei d’Intermediació en Deutes d’Habitatge (Housing Debt Intermediation Service), also activated thanks to pressures of the social movements, supports the concrete application of this law as it offers information, advice and mediation with financial institutions to citizens with problems of over-indebtedness related to housing. SIDH has a multilevel organisation coordinated by the Provincial Government of Barcelona, which involves Cataluña Region (with Ofideute, a service of the regional Housing Agency), the 311 municipalities of the territory of the province of Barcelona and the bar associations. The whole project is financed by the Provincial Government of Barcelona.

In the case studies analysed in this section, even placed in different countries, the local public institutions, spontaneously or pushed by citizens, are crucial in the phase of introducing and
implementing social innovation in their own welfare systems. The national state is expected to become a relevant actor in the process of diffusion and consolidation, mainly reforming the legislation and the welfare policies to include the new practices at the national level. The analysed experiences are all relatively recent and it is not possible to foresee which will be the effective role of the national state in the near future. However, for all of them a vertical process of consolidation is at least expected.

Civil society organisations driven or spontaneous processes of diffusion and consolidation. The main strategy adopted by the third sector in order to spread and consolidate social innovation is the constitution of “umbrella organisations” which guarantee the circulation of ideas, resources and information beyond the single experience and aim at exerting pressure on the public opinion and politics to pay attention and provide support to their initiatives and topics.

An interesting example is provided by the Belgian experience of Kringwinkel Centres (case 8). These initiatives create employment for weaker workers in the reuse sector. They are managed by social enterprises, while local institutions support them mainly through subsidies for activation. The initiative is not so recent and has had the time to diffuse in the Country through horizontal contacts among different local organisations which have promoted similar projects throughout the Region of Flanders. A network of reuse centers has been constituted in the Region in order to consent exchanges among the local experiences, but also to push the Flemish government to recognise and support their contribution to the public interest. They ask the introduction of guidelines for cooperation between re-use enterprises and local governments, as part of environmental policy, and integration of waste reduction and social employment policies.

Similar examples can be found in Hungary and the United Kingdom. In Hungary (case 15), the re-use centres – called Charity shops and spread all over the Country – are trying to push the State to recognise their initiative and support them through a favourable legislation, activated an advocacy organisation to discuss their interests with the public national institutions. In the United Kingdom, a long-lasting network of reuse centres, the Furniture Re-use Network (case 19), is organising a common public reaction and lobbying activity in order to contrast the welfare funds reduction. In fact, they claim that cuts in subsidies targeted to the activation of disadvantaged workers undermine their sustainability. In all the reuse centres experiences – as in other case studies on activation – the support of public subsidies is considered crucial by all interviewees. The relationships with the State is important for them to survive in the market. The networks of re-use centres are part of the strategy of development. They aim at guaranteeing reciprocal support in lobbying activities on public institutions, in to be heard, find resources and share visions. This is an intentional strategy for making social innovation growing, driven by Third sector organisations.

The consolidation and diffusion processes could be also spontaneous. An example can be represented by the case study Tutti a casa, a Housing First inspired initiative in Bologna (case 22), the first experimentation of this approach on homelessness in Italy. The process of consolidation at the local level has been driven by the association Piazza Grande that introduced for the first time and the Municipality of Bologna, which not only supported the initiative but decided to close a traditional shelter to target the available budget to a new housing first experience. The participatory governance style of the local welfare system in Bologna has been considered as a favourable condition to develop and consolidate the innovative practice. The lack of interest from supra-local institutions could freeze the initiative at the local level. But, the capacity and engagement of the promoter Piazza Grande in communicating the projects’ aims and results (even in terms of cost reduction) could spread the idea of a different approach to homelessness and raise interest and emulation attempts in the whole Country. The number of houses and beneficiaries involved in Housing First projects is growing in Bologna and the surrounding Municipalities and a new similar project is being activated in the Municipality of Rimini, in the same Region. In the meanwhile, associations working with homeless in Sicily and Piedmont Regions have started to explore the conditions for activating local experiences.
The national network of associations working on homeless Fio.psd kicked-off a debate about it. This is a spontaneous horizontal process of spreading, not institutionally coordinated but based on local awareness and attention to other contexts’ experiences. It involves both third sector and local public institutions. The possibility to upscale the project through a national strategy and investment – given the local connotation of the Italian welfare system – is not an explicit aim. This situation is a direct consequence of passive subsidiarity processes that substantially contributes to the well-known territorial differentiation and fragmentation of the national welfare system (Kazepov, 2009).

In fact, the main risk of spontaneous processes of diffusion and consolidation of social innovation is territorial iniquity. Where third sector organisations (and public institutions) are strong, the opportunities to innovate are strong and, vice versa, if they are weak, the attention and capacity of innovation and consolidation are less probable.

Private for-profit organisations driven processes of diffusion and consolidation. The market has had an increasingly important role in welfare policies, even with relevant differences among and within national contexts (Jessop, 1999, 2008; Le Grand 2003). Social innovation can attract private investments which can stimulate opportunities for renewed policies, even though the role of for profit organisation can be interpreted as highly ambiguous, attempting to combine economic and social aims. In relation to the specific process of consolidation and diffusion, market logics and mechanisms could even become a ‘trap’. Private funds are usually limited in space and time, and not oriented to continuity, rights and equal guarantees, tasks belonging to the State. The role of for profit organisations, including associated private foundations, seem to play a more relevant role in making social innovation emerging rather than in the consolidation processes.

Some examples of how private for profit organisations can take part in innovative and consolidation processes can be individuated in our case studies in Austria and Spain. The Austrian initiative Vielfalter (case 1) promotes a competition for the realisation of local proposals to improve social inclusion of kids and families with migration background. It is funded by the Vienna hub of the company Western Union. The Federal Ministry of Education and Women’s Affairs and the ONG Interkulturelles Zentrum (IZ) are partners of the project and are involved in the process of assessment and selection of local proposals. Starting from these initiatives, the state is expected, on the one hand, to implement the new practices at the local level, on the other hand, to improve the national policy strategy to promote a multicultural education, labour market integration and social inclusion. To reach this aim, part of Vielfalter resources are targeted to sustain successful projects and favouring their institutionalization within schools, kindergartens or associations. A limit of the project is that although it supports initiatives all over the country, most of them have been located in Vienna. There were no applications from some Regions, that consider this policy field less of a priority, even though they have to deal with migration related issues.

Another case study that exemplifies the role of for profit actors in social innovative initiatives is Caixa ProlInfancia, realised in Spain (case 30). The project consists in a socio-educational program aimed at improving the living conditions of low-income and social vulnerable families with children aged 0-16. It is developed in eleven Spanish cities with higher prevalence of poverty and it is led and entirely funded by La Caixa Banking Foundation, a financial institution that mixes business and social purposes. Third sector organisations and public institutions (schools and Municipalities) take part in the initiative delivering services to children and families in order to provide integrated multidimensional services. Thanks to the scientific support and the evaluation process coordinated by Ramon Llull from the University of Barcelona, the project could build a model of social intervention in favour of vulnerable children and families. This model includes a coherent methodology of social action and a structured governance system and studies on the conditions of transferability to other contexts. A limit of the initiative is its territorial diffusion: the program is widely diffused, involving eleven cities and a great number of organisations and beneficiaries, but it cannot actually be systematised in the whole of Spain.
without a structured intervention of the state. This is not likely to happen in a period of economic crisis and severe austerity for the Country.

Both these cases, even though differently, present a sort of overturned subsidiarity, where the for-profit sector is the financially strongest and powerful organisation, while the public sector becomes a contributor, like the third sector, to the initiatives. This process is increasing in particular in some European contexts where the crisis brought about more substantial retrenchment policies, like for instance Spain, but also Italy and other South European countries. The ambiguity of companies’ aims, conciliating economic and social issues, involves the risk for public institutions to be accused to support private interests. Common limits of these projects are territorial equal distribution and duration, conditions that could be systematically guaranteed by a broader intervention of public institutions. In this sense, the latter are confirmed as the only organisations able to guarantee a real and equal diffusion, consolidation and mainstreaming process to social innovation, while the private and third sectors are important in order to introduce new interventions and develop experimentations.

9.3 Conclusion

The process of diffusion and consolidation poses to social innovation specific challenges, different from the phase of creation and realisation of new ideas and practices. The different phases of the cycle of innovation imply different roles for the different organisations involved. In the start-up phase, civil society and local institutions are often considered the main actors, being more flexible, closer to target groups’ needs and participatory networks (Young Foundation 2010), while the supra-local public institutions can be relevant especially to provide funds (together with market organisations) and other favourable conditions (Oosterlynck et al., 2013b). The case study analysis shows that, in the process of consolidation, the importance of public institutions increases and their territorial dimension is important. It becomes crucial to guarantee social innovative initiatives continuity, diffusion (overcoming the local ‘traps’), equality and integration in the overall social inclusion policy strategies. The third sector can have its own strategies to spread and consolidate social innovation, like the constitution of umbrella organisations to obtain public opinion and public institutions support on their initiatives. The role of for-profit organisations is more ambiguous and disputed. In a period of public retrenchment, it can become essential to ensure resources to social innovation, but the risk of crowding out public intervention and resources without guarantying continuity and territorial equity becomes real, thus increasing inequality between covered and uncovered areas.

Summing up the aspects emerged from the case studies, some obstacles to the consolidation and diffusion processes can be the following: a) vested interests and consolidated paradigms that do not consent to move political attention and resources to social innovative policies, new needs and weaker target groups; b) market competition and mechanisms of resources allocation that can be positive in the start-up phase, can prevent the consolidation of innovative initiatives before they prove their positive social potential; c) public retrenchment logics can prevent the investment on social innovation and threaten shortfalls in funding the consolidation and diffusion processes; d) weak welfare state institutions could be not able to assess the best initiatives and pick up the process of consolidation, provide enabling legal conditions and integrate the innovative initiatives within the whole welfare system; e) a weak third sector could be not able to communicate and share its own initiatives and positive results; f) ineffective governance processes and weak networks can prevent the circulation of ideas and information that contribute to spread social innovation.
References


Jessop, B. (1999), Narrating the future of the national economy and the national state? Remarks on


Oosterlynck, S. et al. (2015), Local social innovation and welfare state restructuring: analysing their


ImPRovE: Poverty Reduction in Europe.
Social Policy and Innovation

Poverty Reduction in Europe: Social Policy and Innovation (ImPRovE) is an international research project that brings together ten outstanding research institutes and a broad network of researchers in a concerted effort to study poverty, social policy and social innovation in Europe. The ImPRovE project aims to improve the basis for evidence-based policy making in Europe, both in the short and in the long term. In the short term, this is done by carrying out research that is directly relevant for policymakers. At the same time however, ImPRovE invests in improving the long-term capacity for evidence-based policy making by upgrading the available research infrastructure, by combining both applied and fundamental research, and by optimising the information flow of research results to relevant policy makers and the civil society at large.

The two central questions driving the ImPRovE project are:

How can social cohesion be achieved in Europe?

How can social innovation complement, reinforce and modify macro-level policies and vice versa?

The project runs from March 2012 till February 2016 and receives EU research support to the amount of Euro 2.7 million under the 7th Framework Programme. The output of ImPRovE will include over 55 research papers, about 16 policy briefs and at least 3 scientific books. The ImPRovE Consortium will organise two international conferences (Spring 2014 and Winter 2015). In addition, ImPRovE will develop a new database of local projects of social innovation in Europe, cross-national comparable reference budgets for 6 countries (Belgium, Finland, Greece, Hungary, Italy and Spain) and will strongly expand the available policy scenarios in the European microsimulation model EUROMOD.

More detailed information is available on the website http://improve-research.eu.

Bea Cantillon (Coordinator)
E-mail: bea.cantillon@uantwerpen.be
Phone: +32 3 265 53 98
Address: University of Antwerp – Sint-Jacobstraat 2 (M.177) – 2000 Antwerp - Belgium

Tim Goedemé (Co-coordinator)
E-mail: tim.goedeme@uantwerpen.be
Phone: +32 3 265 55 55
Mobile: +32 494 82 36 27
Address: University of Antwerp – Sint-Jacobstraat 2 (M.185) – 2000 Antwerp - Belgium
The development from government towards governance—the decreasing reliance on formal-legal powers—has clearly strengthened the position of the policy networks. One of the dilemmas of the contemporary state is that while it provides some insights into governance. It is connected with a dynamic outcome of social and political actors. But even in this case, institutional arrangements remain important because they determine much of what roles the state can play and actually plays in governance. It is well-known that governance derives from the Latin cyberm which means steering. It has the same root as in cybernetics, the science of control and it could be a reasonable explanation of the notion of the state as steering society.

Towards better stewardship: concepts and critical issues. Phyllida Travis Dominique Egger Philip Davies Abdelhay Mechbal. Evidence and Information for Policy World Health Organization, Geneva. The views expressed in documents by named authors are solely the responsibility of those authors. Towards better stewardship OECD Public Governance Reviews. Towards a More Effective, Strategic and Accountable State in Kazakhstan. OECD Public Governance Reviews. This series includes international studies and country-specific reviews of government efforts to make the public sector more efficient, effective, innovative and responsive to citizens’ needs and expectations. The review places particular emphasis on strategic planning, policy and programme evaluation, risk management, devolution and functional reviews, privatisation and the oversight of state-owned enterprises all areas in which the government has taken or considered significant initiatives.