

MS 17 - Stakeholder workshop on the governance challenges for socially innovative policies and actions

The Improve Social Innovation team

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1. Introduction

In a draft version of MS 42, we presented a list of six governance challenges on the basis of D11.1. This list and the research question that led us to identify governance challenges for local forms of social innovation has been extensively discussed with a variety of stakeholders on three stakeholder workshops and one discussion with prof. Frank Moulaert, a long time expert in local forms social innovation. On the basis of these discussions, we have identified two new challenges and reformulated governance challenges already identified. This document contains the reports of these stakeholder workshops and discussion and a brief account of how we integrated the suggestions in the revised version of MS 42. We will organize more stakeholder workshops as the research process moves along (the next workshop is planned in the second half of 2013 in Vienna).

2. Minutes of the talk with prof. Frank Moulaert (K.U.Leuven)

13th June 2013, Leuven

Stijn Oosterlynck, Pieter Cools

Pieter: We had a discussion with Frank for almost three hours. We talked about SI as a concept, SI research, interesting cases, criteria for clustering and the proposed governance challenges. After the talk Stijn and I chose to add two governance challenges, to be discussed in our group and during the workshop. I translated and rearranged our notes for clarity and I added references when specific documents or concepts were mentioned. Most of the time I tried to give a synthesis of what has been said. Sometimes I chose to paraphrase Frank, formulate issues as a question or I added some notes and examples. Some of Frank's remarks were about the way we formulated sentences or how we structured the documents, these were useful comments but I did not integrate them in this report.

SI as a survival strategy

Frank: Today SI is too often a survival strategy, but it could be much more. It would be a big loss for SI if it is reduced to creative survival strategies. This has to do with the structural context; caring liberalism that refuses to redistribute. ...The idea of 'new needs' is also important here. It is interesting to investigate whether these new needs are actually new or old ones that were supposed to be defeated (tuberculosis, hunger); In that case SI is the re-activation of practices that were let go because they were not necessary anymore (food charity etc...). Actually, the only thing that is new in the innovation literature is the technological innovation. But technological innovation means nothing without organizational and social innovation, which is not new at all. It is about old, human and social values in a new guise. SI is often about bringing old models and values back in.

In chapter 6 of the Integrated Area Development book Moulaert (2000) tried to explain that the connection with welfare policies is an important condition for SI success beyond being a survival strategy. In this regard, Frank still believes in the definition that they developed in this book but he acknowledges that the importance of socio-political relations and the broader regulative frame needs to be stressed even more. The connection with the welfare state makes it more sensible to organize participation, it makes it easier to attract the private sector and give them a clear role... On the other hand, this makes the welfare state a very powerful actor. And it can be dangerous for the existence of the initiative if the state can decide over financial life and dead (for example when socio-political regimes shift).

Example: The Belgian Healthcare sector is a good example of an intelligent cooperation with the private sector with a well-organized governmental control on quality. Also the cooperative movement grew after changes in legislation.

Bottom-linked (Garcia, Pradel, & Eizaguirre, 2008)

The perspective of bottom linked dynamics (strategies) offers possibilities to make a distinction between different types of SI processes. Is it the bottom that transforms the top or vice versa, the top that created space for the bottom. Here the issue of financial self-sufficiency is a crucial aspect.

Example: Anarchist movements in a Portuguese welfare state without money (André Carmo)

Note: *One could argue that you can always use bottom-linked as an analytical perspective because even without institutional support and facilitated learning processes, institutions do take strategic positions and SI initiatives will in many case operate within the parameters set by the state. These parameters can be characterized by control and regulation or deregulation and a lack of support (See Fairbanks II, 2009)*

Frank: Successful and cooperative change from bottom-up to bottom-linked structures demands for social learning processes, time and innovation in the legislation in order to enable these new relations and fruitful bottom linked strategies. The legal framework is an important dimension of SI

➔ We propose to integrate ‘the development of an enabling legal frame’ as the 6th challenge

Example: The possibilities of national or regional social economy are impeded by the European Union competition laws

To make this possible, initiatives need the support of ‘enlightened intellectuals and administrators’. It takes a while for small organizations and volunteers to learn how to negotiate with governments and how to make official proposals etc.

Bottom-linked in our understanding is very close to the idea of ‘politics of need deliberation’ (Fraser): Initiatives should be able to give information about desirable changes in the ways that means are distributed, drawing on their description of needs... Tax-systems are also important instruments in this regard/ Frank gives the example of “affected taxes” (?) *The idea that individuals should be able to decide where a part of their taxes goes to.*

Dynamics of institutionalization

From an institutionalization perspective SI has three elements: social learning, collective mobilization and raising awareness. Frank argues that SI as a concept faces the same dangers that social capital does (see DeFilippis, 2001; Nussbaumer & Moulaert, 2004). Critiques similar to the ones formulated against the Putnam-style social capital theories could be applied on the individual freedom theory of Sen (See Dean, 2009a; Dean, 2009b).

You cannot discuss community development and SI without looking at institutional leverages and that is why the connection to social movement literature remains important. Frank feels that chapter 8 (Jessop, Moulaert, Hulgard, & Hamdouch, 2013) in the International SI Handbook (Frank Moulaert, MacCallum, Mehmood, & Hamdouch, 2013) offers an interesting and important perspective on the relation SI and social change/transformation. Again, it is very important to account for institutions at different scales. The idea of bottom linked strategies helps to frame the strategic shopping for support and resources that organizations tend to do.

We tell Frank that we sometimes receive the question “what do you mean with social?” and tell him that we don’t want to react on this question because it forces us to a discussion on what is sociology; he tells us that we do not have a choice...

On the governance challenges document

#1 upscaling:

Frank: “The stress on ‘central agency’ for ‘vertical upscaling’ seems to imply control and hierarchy. This is very suggestive. Maybe ‘co-ordinating agency’ is a better alternative?”

Example: Many NGO’s have ‘more centralized’ consultation bodies but they are steered by bottom-up deliberation that takes place in local organizations. So these coordination agencies are not higher in a hierarchy. So it might be necessary to identify different kinds of coordination-agents. These organizations have very ambiguous relationships with governments and in many cases they put more trust in other coordination actors and mechanisms.

Question: Are elephants not fit for bottom-up coordination in principle?

Frank says that the good memory of an elephant can be used as a complementary metaphor for path depended learning

We discussed the use of the term ‘upscaling’. We conclude that it may cover very different outcomes and coordinating mechanisms, so it should still be described in terms of network relations. Also, dissemination might be clearer than horizontal upscaling. Frank thinks that bottom linked governance covers it. *Here a continuum that reflects processes of institutionalization and one of scale should be combined but not intermixed.* The sharp distinction between horizontal and vertical does not really fit with the ‘bottom-linked strategy’ perspective. These are two extreme poles –in reality you will find hybrid forms in between these two poles; here the very different types of actors involved play a role via learning; collateral learning is very important;

Frank says that he likes the term ‘proliferation’ but he admits that this is not unproblematic either.

Question: What do we mean with upscaling? Is state hierarchy a precondition for the vertical upscaling of SI?

#2 policy mix – welfare mix

We described this challenge in a ‘state focused manner’. This challenge seeks to cover the plurality and inclusiveness of governance; it is important to our story that we make explicit that governing is going beyond state;

We agree that welfare-mix would have been better than policy mix ; or policy and action mix?; collective action in tradition of pragmatism would cover it according to Frank.

Professionalization of third and voluntary sector in practice often implies privatization, devaluation of skills, introduction of new public management, etc. ; We should add networking styles, appropriation of new routines, ... In our text there is no clear tension between ‘the situation now’ and what should

be. Here the political dimension is important. SI often suffers from a mismatch between an institutional context that corresponds with a socio-political regime and the desired trajectory of SI initiatives.

#3 equality and diversity

Frank: *The discussion on citizenship fits here; the issue of citizenship is one of the only 'heavy concepts' that practitioners really use and are really concerned about: this is very clear in discussions on rights and duties and on participation*

From our text it wasn't really clear that "how can we reconcile recognition and redistribution?" is in our understanding crucial for this 3th challenge. We should try to make this clear in our presentation for the stakeholders. The difference between active and passive subsidiarity (Kazepov, 2008) is of course important here. We cannot stress enough that a shift towards more participatory governance should be linked with a shift in powers and financial means. You need something to participate for!

In a way policy categories (needs and target populations) already bring in diversity. Recognition of diversity could lead to a plea for a more holistic policy in which categories become more open and less stigmatizing

Note Pieter: *This is possible indeed but it could also lead to more stigmatization and segregation in the provision of welfare. In a short article Fraser (Fraser, 2001) explains here two-dimensional framework and she discusses 3 dangers: reification, displacement and mis-framing .*

#5 avoiding responsibility

This challenge represents the political-economic dimension.

Frank refers to an article of Jean Gadrey in Le Monde Diplomatique. It is about tax deductibility and how the Matthews effects shift from the middle- to the upper-class

I think it is this one: <http://www.monde-diplomatique.fr/2012/06/GADREY/47851>

#6 (?) The development of an enabling legal frame

See above

#7 (?) Tension between individual motivations and the survival of the organization

Question: *We talked about SI as a 'survival strategy'. There is some interesting literature on survival or coping strategies in relation to poverty (Meert, 2000) and mobility (Bærenholdt & Aarsæther, 2002). How could we relate the idea of survival or coping strategies at the individual or household level with survival strategies of SI initiatives and maybe even the survival strategies of the elephants? Individuals can undermine vulnerable initiatives when they pursue their individual strategy...*

Frank: *It is true that organizations need continuity to develop good service provision, or to pursue their goals in the case of social movement. Social learning is very important here. This has a socio-psychological dimension. Crisis does something to people ways people act. It results in to the*

reproduction of an 'individualist-survival mindset'. So this re-affirms the value of learning processes for people who share the same situation, so they could make progress collectively in relation to bigger institutional dynamics. This takes time, which is difficult to get in this 'rat race', you see this everywhere. SI is about learning how to communicate and interact with each other...

In practice, this is about applying SI principles within the organization itself. Being able to question your own way of doing things over and over. It is about building in methods that secure the own social innovation processes in the organization. (Sometimes being brave enough to change practices that were part of your identity; how participation and delivery are organized...)

Examples: Frank feels that the BOM (Christiaens, Moulaert, & Bosmans, 2007) was very good at this./ He also pleads for 'civil relief'

Important criteria for ranking SI cases/ Possible questions for the information form:

- Which needs are addressed?
- What is the desired result? What is the final goal? How does this relate to the process, modus operandi of the initiative? Charity project or group of anarchists?
- Who are the important actors? Charismatic leaders?
- Relations with politicians, social movements?
- How are decisions made? Which processes are influential on making decisions?
- Culture of the operation. What do they stand for? Core values? Which images are used when describing what they do? Place-making processes

Frank: *The problem with process-criteria is that you should know the story fairly well in advance. In Signocom we worked with a broad group of case studies and took a smaller sample from it. The procedure to go from the big to the more focused group of case studies wasn't that clear. Foreknowledge always plays an important role. A good list of questions for people that react on the call for initiatives and some preliminary interviews to see which other dimensions are important and interesting, will be very helpful. 'Can neighbourhoods save the city?'(F. Moulaert, Swyngedouw, Martinelli, & Gonzalez, 2010) offers insights on the necessary dimensions.*

Again, the distinction between projects that are financially self-sufficient and other that depend on funding is a very important one.

Method

Pieter: Could it be useful to reconstruct the networks around these initiatives to map their possibilities, resources, limits etc... ?

Frank: Yes, on the condition that you as a researcher already have a clear view on all the different possibilities. You need enough information to ask the right questions in interviews, you already need to understand, or have some understanding of how the local economy (formal and informal). You also need to ask things the respondents will probably not mention themselves. You have to ask them about actors, charismatic leaders. So you can do this if you know the initiative very well.

Examples: The BOM-case as a network model remains very interesting because it really was a node in networks and regulation. / Die Soziale Stadt

Stijn: This is an argument to restrict our field to those contexts that we know very well.

We need a dynamic perspective on how SI and institutional context influence one-another, not just one direction.

An open mind on the types of actors is necessary. The categories of state, market and civil society are useful but the reality is more complex and nuanced. Different hybrids exist. Throughout the research you must be able to adapt and change your typology of innovators.

If possible, try to be attentive to semiotic aspects of social innovation ; the importance of individual and shared mindsets and how this translates into mental maps.

Example : Skill city (Rotterdam-South): an education-philosophy-artisan program for youngsters in a poor neighborhood that emerged out of different programs around one neighborhood school. A charismatic leader of this SI initiative is the doctor philosophy and kendo master Henk Oosterling. He provides useful concepts and metaphors and he explains a clear view on how to live and be in touch with yourself and your surroundings. This view is shared by the many people that participate in the program. His publications and lectures are a way to spread their experiences and a way to gather the necessary funding. After several years of cooperating with the city government, the project is now independent from public institutions and they work purely with private gifts of rich people and organizations that believe in his practical philosophy.

<http://www.skill-city.nl/> (only in Dutch, sorry ☺)

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3. Minutes of Fano workshop on governance challenges for social innovation

Yuri Kazepov, Tatiana Sirius

21 June 2013

The meeting was attended by:

- 1) Giovanni Santarelli, head of social policies department of the Marche Region
- 2) Vittorio Ondedei, head of innovative services at the social cooperative Labirinto, the second biggest consortium of social cooperatives with more than 700 members
- 3) Lucio Cimarelli, Consorzio Solidarietà, an innovative consortium of social cooperatives
- 4) Franco Alleruzzo, regional head of the association of cooperatives Legacoop Marche
- 5) Fabio Colombo, PhD Student at the University of Urbino
- 6) Tatiana Saruis, Improve researcher at the University of Urbino.

The meeting was conducted by Yuri Kazepov, University of Urbino.

The main issues that emerged in the discussion are the following:

1) A GROWING COMPLEXITY IN THE WELFARE SYSTEM MAY INHIBIT SOCIAL INNOVATION

The growing complexity in social needs and welfare mix is emerging through the involvement of many and different actors, complicated networks, the multiplication of services and projects, increasingly complicated laws trying to be develop inclusive approaches, etc. In such a situation, the general rationality of the system may decrease substantially, while fragmentation increases. What becomes crucial is to identify the rupture point at which the complexity becomes unmanageable: the possibility to share policy strategies and aims among the stakeholders is reduced and what remains is a disarranged puzzle of fragmented interests, aims and visions.

Complexity can freeze the change and the capacity of a re-adaptation of welfare to social change, because of two kind of effects:

- a) on the one hand, too much complexity *inhibits the actors' capacity* to decode, understand and share interpretations of social problems, identify solutions and act in the system forecasting the results they can obtain. Social Innovation becomes a too big risk and this has a sort of disempowering effect that may paralyse change.
- b) on the other hand, the *possibility to deeply influence the context with effective policies becomes scarce*. Each actor is a stakeholder with specific agendas, aims and becomes a decision-maker in itself and an "interpreter" of every political or technical decision. This has always been the case, but in a context with less hierarchy the impact is quite strong and de-structuring. Thus *"if the input in social policy is A, you don't obtain B as output. Maybe you have a Z or a 3 ... maybe not even a letter!"*. In a too complex system, nobody has the responsibility of what happens and an understanding of what happens in the implementation of reforms and solutions.

In a fragmented system, Social Innovation is the result of a random combination of individual and contextual factors.

2) THE VISION INSPIRING SOCIAL INNOVATIVE EXPERIENCES NEEDS TO BE SHARED

Who works on social policies and services is often concentrated on emergencies and everyday issues. But to *share a “vision”* of what we should understand as social problems, strategies and solutions is important to define and stimulate Social Innovation: *“When you make an innovative proposal you have to explain your vision to justify the sense of what you want to realise, not just your idea. You need to share your vision to convince the others to share their knowledge about limits and opportunities to realise this idea”*. Having spaces and time for sharing visions and strategies is useful *to ease the processes of innovation, build alliances and find support*. In this sense *“consultation is not wasted time”*.

3) THE RELATIONSHIP BETWEEN POLITICAL AND TECHNICAL LEVELS IS CRUCIAL

In the welfare mix, partnerships and alliances have to be created not just among institutional levels or different actors but also, between social workers/professionals and managers or political actors. Thus not just the *relationships among different kind of organizations but also within organizations* have to be included as a challenging aspect in governance processes promoting Social Innovation. Such a relationship should not be taken for granted at all. The focus on this aspect increases the possibility to realise new ideas, achieve aims and implementing coherently projects, policies, measures.

4) MARKET (COMPETITIVE) AND SOCIAL (COLLABORATIVE) LOGICS NEED A BALANCE

A dominant market logic in the mixed welfare system may be a limit to Social Innovation. Among the tools for collaboration between public administration and the third sector the *“call for tender”* based on a price competition may be a too *“crude tool”* to address social issues. Such a public selection procedure might allow transparency in public competitions, but is unable to adequately consider a more social logic (relationships building, personalization of intervention, long time intervention, etc.). A prevailing market logic targeting efficiency and price-competition might lead to service degradation. The two logics would have to be better balanced, including the possibility to consider the social value of intervention and innovative ideas.

The competition logic is favouring the biggest social cooperatives compared to local actors. In fact, the latter might have a better and in-depth knowledge of the local context, its problems and resources, and have long time relationships with the population, but have not the possibility to win competitions with strong trans-regional actors who guarantee public administration to decrease the costs.

More collaborative tools, allowing to share projects and ideas among public and private partnerships would favourite social innovation, participation and bottom-up processes.

5) SOCIAL INNOVATION NEEDS “TOOLS” FOR RISING AND BEING EVALUATED

A social innovative experience is, at the same time, a good practice and a *“deviant case”* in the context where it is conceived and implemented. It can rise by *“forcing”* the interpretation of the laws and using discretionary power in the law framework. This may create legal problems in public institutions and bureaucrats, but also politicians, can try to hinder new ideas and act in a path dependent logic. Social Innovation may arise from failure, be *“painful and tiring”* and include risks. If the pathway to realise innovative ideas is too long, they risk to be already old at the moment of

implementation. Thus it needs tools to be stimulated, accepted and assessed. Transaction costs should be kept under control.

Social Innovation can become *an aware raising strategy* for public and private institutions, with specifically targeted spaces, laws, funding and also “tools” for assessing and improving experiences.

The assessment/evaluation phase is particularly relevant, because good ideas need to be observed in their realization and continually readapted to social change, correcting the negative aspects without wasting what works good.

4. Minutes of Brussels stakeholder workshop on governance challenges for social innovation

Stijn Oosterlynck, Pieter Cools, Gert Verschraegen and Andreas Novy

25 June 2013

A. Participants and organisation of the meeting

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The participants are a mixed of policy and civil society stakeholders and academics and experts, all working in the field of social innovation. Given its location, we were able to attract several representatives of European umbrella organisations. The Brussels workshop is complemented with two decentralized workshops in Italy (organized by the Urbino team), where stakeholder representatives are closer to the practice of social innovation.

The meeting was kicked off with a presentation on the Improve research goals and the governance challenges for social innovation already identified.

There were two parts to the discussion:

- (1) a discussion on our definition of social innovation and broader research question;
- (2) a discussion on the governance challenges on the basis of a preliminar

B. SI definition and research question

We presented the following definition of SI:

“Alternative localized practices that help socially excluded and impoverished individuals and social groups to satisfy basic needs for which they find no adequate solution in the market or existing welfare policies. It involves processes of social learning, collective action and awareness raising.

Three operational criteria (on basis of which we identify action or policy as socially innovative):

- *New type of action, intervention or policy in particular (institutional) context*
- *Involvement of civil society, social entrepreneurs or local governments (i.e. new mix of actors)*
- *Bottom-up and everyday life context”*

a. Social innovation and the welfare state

Most innovation literature does not care about the broader context in which social innovation takes place. In your research project, this broader context is the changing welfare state. Both approaches run the risk of missing something. Our research questions gives the impression that we look for initiatives that could repair or bring back the successful Keynesian-Fordist welfare state. This is neither likely nor desirable. We must be careful for a conception of combatting poverty that “tries to close a gap” because running after an old system is not leading to innovation. One should bear this in mind when talking about alleviating basic social needs a dynamic, change-sensitive view is necessary. Social entrepreneurs or innovators should be aware of what is changing in his field. SI is exactly about anticipating, reacting to and directing these changes. It is about gaining a comparative advantage by working (stress on the production dimension) with people in poverty and being pro-active by taking initiatives.

If you only look at SI as a new way of enabling social redistribution, you should also assess what went wrong with ‘old policies of redistribution’.. Social Innovation is a transition concept. Therefore, SI processes does not only involve upscaling successful projects but also downscaling older, outdated programs. In SI, finding ways of making place for new social models is very important. In many cases old and new programs, actions and policies will need to co-exist and work simultaneously until the new program is in full effect. In this context, it needs to be clarified whether the welfare state refers to bureaucratic forms of service provision or to the institutionalization of the idea of social rights.

A participant suggested that ‘seeking SI which complements the welfare state’ may lead to wishful thinking on the complementarity of welfare state and social innovation. Often there will be a negative relationship or no relationship at all. Perhaps it is better not to focus on complementarity with ‘old’ model of welfare state, but more on social innovators that are pushing towards a different social model. We should not hold on to the welfare state. It follows that the state is placed too central in our story and that the focus should be more co-production. In this era of ‘second welfare’ social responsibility is not just located in the state, but also appeals to civil society and social entrepreneurs. The suggestion is to focus less on local government and more on social actors. It is not so much the involvement of the state that is important, but the interaction between SI initiatives and the state.

A more moderate critique was that our focus on ‘*social innovation in order to complement, reinforce or modify welfare state policies*’ is a way of thinking in a positive direction that risks to downplay that welfare state policies also often act as obstacles to SI. It draws away the attention from instances in

which the relation between state and civil society actors or entrepreneurs does not work well or does not matter.

Finally, it was noted that 'quantity' is a characteristic of the institutionalized welfare state, whereas social innovation is 'qualitative' in its understanding and approach of poverty and social exclusion.

b. 'Helping' the poor, criteria for success and evidence of empowerment

Our SI definition refers to "practices that help socially excluded". This portrays people that need help without attention for their strengths and potential. Practices that claim to help people in poverty often alleviate needs but confirm their position, so helping them is not (necessarily) taking advantage of people's potential. The idea of empowerment and helping them to help themselves is important here. This discussion is closely connected with the criteria for success of SI initiatives and the evidence base to call SI initiatives empowering. Our three operational criteria will likely lead us to include Social Innovations that do not work or are unethical. For people that engage in the field of social services, it is very frustrating to see that some sexy 'innovations' (like the soccer cup for homeless) get prizes and/or research attention when it is already proven that they simply do not work for the poor and are not empowering. There is a lack of real evidence about which ideas work and which ideas do not and the evidence that exists is often forgotten or not consulted. In order to produce more evidence based policy models for poverty reduction, you need clearer selection and evaluation criteria. To a certain extent you have to know whether it works or not from the position of the poor in advance.

All participants support the idea of finding evidence on what works, but for some, success should only be assessed in the second stage and should certainly not be part of definition of social innovation. Choosing many concrete criteria (at this stage) will restrict our scope of SI too much. They suggest to leave it very much open, even more open than we did with our definition. We must also take into account that the added value of some SI initiatives is mostly symbolic, so we must be open minded about possible effects. Moreover, as far as governance challenges are concerned, we can also learn from initiatives that are controversial, non-successful or that experience serious difficulties.

Our focus might be too much on poverty because a lot of SI initiatives do not target people in poverty directly, but may have a significant indirect effect on these groups as well (e.g. the shift from childcare centers to family centers in France). It is suggested that a focus on 'enhanced quality of life' might be better (more encompassing) than social needs and (diverse) equality.

The balance between pragmatically addressing problems and a view of the future is important to all SI projects and not only the ones targeting people in poverty. Hopes, messages and utopian images are combined with practical concerns. SI initiatives struggle with both. Our take on the relation between these different concerns is not clear from our documents. Maybe there should something about this tension in our definition.

c. Where is the economy?

One participant argued that we do not say a lot about the causes of social exclusion and unequal distribution of goods and services. It seems to be about targeting the symptoms because nothing is

said about social structures and systems producing social exclusion: “Where is the society that makes this happen? And where is the economy?”. It is argued that more attention should be given to alternative economic practices and the production of social services and social goods. It should be about addressing social needs in an economic way, on how more social oriented business plans succeed in establishing themselves in the broader economy. We are dealing with a deep transformation in the economic framework. Too strong a focus on the welfare state makes us lose sight of this economic transformation and the role of social innovative initiatives in it. The European Commission sees social innovation as blurring the distinction between the social and economic sphere and looks at the potential of people so that they can make economic contribution.

Some argue that social businesses are the future. It is quite a different model than the dominant, profit-maximizing business – a lot would have to change, a lot of social innovation is needed to make such models more central to the economy. We agree that the welfare state will not be a sufficient base for welfare provision and the market is not either, so it should really be about new models that produce and not only guarantee the provision of goods and services. SI should indeed be about strengthening social rights but according to some participants, the focus must be more on labor and strengthening the productive sector.

Conclusion of first discussion round:

- Different opinions about the need to develop criteria for success and evidence before cases are selected; this also requires a perspective on the structural causes of social exclusion and poverty in society; A strong plea to make the relation with the economy and new economic practices more explicit and central in our research design;
- Tension between big ideas and practical matters should be addressed;
- Call to be more open about the relation between SI and the welfare state and explore the possibility and desirability of new social models (era of second welfare);
- Socially innovative poverty reduction is not about catching up but working with the poor. The idea of empowerment is very important;

C. On the governance challenges

We presented 7 challenges:(

(1) Upscaling – Enhancing the reach of SI initiatives; (2) Governing Welfare mix; (3) Equality and diversity; (4) Uneven access (5) (Avoiding) responsibility (6) Enabling legal framework (7) Individual vs. collective strategies

General remark: The challenges should be formulated as questions. Now they often look like conclusions or perspectives to allow for empirical assessment.

a. Which challenges should be formulated differently?

(1) Upscaling

Social innovation is often small-scale but our interest should be in larger processes of social change. The problem of upscaling should not be discussed only from the perspective of outcomes. Broader impact implies acting upon the causes and not only the symptoms. There may be structural economic reasons why small scale SI does not get upscaled, because of entrenched economic interests working against it. Relatedly, we should focus on the upscaling of the organisations and organization process behind SI, rather than on the outcomes.

One of the most important dimensions of upscaling in the field of SI is the dissemination of knowledge. Newly developed knowledge often does not make it to the public or collective consciousness. Good ideas need to become part of a new culture of doing things. So the challenges of upscaling crucially involve spreading knowledge and awareness through social learning. Are the cases of social innovation you study part of a collective attempt to build knowledge on successful social innovations (social learning rather than knowledge dissemination)? Social learning is about a lived and embodied process, not about acquiring knowledge through documents?

(2) Welfare mix

This challenge contains too many dimensions (amongst others the relationship between professionals, volunteers and clients) and should be divided in two or more challenges

Does successful SI initiatives need a clear division of roles between civil society, state - and market actors or is it all about stepping outside of the conventional roles of these actors? We agree that local governments can combine the roles of regulator, coordinator and provider in the early years of implementing new models, but some feel that after this transition period local governments should withdraw from being a provider themselves. As one participant notes: “there are more declarations on subsidiarity than there are subsidiarity practices in public administration”.

(3) Diversity

Why is the sentence “avoid that strongest civil society organizations influence public decisions about social rights and public resources distribution” formulated negatively and not in a positive way? This could be reformulated in a more positive way, e.g.: “cooperate with/stimulate the strongest organizations to influence public decisions about social rights and public resources distribution”.

Can diversity generate common standards? If so, how? With a bottom-up process you can certainly generate standards based on diversity. With top-down policy this is hardly possible. It is a question of how to organize participation and deliberation.

(4) Uneven access

Marketization of services is also part of this challenge. In beginning of SI initiatives, there are always going to be pockets of access and pockets of lack of access.

(6) Enabling legal framework The political economic context might be more important than the legal context. For example, the European Union’s youth unemployment program will have adverse

consequence, given that young people are forced to continue training and education or find a job, while there are no opportunities available in some countries.

b. Which challenges are missing from our list?

- How can socially innovative initiatives build on the potential of people (empowerment)?
- How can SI achieve structural change? How can you innovate and stimulate transition when you are working with very urgent problems such as homelessness?
- Can social innovation bring about a new relation between welfare and growth? What is the role of labour practices in a social innovation approach to this question?
- A lot of examples of social innovation are about services. The key of social services is the relationship between professionals and clients. This throws up question about the allocation of responsibility to volunteers (see challenge 5, but more micro-focus).
- The challenges are very much oriented towards political science questions. Be aware of the political science trap, i.e. reorganize institutions and issues will be solved. The dimension of service cultures and mentalities is missing here. How are services perceived by users and how can we innovate in the way services are conceived by users? One example: addressing services to families rather than individuals.
- Focus more on evidence for success in the challenges (see discussion part 1).
- Social innovation happens outside the big formal service providers. How can we get them inside these big formal organisations? What does it take for initiatives outside the established sector to convince the established sector and policy makers to (support) change and innovation? Does the 'innovativeness' go away when the model is applied in the established sector? We should not underestimate the conservative reaction of the established sector, as they may be resistant to change.
- How to share productivity increases happening in one sector due to (investments) in social innovation in another sector? If social innovation leads to cost savings elsewhere (e.g. successful homeless programs leading to savings in health and criminal justice sectors), how can these saved resources be put back into social innovation initiatives?
- How to clarify the roles and mandates of different actors, especially the authority of local public organizations that combine the positions of coordinator/manager and provider/actor? We speak about scaling up but never about scaling down. Scaling down may be necessary to create space for new social innovations. Are we going to look at the whole life cycle of a socially innovative idea, including its death? One could think of the relevance of governance challenges in relation to the life cycle of a social innovation idea.

- How can we allow for (and admitting) failure in social innovation projects with public money. Suggestion to simplify the list of challenges and reduce it to three challenges:
 - At the level of the single organization: look for organizations that are able to implement a multi-stakeholder principle (users, funding agencies, operators, etc.). How spread is this kind of organizations and which forms do they take?
 - At the system level: How to deal with a plurality of organizations and actors? Look for skills of working in multi-actor settings.
 - Which are the best practices and experiences bottom-up (and voluntary) development of common standards? Which organizations are able to implement this bottom-up methodology?

5. Minutes of Milan stakeholder workshop on governance challenges for social innovation

Yuri Kazepov, Tatiana Sirius

July 9, 2013

The meeting was attended by:

- 7) Don Virginio Colmegna, Head of Casa della Carità – (former Director Caritas, Milan)
- 8) Luca Fanelli, Member of Action Aid Italia, (responsible Piedmont Region, Turin)
- 9) Paola Bonari, member of Fondazione per la sussidiarietà (Foundation for Subsidiarity), Milan
- 10) Alberta Andreotti, researcher at the University of Milan–Bicocca (expert in networks)
- 11) Massimo Conte, Founding member of Codici, social cooperative and innovative research institute, Milan
- 12) Floriana Colombo, Head of Social Cooperative A77, Milan (one of the historical cooperatives of Milan, with more than 35 years of activities)
- 13) Tatiana Saruis, Improve researcher at the University of Urbino

The meeting was conducted by Yuri Kazepov, University of Urbino.
These minutes were recorded by Tatiana Saruis, University of Urbino.

The main issues that emerged in the discussion are the following:

1) BASIC NEEDS AND INNOVATION

In the Italian context, where public intervention on poverty is quite missing, attention, time, resources and efforts of third sector and civil society actors are often concentrated on basic needs and assistance. Even though all are aware that satisfying basic needs is a necessary but not sufficient condition to contrast poverty. This is because poverty concerns relations and identity, not just economic problems. Policy makers, but also civil society actors, all seems to be concentrated on emergency issues. This reduces the attention to innovation, prevention, empowerment and intervention on new and more complex social questions.

The informal relations, that are actually one of the main strengths of the Italian welfare system, are under stress. They are so stressed out that innovative experiences fail to become an object of a general reflection, unable to produce questions and new systemic practices, to perceive that they may have more important effects than in a single action.

On the one hand, it is a sign of a crisis of democracy. **The perception of a relevant distance between citizens and politics inhibit innovators in the elaboration of strategies to influence policies. Thus innovative actions remain isolated cases.** On the other hand, with the economic crisis and diffuse unemployment, the concept of **empowerment, based on a working society**, is actually too frail to become effectively an operative concept.

2) UPSCALING AND CRISIS OF DEMOCRACY

There's a lot of rhetoric on bottom-up policies, but **there are not effective mechanisms to individuate good experiences and translate them to policies**. The possibility to translate needs and social questions in a political language has become difficult because, on the one hand, the representativeness mechanisms are often not credible and, on the other hand, part of poor people are excluded from citizenship rights, without the possibility of participating and "weight" in political decisions. Without this bottom-up mechanisms of transmission of instances, the innovative solutions die before or at the moment their institutionalization process starts, due to bureaucratization. The "translator" of citizens' instances and informal and localised innovative solutions in political language and policy intervention seems to be broken.

3) THE TECHNOLOGY FOR PARTICIPATION

It's important to underline the weight of the word "social" in the definition of social innovation. In fact, it is often the technological aspect of innovation to be highlighted: the introduction of new information and communication technologies in citizens' lives. But also **social participation has its technologies: methods, techniques and tools to guarantee an effective participation**.

Actually, the lack of public resources is slowly breaking local institutions' self-centredness, because of strong pressure of citizens' requests and risk of tense situations. There's a strong feeling of alarm and it could force them (local institutions) to readapt their strategies and think to better solutions involving all local actors. But even when public institutions decide it's time to call for participation, they usually have scarce competences in organising and managing participatory processes (e.g. they call people to propose solutions but not visions of problems, they call for third sector participation but not for single citizens).

Even participation processes become tools of selection: distinguishing citizens who can participate and those who are excluded. **The tender logic doesn't allow easily to consider the social value in the selection of actors and projects**: for example, a public competition can be more easily won by a big company-expert in events' management rather than by a local organization of young people. Another example: mutual help groups give important benefits, but they need to be managed by high professionals, not by volunteers, thus they need resources to be invested.

The lack of universalism in social policies causes also a risk of unfairness treatments among poor people: stronger and better represented groups may be privileged and weaker groups with less appeal in the public opinion (e.g. Rom people) being disadvantaged. The risk is also the "**flipper**" mechanism: people with multiple problems are sent from one service to another. Public institutions, and especially public bureaucracy, cannot play an exclusively managerial role, leaving all the practices to external actors, because it must be the guarantor of rights and fairness.

4) A COMMON VISION TO RECOGNISE INNOVATION

Public institutions are not playing a purposeful role but they appears like "**a notary for tenders**", distributing (increasingly less, and always insufficient) resources without having policy aims and visions of public good. But **how can you talk about good experiences of social innovation if you don't have an idea of what the public good is?** You don't have a parameter of evaluation, excluded the cost. This is a critical point, especially in the policies to contrast poverty: how can you deliver a service to people who cannot pay? The risk is to have a hole in the policies. In this situation, **the selection of good experiences is made on their cost: innovation can be just in finding ways for saving resources**, while effective but more expensive experiences are let die.

Social innovation has to be contextualised in a common vision of the city. This vision must be created with an effort of all the local actors, but guided by public institutions. These must be facilitators of processes, directors of the welfare system and participatory dynamics. Creating spaces and time opportunities for dialog, reflection, learning is necessary to produce **a common vision of a complex society and evaluate what is good social innovation to be promoted.**

5) THE IMPORTANCE OF EVALUATION (WHICH EVALUATION?)

The possibility to evaluate innovative experiences is crucial for innovation: for individuating what works, understanding which are the benefits and weaknesses, considering under which conditions it can be replicated, what can be improved, how it can be supported, etc.

Especially encouraged by EU, Italian Institutions have implemented evaluation systems, but they appear in no way oriented to innovation. The following problems are perceived about evaluation:

- a) It produces a lot of data on policies and actions (and costs). **Nothing on their results and impact.** There's not interest to have information on results for all the actors engaged in policies and their implementation: this could document their failure, so they prefer just going on in their decisions without knowing if they are doing well. They are just interested in reproducing themselves.
- b) It is just based on quantitative methods, using complex standardized tools and procedures. Their elaboration lacks in transparency. **It is a topic for experienced professionals, but unintelligible for citizens.** It doesn't stimulate participation and confidence in data and institutions producing them. Furthermore, many social aspects can be difficultly be measured (like the important contribution given to Italian welfare by informal resources and relationships, in time of crisis).
- c) It appears as targeted to cut costs, at any cost. It doesn't aim to include the social aspects of innovation. It looks at economic aspects, which are easily measurable. **It privileges efficiency rather than effectiveness.** This is evident in the segmentation of evaluation in policy sectors that even hinders the possibility to identify spaces for reducing public expenses: in Italy, due to the lack of resources for social policies, poverty is often treated by public institution residually. Psychiatric care and residual intervention are probably more expensive compared to prevention, because they stimulate chronic dependency from (social) assistance. But it is not easy to have an evidence about it and **this reduces the possibility of acting in a social investment logic.**
- d) It is oriented to control policies, not to improve contexts and experiences. In fact, the organizations that are called to produce data often don't receive any feedback. They have not the possibility to reflect about them, to compare their experience with others, to introduce innovation practices in their own experiences. **Information and knowledge produce social innovation if they interact with social actors and influence their decisions, otherwise they are functional to preserve the same old planned policies.**
- e) It is expensive and needs investment of resources, competences and efforts. The innovators, especially if they produce local limited experiences, usually cannot afford this cost. **The role of public institutions in the field of evaluation would be important as a way to promote social innovation.**

In sum, a qualitative and not standardised evaluation (maybe integrating quantitative analysis), conducted as a participatory process, involving social actors' knowledge and taking in account

contextual elements, could stimulate social innovation: ***“it should not aim at producing statistics, but social learning and innovation”***.

6) REPRODUCIBILITY

It's difficult that social innovation can be diffused in a top-down logic, without producing negative effects, like bureaucratization. Innovative experiences can be, and would have to be, analysed to individuate the **conditions of reproducibility in the experience and in the context where it has been realised**. It is useful to capitalise experiences. But the best way to reproduce innovation is considered **“germination”**: networks are like living organisms that can be activated and fed with empowerment.

6. Brief account of how suggestions of stakeholders and experts are integrated in document with governance challenges for social innovation

1. Frank Moulaert suggested to include 'enabling legal framework' as a separate governance challenge for social innovation. We have done so in governance challenge #8. As part of this governance challenge, we have included suggestions about the role and nature of assessment processes (Fano workshop) and tendering procedures (see Fano and Milan workshops).
2. In the Brussels workshop, several participants argued that we should pay more attention to the relationship between the economy and social innovation, amongst others to the economic causes of social exclusion and poverty, alternative economic practices and to social entrepreneurship. Although the focus of Improve is on governance challenges, we have tried to accommodate this line of comments by paying attention to it in the governance challenges 'mainstreaming social innovation' (pointing out that the economic processes producing social exclusion and poverty may hinder mainstreaming) and 'governing the welfare mix' (claiming that social problems can also be solved by economic interventions and practices).
3. The term 'upscaling' in the first governance challenge has been replaced by 'mainstreaming' (suggestion of Frank Moulaert).
4. In order to analyze the tensions between the individual motivations of participants in socially innovative initiatives and organizational interests (e.g. the survival of the organization), we have added a seventh challenge on 'managing intra-organizational tensions' (see discussion with Frank Moulaert).
5. The need for social learning and knowledge dissemination has been explicitly included in the first governance challenge on 'mainstreaming social innovation' (see report of Brussels and Milan workshops).
6. Following a suggestion made in the Brussels workshop, the second governance challenge on 'governing the welfare mix' is split up in two separate challenges on 'avoiding fragmentation' and 'developing a participatory governance style'. Also, challenges related to the role of the government in social innovation have been spelled out in more detail under the governance challenge on 'avoiding fragmentation'.
7. Questions about developing common standards for welfare provision are explicitly included under the fifth governance challenge on 'uneven access' (see report of Brussels workshop).
8. The suggestion to broaden our focus to include service cultures is taken up under the first governance challenge, where we argue that mainstreaming social innovation may also include creating a new culture of welfare provision (see report of Brussels workshop).

9. At the Fano workshop, it was suggested that the growing complexity of welfare provision may undermine the capacity to act and the possibility to influence the context. This is included in the second challenge on 'avoiding fragmentation in the welfare mix'.
10. Participants in the Fano workshop highlighted the importance to share visions and strategies among social innovators. This is now included under the seventh challenge on 'intra-organizational tensions', where we refer to the tension between reacting to immediate concerns and the need to develop long terms visions and strategies for the structural transformation of society. The comments on the relation between political and technical levels in the organization is re-framed as a relation between the day-to-day work on immediate concerns and needs and long term strategies and visions.
11. Concerns about the marketization of the welfare mix and the competitive logic embedded in the logic of instruments such as tenders has been included under the eight governance challenge on 'an enabling legal framework' (see report of Fano and Milan workshops). The same is done with the suggestion about assessment procedures.
12. The concern about upscaling and the crisis of democracy and the technology of participation raised at the Milano workshop is included in the third governance challenge on 'developing a participatory governance style'.
13. The suggestion to reflect on the importance of evaluation and concerns about the privileging of efficiency over effectiveness is included as part of the eight governance challenge on 'an enabling legal framework' (see report of Milan workshop).