

# The integration of place-based social innovations into the EU social agenda

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## Abstract

This report examines how place-based socially innovative policies and actions can be better integrated into the broader European Union (EU) social agenda. On the basis of previous work and a roundtable taking place in the context of the Improve project, it a) identifies some main challenges for upscaling and consolidating place-based social innovation throughout the European multi-level governance system; b) analyses whether social innovation dovetails with the broader European policy goals of territorial cohesion and public participation, and c) proposes some cautious policy recommendations with regard to how EU resources can be used to better support socially innovative practices. Three main conclusions can be drawn from our analysis. Firstly, the EU supports social innovation both directly (by providing different kinds of resources for local socially innovative projects, not limited to financial resources) and indirectly, by supporting European umbrella organisations operating in the field of poverty and social inclusion. Yet, the degree of innovativeness of EU supported projects differs. Secondly, although EU support for place-based social innovation is significant, it is not consistent throughout the whole life cycle of social innovation. EU support is particularly effective in the early stages of socially innovative projects (conception and start-up). Institutionalisation of those projects depends on domestic circumstances (including welfare regimes' peculiarities) and, what is more surprising given the emphasis at the EU level, EU resources are not used for up-scaling local socially innovative practices. Thirdly, an important challenge is to adapt the increasingly top-down approach in the support of socially innovative projects, with scarce attention being paid to the involvement and empowerment of socially excluded groups.

**Keywords:** Social innovation; Europe 2020; poverty and social exclusion; participatory governance; usages of Europe

**JEL codes:** I3, L3, Z18

# 1 Background to the study and research questions

This report will analyse how place-based socially innovative policies and actions can be better integrated into the broader European Union (EU) social agenda. On the basis of previous work and a roundtable taking place in the context of the Improve project, it will pinpoint some main challenges for upscaling and consolidating place-based social innovation throughout the European multi-level governance system, and will analyse whether and how social innovation dovetails with the broader European policy goals of territorial cohesion and public participation. It will also propose some general policy recommendations with regard to how EU resources can be used to better support socially innovative practices implemented at the local level.

Before outlining the structure of the paper in more detail, we first want to situate it within in the broader goals of the ImPRovE project, as it relies on previous work both in terms of the theoretical insights as well as the data it uses. It builds, **firstly**, on a working paper (Sabato & Verschraegen, 2016), in which we have analysed how resources provided by the European Union 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. This paper also investigated how specific features of national welfare regimes and governance arrangements influence the ability to use EU-resources to support socially innovative practices implemented at the local level. The current report relies, **secondly**, on a literature review (Cucca & Kazepov, 2016) focusing on the involvement of stakeholders and citizens in European decision making processes with regard to poverty and social exclusion, and to their involvement into social innovations developed more recently at regional and urban level. This literature review has been used as discussion material for a roundtable with stakeholders and academics<sup>1</sup>, which forms the **third** source of inspiration for this report. In the roundtable different stakeholders (NGOs, local and regional authorities, experts and academics, etc.) reflected on governance challenges with regard to integrating social innovation with the broader European anti-poverty and social exclusion policies; more specifically, they focused on challenges related to ‘public participation’ in European poverty policies (see annex 1 for a summary of the roundtable).

The structure of this report is as follows. In the first section, we summarize how the EU has been supporting place-based social innovation actions and initiatives. Subsequently, the following sections zoom in on some specific challenges regarding the EU governance of local social innovation. The second section focuses on the challenge of supporting social innovative actions throughout their whole ‘life-cycle’, from to early phases of start-up to the later phases of consolidating and upscaling. In a third and final section, we’ll highlight some challenges with regard to the democratic governance of social innovation policies in Europe. The last section wraps things up.

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<sup>1</sup> This roundtable was titled ‘How to improve the participation of stakeholders in European anti-poverty policies’ and has been organized as part of the ImPRovE final conference on Wednesday 03 February 2016. For more information, see [http://improve-research.eu/?page\\_id=2638](http://improve-research.eu/?page_id=2638)

## 2 How has the EU been supporting place-based social innovation to tackle poverty and social exclusion?

Over the years the 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. In previous research we have investigated how these different EU resources have been used in socially innovative initiatives implemented at the local level, what has been their added value and which difficulties local actors have encountered when accessing and using those resources (Sabato & Verschraegen, 2016). Our research was primarily 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 selected cases studies implemented in five countries (Austria, Belgium, Italy, Sweden, and the UK) and related to three policy areas: Roma inclusion (notably, initiatives concerning education), homelessness policies (notably, Housing First initiatives), and labour market activation (Sabato & Verschraegen, 2016: 9-11). In the roundtable as well, stakeholders have provided insight into how the EU can support social innovation and how local actors can exploit opportunities and constraints coming from the EU level (see annex 1).

A number of conclusions can be drawn from our previous research. **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 other words, the EU has the potential to stimulate ‘bottom-linked strategies’ (Moulaert 2010) for innovating social policies and actions. Although social innovative actions mobilise resources and networks around perceived local needs, the EU can play a vital role in providing and shaping the connections with higher scales, as well with top-down practices and policies. It can help local, and often small-sized, social innovations to successfully include different scales in their action and exploit opportunities deriving from trans-local levels. This bottom-linked approach can be pursued through different means and strategies:

a) **Using European resources** to compensate for the lack of national or local commitment, especially in the first, experimental phases of the life-cycle of socially innovative actions (see also section 3). The EU resources actually used in our case studies were especially financial and cognitive resources, while networking and visibility opportunities were a little bit less exploited (Sabato & Verschraegen, 2016: 17-19).

In projects such as the British initiatives *MigRom* and *Inspire! NEET programme* the promoters of the projects explicitly stated that **EU financial 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* as well as the English initiative *Inspire!NEET programme* 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. In fact, for a quite a lot of projects, the availability of EU funds was considered essential for the implementation of those projects, especially in the early phases (see also section 3).

However, some projects made use of the full array of available EU resources, including **networking opportunities**. Consider, for instance, the Swedish project *Romane Buca*, 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 organised in the context of network activities were good opportunity for networking, exchanging knowledge and providing the organisations 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.

b) Our own research as well as reactions from different stakeholders has made clear that the EU can also support social innovation indirectly by supporting **European umbrella organisations**. These meta-organisations (or: organisations of organisations) often play a key role in connecting local practices to higher scales. For instance, *FEANTSA*, an umbrella organisation representing the interests of different organisations dealing with homelessness in Europe, played a decisive role in the (critical) promotion of the Housing First approach in most of the Housing First case studies analysed. Another good example is *Rreuse*, the European umbrella for social enterprises active in re-use, repair and recycling. One of their important achievements was to integrate references to re-use (such as the acceptance duty for electronic materials) within the European Waste Electrical and Electronic Equipment Directive and the Waste Framework Directive. These two pieces of European legislation played a crucial role in enabling social innovation in the re-use economy in Europe (see Cools & Oosterlynck, 2015; 2016).

By actively supporting umbrella organizations the EU can provide social innovators with important resources, in terms of networking, advocacy and lobbying. The importance of meta-organizations is confirmed by the circumstance that the establishment of umbrella organisations is also one of the outcomes of social innovation. In the case of *Charity Shops* (HU), 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. Next to providing resources for coordination and advocacy, the growth of Europe-wide associations may also be important in formulating and spreading a Europeanized language for common policy problems and in suggesting new common policy orientations.

A **second** important insight which can be drawn from our previous research is that 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. In some of the cases we've investigated, 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). Yet, in other fields the EU has enabled local actors to challenge the mainstream domestic approaches. We call this the leverage effect of EU resources (Sabato & Verschraegen, 2016: 31-34). For instance, in two cases related to Roma inclusion – *Thara* (Austria) and *Romane Buca* (Sweden) – the availability of EU financial, cognitive and legal resources allowed domestic actors to challenge policy 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 skilful 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.

A **third** insight with regard to how the EU supports place-based social innovation has to do with **the importance of the welfare regimes as a mediating factor**<sup>2</sup>. This is not surprising. As different welfare regimes are characterised by different social innovation patterns – especially in relation to institutionalization and up-scaling dynamics (see also section 3) – welfare regime-related peculiarities can be identified when it comes to using EU resources for social innovative actions. While countries belonging to Universalistic 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 (Sabato & Verschraegen, 2016: 33-35). In Sweden, for instance, EU resources seem to be fully integrated into the pattern of ‘supported social innovation’ characterising 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.

### **3 How can the EU support place-based social innovation throughout the whole life cycle?**

Our analyses of case studies as well as reactions from stakeholders during the roundtable highlighted the importance of examining the whole process or ‘life-cycle’ of socially innovative actions (see annex 1), taking into account how different initiatives progress from early phases – such as diagnosing problems and conceptualizing projects – to the later phases of up-scaling or consolidation and considering what role the EU plays (and can play) in these different phases. This is important because place-based social innovations may require a different type of support and resources in the different phases, such as funding of capacity building and training in the early phases or networking in the later phases. Furthermore, not all socially innovative actions or projects develop in the same way: some can diffuse rather quickly from the local scale while others remain small and circumscribed actions, which are closely bound to the local context, answering specific needs of local target-groups and only investing limited resources to experiment with a new practice. For some cases, the existence of local limitations is not problematic yet for other cases it can be a weakness for consolidating the socially innovative action, which can remain trapped in the local context, without being able to produce a wider impact on social problems.

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<sup>2</sup> We want to point out here that our findings concerning country peculiarities in using EU resources for social innovation should be considered with prudence. The sample of case studies on which we had to rely was too small for generalization. Yet, some tendencies can be observed (Sabato & Verschraegen, 2016).

In our earlier analysis we considered eleven projects in our sample which made use of EU resources in order to assess: a) at what stage they made use of them; and b) to what extent their existence is linked to the availability of those resources (Sabato & Verschraegen, 2016: 20-26)

As for the first aspect, we distinguished between four options:

- *conception and design*, i.e. EU resources were used in elaborating and designing the project (e.g. as a source of inspiration);
- *start-up and initial phase*, i.e. EU resources were used in order to launch the project (which implies that the project then continued to be implemented without them);
- *whole project*, i.e. the project is still on-going (and it still relies on EU resources) or it was discontinued after the expiration of EU resources;
- *up-scaling*, i.e. EU resources were used in order to broaden (up-scale) the project.

### **3.1 Conception and start-up**

From our analysis of case-studies it emerged that EU *cognitive resources* are often used to *design* project. For instance, in the case of the Italian project *Tutti a casa* and the Austrian *Housing First Vienna*, national actors used knowledge produced in the EU context (or through EU-funded activities) in the process of designing their own initiatives (e.g. analysing reports and studies on similar projects produced in the framework of EU funded initiatives implemented abroad as a first step for setting-up one's own project). In the view of the initiators of these initiative, attention towards knowledge creation and dissemination ("identifying good practices, studying them and then try to transfer those practices in other contexts") represents the added value of European programmes, such as PROGRESS (Sabato & Verschraegen, 2016: 20).

EU *financial resources* also play a crucial role in launching the projects and implementing them during their early stages. What is striking here is that in nine of the eleven cases we studied the people responsible for the implementation of the initiative deemed it "unlikely" that the project would have been implemented without the availability of EU resources: this represents the vast majority of the projects using EU resources included in our sample (Sabato & Verschraegen, 2016: 21-22). Our respondents highlighted two different, but sometimes interrelated, reasons for this. First, EU resources allowed actors to overcome difficulties in getting enough domestic funds to implement the project. In the Belgian project *Ten for Cooking* as well as the English initiative *Inspire!NEET programme*, for instance, 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. Second, EU resources allowed domestic actors to introduce new policy frames challenging existing policy approaches (e.g. *Thara* and *Romane Buca*) or to experiment with new policy instruments (e.g. *Sprakstodjande insatser*, *Rätt Steg*, and *Ten for Cooking*).

Both reasons underline the importance of EU resources – in particular financial resources such as the European Social Fund, the European Refugee Fund or funding provided by the 7<sup>th</sup> Framework programme for Research and Technological Development – for bringing into being socially innovative actions with the capacity to introduce new policy solutions. Yet, it should be emphasized that our analysis also highlighted a number of shortcomings which make access to EU resources and their management difficult, in particular for smaller organisations. Managing EU funds often represents a

considerable burden: administrative procedures are perceived as complex and time-consuming. Furthermore, not all the organisations 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 organisations. In some cases, these shortcomings contribute to a ‘frozen’ situation where big and well-established organisations 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 organisations (Sabato & Verschraegen, 2006: 36).

### **3.2 Institutionalization and consolidation**

The enabling role of the EU in the later phases of up-scaling or consolidating socially innovative actions is less straightforward. It is true that most of the projects for which the availability of EU resources was considered essential for their realisation have later been ‘institutionalized’. After the end of the EU co-funding period, their implementation has in fact continued either because they have been mainstreamed into ordinary public policy and rely on domestic public budgets (e.g. *Thara, Rätt Steg, Sprakstodjande insatser, ERfA- Sewing Workshop*) or because they continue to rely on other financial sources (*Ánde Škola*) (Sabato & Verschraegen, 2016: 23-24).

Yet, looking at processes of up-scaling, it is striking that in none of the case studies included in our sample EU resources were used in order to up-scale the socially innovative initiative. This finding is somehow at odds with the objective of the EU funds (in particular, the ESF) to facilitate the up-scaling of small-size successful projects. Although promoters of some projects we’ve examined (e.g. *Tutti a casa*), indicated that EU resources may be used in the future in order to further develop and up-scale the initiative, none of the projects did so. From an EU point of view, it may be interesting to examine whether this finding can be confirmed and what can be done about it.

When examining the patterns of consolidation and upscaling, we also recommend to take into account differences in the extent to which the different welfare regimes are able to integrate EU resources into domestic social innovation patterns. As already mentioned in Section 2, 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.

A last important point with regard to the later phases of consolidation is that several respondents in our roundtable pointed to the importance of thinking about up-scaling in the sense of extending the initiative not only geographically but also to include more clients/beneficiaries. Quite a lot of socially innovative actions in the field of social exclusion and poverty are focused on specific target populations. However, respondents have emphasized the need to think about the consolidation of projects in “a broader sense as a key, socially embedded process”, which also include the broader middle classes, rather than only specific target groups (see annex 1). They also relate this to the level of social and financial capital that is required to start up social innovation; there is hence a need for building alliances between the poorer and middle classes around these projects.

## **4 How can the EU strengthen participatory decision-making about place-based social innovation?**

The last remarks brings us to a last but important element in the EU governance of place-based social innovation, i.e. the issue of public participation. As argued in the literature review, participatory arrangements have represented a strategic tool implemented by the EU to strengthen its fragile institutional architecture and to be closer to its citizens (Cucca & Kazepov, 2016). From its beginning, the participatory dimension has also been central to social innovation as a concept as well as a socio-political practice (Moulaert, 2010; Sabato et al., 2015). The capacity of individuals and groups to organize themselves and take part in social and territorial development is seen as a key attribute of place-based social innovation (Oosterlynck et al., 2013). This obviously implies that the enabling role of the EU in place-based social innovation is more likely to succeed if it incorporates various stakeholders and citizens in both decision-making and implementation. Yet, our previous analysis of the participatory dimension of social innovation (Cucca & Kazepov, 2016), as well as reactions from participants to our roundtable (see annex 1), have highlighted important areas of contestation and conflict here. In this section we will focus on two important issues: the function of participation (4.1.) and the choice of participants (4.2).

### ***4.1 The functions of participation in place-based social innovation***

The debate around participation in social innovation is complicated because participation can perform many roles and functions. A first challenge is that participation can be both an end and a means. As an end, it aims to stimulate participation in society by disempowered groups. This becomes clear when considering the historical roots of social innovation, which can be found in social movements for self-governance after 1968. Such a perspective was, to some extent, taken up by European policy makers in the 1980 and 1990s. Pilot projects started to experiment with integrated approaches to address economic and social challenges, mostly within the context of deprived urban neighbourhoods and peripheral rural areas. These early forms of SI policies aimed at fostering self-help and provided a bottom-up answer to perceived weaknesses of the welfare state such as the lack of participation and self-governance (Oosterlynck et.al. 2013a).

At the same time, however, participation is also a means to achieve greater legitimacy and effectiveness in policy-making and territorial development. In this instrumental sense, participation has several overlapping aims such as generating legitimacy for decisions, improving transparency and accountability within political processes and providing information to those affected by decisions. The latter function requires, for instance, that information is published or posted at all stages of decision-making. Deliberative fora in the European social sphere, such as the Social Inclusion OMC process, for instance, have been criticized for lack transparency and openness: decision making by relevant European committees takes places behind closed doors and the public at large has been neither involved nor substantially informed about the process (Cucca & Kazepov, 2016: 14). Another function of participation is to obtain information from those affected in order to improve the quality of decision-making. For instance, one of the assumptions of place-based social innovation in the field of poverty and social exclusion is that those who are poor or excluded are in the best position to detect which of their needs are not addressed and to suggest change. Obviously, this requires the direct involvement of people experiencing poverty – or the participation of NGO's representing people experiencing

poverty. Yet, very little European participatory arrangements directly involve “a very relevant target for discussing issues related to poverty and exclusion: the most disadvantaged themselves” (Cucca & Kazepov, 2016: 16) (see also section 4.2.). Another important function of participation is improving the effective implementation or delivery of policies or services, assuming that those affected are in a good position to watch over the quality of implementation. Effectiveness is supposed to be reinforced through the implementation of innovative - and less expensive- services at local level, better dealing with social exclusion and poverty (Cucca & Kazepov, 2016). From our research it emerged, for instance, that local social service provision in Europe is increasingly coupled to the consultation of ‘clients’, with poor people being treated as service users and target groups, rather than as citizens (Oosterlynck et.al, 2013 b: 21-22).

More generally, our research as well as the participants to our roundtable (see annex 1) have noticed an evolution in European participatory decision-making concerning place-based social innovation from stimulating participation of disempowered groups as an end in itself towards a more instrumentalized approach to participation. While social innovation emerged from an experimental model of social action in the 1970s, focusing on the self-governance of vulnerable population groups, it slowly evolved into an official policy instrument at the EU level which is linked to broader policy agendas. In the last decade, social policy innovation in Europe has been mainstreamed into the EU toolkit for reforming national welfare states, being used as an instrument to achieve key overall EU level objectives, including fiscal consolidation and competitiveness. It has also been linked to social entrepreneurial agendas, in which there a clear emphasis on a business and short-term perspective. This evolution has resulted in a de-legitimization of older perspectives which stressed the participatory/empowering character of socially innovative projects and their societally transformative role (Sabato et. al., 2015).<sup>3</sup>

In effect, quite a lot of participants to our roundtable pointed out that social innovation has become part of an all-encompassing technocratic agenda and that participation is approached in a very instrumental sense. They hence made a plea for a return to an idea of social innovation which sees self-governance in place-based territorial development as an end in itself, in order to “take advantage of the positive potential of the disadvantaged” and to “enable and encourage people to design their own participatory arenas” (see annex 1). Instead of developing policy tools particularly oriented to effectiveness and legitimation of top-down policy-making, EU participatory processes should then rather help to develop a more inclusive democratic system, oriented to promote actions empowering the most marginal groups (Novy et.al., 2012).

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<sup>3</sup> This becomes evident, for instance, in the recent emphasis on evidence based social innovation or social experimentation, a methodology promoted through a series of calls for proposals launched since 2009 by DG EMPL. Although this methodology is likely to increase the chances that socially innovative projects are up-scaled into the broader welfare policies, it should be kept in mind that the resources provided by these calls are not targeted to local and bottom-up socially innovative projects, but rather to experiments aimed at testing on a small scale social policy reforms in line with the priorities and the approach defined at the EU level. While such a choice is a rational strategy for maximising the impact on MS’ policies, this may lead to a sort of ‘constrained social innovation’ pattern, where the approaches to be followed have been already decided in advance and the space for bottom up ideas and ‘out of the box’ thinking appears limited (Sabato et.al., 2015: 35-36).

## 4.2 The choice of participants

Given the pivotal function of participants, it is of key importance to determine who should perform these roles (Fung, 2015). As argued in the literature review paper, European decision-making in the fields of poverty and social exclusion has seen an evolution from models which focus on the traditional structures and players of the welfare states (neo-corporativism), and the promotion of the role of associations and the third sector in the OMC (associative democracy) to more hybrid arena (structures such as the European Platform against Poverty are an example of the last phase). Recently, there has been a tendency to give a more strategic role to technical expertise involved in deliberative decision making processes (Cucca & Kazepov, 2016). But although the general aim is to bring civil society and other stakeholders into the decision-making process, little attention is paid to why particular groups are chosen and the idea of 'civil society' is seldom defined or made explicit.

*In general, with regard to representation, 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. (Cucca & Kazepov, 2016: 17)*

With regard to the participatory dimension of social innovation, which is considered an effective and fresh "paradigm" in order to "bring the Union closer to its citizens", the literature review also warns that, "the top-down selection of the 'innovators' may amplify the underrepresentation of critical ideas" (Cucca & Kazepov, 2016: 17). From the point of view of the EU, particular attention must hence be paid to the criteria for selecting the groups which are given access to resources for social innovation. Given the already mentioned emphasis on the methodology of 'social experimentation', and the 'frozen situation' in which big and well-established organisations with experience in dealing with EU resources enjoy a sort of incumbents' advantage while access to EU funds proves to be extremely hard for smaller organisations, reshaping and 'opening' the selection criteria can again create a space of participation and exploration in the field of social innovation.

## 5 Conclusion

This report has analysed how place-based socially innovative policies and actions can be better integrated into the broader European Union (EU) social agenda. On the basis of previous work and a roundtable taking place in the context of the Improve project, it has highlighted some main challenges for upscaling and consolidating place-based social innovation throughout the European multi-level governance system, analysed whether social innovation dovetails with the broader European policy goals of territorial cohesion and public participation, and proposed some cautious policy recommendations with regard to how EU resources can be used to better support socially innovative practices. Three main conclusions can be drawn from this.

A **first** conclusion may seem superfluous, but should nevertheless be emphasized. *The EU actually supports social innovation*: the EU level is a key layer of multi-scalar social innovation systems, often able to directly sustain local projects, bypassing the national level. In other words, the EU has the potential to stimulate 'bottom-linked strategies' (Moulaert 2010) for innovating social actions.

It does so both *directly* (by providing different kinds of resources for local socially innovative projects, not limited to financial resources) and *indirectly*, by supporting European umbrella organisations operating in the field of poverty and social inclusion. Yet, the *degree of innovativeness of EU supported projects differs*. Importantly, 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.

**Secondly**, although EU support for place-based social innovation is significant, *it is not consistent throughout the whole life cycle of social innovation*. EU support is particularly effective in the early stages of socially innovative projects (conception and start-up). Institutionalisation of those projects depends on domestic circumstances (including welfare regimes' peculiarities) and, what is more surprising given the emphasis at the EU level, EU resources are not used for up-scaling local socially innovative practices.

**Thirdly**, important critical points and challenges (which are to some extent interrelated) remain, especially when we compare the EU approach to social innovation with a more traditional understanding of the notion:

a) Whereas place-based social innovation traditionally puts a lot of emphasis on local self-governance and 'bottom-up' initiatives, EU support is increasingly 'top-down' and targeted to local socially innovative initiatives which are in line with objectives and approaches defined at the EU level. While this can be seen as rational behaviour (because it potentially facilitates the achievement of the objectives defined at the EU level), it is partly at odds with the open-ended and locally participatory character of social innovation.

b) Although 'participation' is a precondition for local territorial development and the empowerment of vulnerable social actors, the EU devotes little attention to the direct inclusion of socially excluded groups. More generally, we can observe a general move from participation intended as an end in itself (as in the neighbourhood policies and initiatives in rural areas in the 1980s-1990s) towards participation as a means.

c) This more instrumental approach to participation goes hand in hand with changes in the set of actors that are allowed to participate. At the EU level, we can observe an increasing involvement of technical expertise and a decreasing involvement of socially excluded people and the organisations which represent them.

d) At the local level as well, we can observe an increasing top-down approach in the support of socially innovative projects, with a clear emphasis on the promotion of social entrepreneurship and scarce attention being paid to socially excluded groups. Local social service provision in Europe, for instance, is increasingly coupled to the consultation of 'clients', with people experiencing poverty or social exclusion primarily treated as service users and target groups, an approach which does not square easily with a citizenship-based perspective on social service provision.

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## ANNEX 1.

### Minutes of roundtable: How to improve the participation of stakeholders in European anti-poverty policies, ImPRovE final conference – Wednesday 03 Feb 2016, 10.30-12.30

10.30 – 10.50 : Presentation by Gert Verschraegen & Yuri Kazepov (ppt., co-authored by Roberta Cucca)

#### Discussants

##### 10.50 Mikael Stigendal (Malmö högskola - Sweden)

Mikael Stigendal has been working in CitySpice, which he describes as a sister project to ImPRovE.

<http://www.citispyce.eu>

He argues that:

- The central question: *'How to improve the participation of stakeholders in EU poverty policies'* is the wrong question, because it puts forward poverty or poor people as the real problem while leaving other issues like 'richness', 'inequality' and the causes of poverty (the precariat, social exclusion) out of the focus of the analysis and stakeholder discussions.
- You have various options dealing with SI against poverty:
  - Include causes in the definition of SI against poverty
  - Treat SI as neoliberal
  - Call the tackling of causes something else
  - Or defend the generic definition and run the self-inflicted risk of being called neoliberalWhich options do you take? Not 1 & 3 because you don't talk about causes!
- You mention problematic trends, which is good, but if you take option 2 why are you surprised of your findings that SI is ambiguous, not enough for systemic change and that it is used to abdicate responsibilities?

Alternative question: How to improve the participation of stakeholders in EU policies to establish the causes of poverty.

- How do you see these people (as poor?) → There is a need for a 'Potential-oriented approach'
  - o Recognizing and taking advantage of the (positive) potential of the disadvantage
  - o Revealing the negative potential, causing poverty
  - o → This approach should be part of the solution to the causes.
- Knowledge alliances
  - o These are not research partnerships
  - o Knowledge of practical value; we should not see ourselves as experts
  - o View of knowledge not formalized by quantifications

- Collective empowerment
  - o Reinvent a Marxian sense of solidarity instead of solidarity in the EU sense, premised on a Catholic view

Should all of this be considered as SI? It depends on which action is taken.

His answer on the original question ‘*How to improve the participation of stakeholders in EU poverty policies*’ is that it shouldn’t be improved as it isn’t the right question.

### **11.10 Marjorie Jouen (Jacques Delors Institute - France)**

Marjorie Jouen explains that she felt a bit confused by the title of the question. She focused more on the stakeholder participation in social cohesion policies, her field of expertise. Her talk was structured in three parts.

#### **What I have learned from your paper:**

Your study and discussion shed light on the reasons why SI initiatives have not been strong enough in the 1990’s and early 2000’s. In my understanding there has been a failure of mainstreaming, which can be linked to the participative process. It was naïve to think that all the projects could jump two steps forward. There has been a misrecognition of the importance of context and how social innovation is a process of incremental steps towards participative democracy.

Our welfare model is not efficient (if you ask neoliberals) and not effective (if you ask leftists). Whatever the reason (or dominant ideology), social innovation continues, it is something that exists. The EU had and still has the power to catalyse innovation. There is still hope and creativity in EU societies;

There has been a change of focus over the past twenty years in EU social cohesion policy from Jobs to Housing. Housing stands out today as *the* field that highlights the interrelated problems/challenges of our societies (energy, resilience, social autonomy, ...)

#### **What is at stake at EU policies? Lessons drawn from SI**

- There are different steps going to participatory democracy
- There is a breakdown of politics. We need to look to other ways of organizing.
- Focus of social entrepreneurs; Ms. Jouen likes the ‘bottom-linked’ notion in this regard, because social entrepreneurs, social enterprises and a good infrastructure for social entrepreneurship can indeed play an important role in the dialogue between top-down and bottom-up.
- Legacy of the LEADER program. The concept of ‘community-led development’ (that is, with the involvement of local communities) is key. Social innovation should be linked to local development issues (which does not necessarily means ‘social issues’). From the experience of LEADER, we have learnt that:
  - o ‘carrots’ (i.e., money) are more effective than ‘sticks’ (i.e., conditionality);

- Traditional stakeholders are still able to support social innovation;
- The idea of coverage population is key; it is not only about mainstreaming but increasing coverage population of programs; more average population (middle class) being involved, rather than specific target populations. As such we can really build solidarity and social cohesion.
- Big inertia of public institutions remains a challenge.

#### Challenges to social innovation for social cohesion

- Social innovation means more equality. But we need to think more about development in the broader sense as a key, socially embedded process (instead of think equality 'only' in terms of redistribution for instance)
- Can we think about various safety nets?
- The EU has the possibility to promote and push SI, but it is a weak/soft power. But while it might not enforce reforms directly, it has the advantage that it can give the freedom and direction to various (local) actors which neither a national or regional state can give.
- Policy instruments for social change: 3 methods:
  - imitation driven → in this case, the role of the State would be limited to provide social innovators with 'visibility'; e.g. social innovation labs;
  - driven by financial or legal constraints → the role of the State would be more active (the State as an organizer): e.g., promoting experimentation, calls for projects, subsidies;
  - driven by social norms → can come from the bottom, through cooperation, benchmarking, networking. Central authority would just act as facilitators.

#### 11.30 Frank Moulaert (KUL – Belgium; [www.frankmoulaert.net](http://www.frankmoulaert.net))

Title of professor Moulaert's presentation: *Post-foundational challenges to socially innovative governance*

Professor Moulaert starts with a brief overview of the long tradition of social innovation thought in social sciences (see slides). He explains the definition elaborated by him and his colleagues (see for instance (Moulaert et al., 2005; 2013) and he points out that it was developed with a view to linking social needs, transformation of social relations and socio-political change (empowerment)

The European Commission (see for instance BEPA, 2010) has developed a new, different perspective on social innovation in line with the approach developed by the Young Foundation (2006) and the idea of social policy as a productive factor to enable economic growth. Frank argues that if this EU social innovation is indeed a policy paradigm, it is at best a paradigm promoted by an elitist community, offering a reductive perspective of what social innovation could (and has been understood to) be throughout its history of thought. Now it appears to be reduced to an ideological buzzword promoting a market democracy, commodification strategies and the implementation of New Public Management replacing real politics.

Looking at the current use of social innovation in relation to poverty reduction and changing welfare

states there is the danger that social rights remain very theoretical. They might be mentioned, but without strong practical consequences and in a context in which many social rights are being 'hollowed out', made 'flexible' and increasingly 'conditional'.

The ImPRovE research is concerned with these matters but they should more central and more developed. The research would benefit from a broader historical and theoretical instructed account of the welfare state, locating SI in that context. To this end, we have to go back to the history of the labour movement, l'économie social movement (100 years ago) and other new social movements who have co-created and impacted upon the development of the welfare state. As such we could read the development of the welfare state in a social innovation perspective that is attentive to the intimate relation between social movements and the building of socio political movements. At the same time we need a broader understanding of where the welfare state comes from and understand its pacifying effects and how it, besides its emancipatory effects also contributed to the disempowerment of struggle and social movements.

Reacting to the questions on participation professor Moulaert refers to his other work on participation in designer studies. From this field, where a lot of experiments exist, he raises the question: Shouldn't we rethink what participation and co-decision-making means? We should enable and encourage people to design their own participatory arenas; otherwise the dangers of selection mentioned in the presentation by Kazepov, Verschraegen and Cucca will remain. SI is about multi-vocality, different challenges for people to voice their needs...voice for people who would never get one, this may mean making decisions at places that you would not expect.

'Wild Worlds of re-foundation' and SI dynamics in context of crisis: In Southern Europe and Latin America you can easily discover the real political challenges of change; not so much in North-Western Europe. Still it remains important, as pointed out by the transition movement, to mobilise socio-politically. As the ImPRovE team knows (referring to professor Oosterlynck presentation), we need a bottom-linked social innovation perspective, which leaves room to think of new styles of governance emphasizing self-organization.

SI is not the property of the EU or the World Bank, it is not just about nodding to funders, it is an insurgence and protesting against the democracy of the rich (in which 1/3 of the population is excluded!). Critical ideas and practices should be taken more seriously. It is about reinventing democracy outside the market democracy; Europe was an economic project in which the social became pure discourse. The strength of the people is in communities, not the structures we are forced to negotiate in. This does not mean that we should overlook the role of accepted forums for negotiation. But it is necessary to make a different use of them.

## **12u Plenary Discussion**

### **Flavia Martinelli:**

I have two points and one remark. First of all I think it is impressive how you manage 31 cases and make sense of them; I also like the second presentation.

I think that the Improve work has developed some of the foundations from the SINGOCOM project;

One of your (in a way expected) outcomes is the neoliberal appropriation of social innovation; what was radical is now mainstreamed in a less critical way.

By the way: the mainstreaming of SI in the EU discourse evolved from FP projects after FP5. Since then there has been a booming of SI European research which seems to come together with its disempowerment.

Two aspects I have focused on:

- How much can social innovation be expected to substitute for universal social rights OR (my conviction) is it supposed to add value to universal social rights? Social innovation cannot be the big answer. It can reveal needs, but not replace what is the responsibility of the state...
- Secondly, social innovation is by definition not static; Improve has somehow taken this into account. It is important to consider lifecycle dynamics; SI cannot live forever. When SI becomes institutionalized it loses some of its edges and after a while it will have contributed a little to the system and we might be in need of new ideas and models...this should not be regarded as negative.

A last remark you used the word client; I have some problems with that. It implies that user becomes a customer. **Stijn Oosterlynck** explains that we used it more generically as people receiving services. **Flavia Martinelli** understands but feels that this should be clearer as the word has this market-relation connotation.

### **Stijn Oosterlynck**

All 3 presentations contain a warning that the social innovation definition has become something else in the '90's 2000's. Frank Moulaert does this most explicitly, saying we should hold on to the old definition. I am sympathetic but, doing research, we have to know what social innovation and ongoing reforms under that banner means for people. Social innovation has become something different and you cannot not see that if you focus narrowly on projects that fit under the older definition. Today a lot of social innovation is social service driven, treating people as clients NGO's etc... We have to go in dialogue with that reality; most things we found are not that radical.

### **Frank Moulaert** (reacting on Stijn Oosterlynck)

- I can see that. Thinking about the empowerment dimension is crucial in relation to changing context.
- Substantive definition vs. holistic definition → maybe you are taking the second round. The problem of normative or analytical definition is always there but we will not solve it, we cannot entirely detach the analytical from the normative dimension in this field of study.

### **Jean-Marc Fontan:**

Why did you select so many service driven cases? And not more movement driven?

### **Stijn Oosterlynck:**

It is what came back from the call we distributed to a large number of different civil society actors.

### **JM Fontan:**

I went to 5 or 6 initiatives in Brussels yesterday, including political movement driven initiatives, so it is

not that they do not exist. Case study selection is important in this kind of research because you will end up with different observations

**Gojko Bežovan**

I have been involved in the WILCO project (<http://www.wilcoproject.eu>), where we studied local social innovations in an Urban context.

We found that you need a certain level of social capital to start up SI. That group of society that has the capacity for self-organization and promote their idea and get funding is mostly middle class. These initiatives are fragmenting local societies. Do we have ways to involve people who live in poverty, are socially excluded?

We are not satisfying social needs (structurally), we are meeting social needs

**Mikael Stigendal:**

I understand that you want to study what is going on but you should be very much aware that there is a difference between what people say they are doing, what they are doing and what they think about.

**Stijn Oosterlynck:**

*Repeats the previous argument on dialogue with reality;*

We should not stay in academia preaching our definition but go out and go in a dialogue.

**Frank Moulaert:**

Still, in order to speak of social innovation, you need the socio-political dimension.

**Stijn Oosterlynck:**

Yes, but this socio-political dimension is there also in the more service driven cases! Social innovation is still acting social-politically but in a different way than many people (especially the ones involved with the older definition) hoped for (i.e., it is not welfare regime neutral but it reinforces the neo-liberal paradigm).

**Andreas Novy:**

At some point in our research we departed from the idea that SI was an ambivalent quasi-concept and that was wrong.

For research project tenders there is a strong tendency to end up with a project like this. In a lot of projects we had severe difficulties in identifying what collective empowerment would mean.

A second trap of this project is the focus on poverty. By focusing on provision for the poor we might reduce our scope of seeing them in relation to broader society and, like Mikael said, we risk considering them 'the problem'. Historically there has very often been an alliance between the poor and middle class; today you still have this in the ecological movement

Recently social innovation helped to reinforce the neoliberal mainstream, making that nothing changed in social policy; contrast with the Brazilian case become very obvious; also in Spain there is a large movement against eviction, largely driven by the middle class.

We should problematize whether poverty is really the good focus thinking about systemic social

innovation in Europe

**Bernhard Leubolt:** (reacting on Gojko Bežovan)

Your comment illustrated the difficulty in organizing the poor, giving them a collectively active role. Organization of the poor was always a joint project with people in middle classes. Still, looking at more client-provider relationships we should bear in mind the issue of equal rights and in some countries this is much more articulated.

For future research I think it is interesting to focus on social innovation that touches upon the issues of equal rights and study both movements and initiatives driven by progressive, conservative, leftist or far right groups.

**Gojko Bežovan**

It is also about middle-class being aware of the needs of the poor, today they are obsessed by post-modern values.

**Roberta Cucca**

What is interesting to me is to see the effects of how this concept came into policy circles and went through a process of de-politicization while it was supposed to do the opposite.

Very interesting to look how social innovation is used by all policy makers and put forward as a solution without taking into account the causes.

**Majorie Jouen:**

In France SI is not so much in the center. One explanation: we did not experience the crisis that much. The welfare state more or less works.

**Gert Verschraegen** (final comments to wrap up the session)

What struck me from the presentations and discussion: There has been a lot of debate about the definition of social innovation implied in the ImPRovE research and about how the social innovation definition have been hijacked by the EU, BEPA, Young foundation. Researching how the definition and interpretation of SI has evolved over time in Europe has been part of the research. At the same time it is also an object of political struggle, where different actors aim to conquer political room and change the parameters of the debate

This was a session on participation and its relation to SI and poverty; recently participation has been instrumentalized whereas in the older SI tradition it was an end in itself. Now it became an instrument in different ways (transferring information, legitimacy etc...). The process of selecting participants and creating the arena for participation plays an important part in this.

## **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 7<sup>th</sup> 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>.

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