IMPLEMENTING INNOVATIVE SOCIAL INVESTMENT

STRATEGIC LESSONS FROM EUROPE

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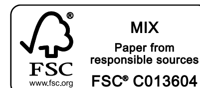

ONE

Social Investment in welfare: a sub-national perspective

Susan Baines, Judit Csoba, Flórián Sipos and Andrea Bassi

Introduction

The concept of a Social Investment welfare paradigm has become highly influential in public policy globally (Deeming and Smyth, 2017). At its heart lies the idea that welfare states must invest to strengthen skills and capacities, beginning in early life. 'Social Investment' therefore refers to policies and interventions that aim to build the productive capacities of citizens (Deeming and Smyth, 2015). Typical examples include labour market activation and early years education and care (Hemerijck, 2017). According to the European Commission (2013: 3): '[S]ocial investment policies reinforce social policies that protect and stabilise by addressing some of the causes of disadvantage and giving people tools with which to improve their social situations'. Many countries – including but not limited to members states of the European Union (EU) – have adopted some elements of Social Investment, although uptake is far from uniform (Bouget et al, 2015).

Social Investment calls into question past welfare policy paradigms (Van Kersbergen and Hemerijck, 2012). Indeed, according to its advocates, it amounts to 'a paradigmatic rethink of active welfare states for the 21st century knowledge economy' (Hemerijck, 2017: 66). The scholarly literature on Social Investment focuses heavily on aggregate effects and the macro-comparative analysis of welfare spending (Kuitto, 2016). As a result, debates often remain on an abstract meta-level and make limited reference to local and micro-level implementation and practice. In contrast to most writing on Social Investment, this book brings sub-national contexts to the fore. It does this with original, empirical research evidence about successes, challenges and setbacks from 10 countries.

It is the idea of having a lasting impact that gives Social Investment policies the characteristics of an 'investment' by offering some returns over time. This meaning of the term 'social investment' is somewhat

distinct from its more typical usage in the UK and other English-speaking countries to denote financial mechanisms such as Payment by Results (PbR) and Social Impact Bonds (SIBs) for funding social programmes. Financial mechanisms are not the main focus of this book, although we do consider some aspects of financial innovation.

Innovation is an essential element of Social Investment as social policies require constant adaptation to new challenges (Jenson, 2015). Social innovation is concerned with 'the development of what are currently viewed as assets for sustainable development: environmental, human and social capital' (BEPA, 2010). Yet, the emerging scholarly literature on Social Investment has included social innovation to a very limited extent (Ewart and Evers, 2014).

The aim of this book is to advance empirical and conceptual insight into the Social Investment welfare paradigm from a social innovation and a sub-national perspective. Drawing upon multinational research under Horizon 2000 Societal Challenges, chapter authors offer new evidence about the regional and local realities of Social Investment policies and programmes, and original analysis informed by engagement with the service users and local communities affected.

Social Investment

The idea of 'Social Investment' implies that spending on welfare is a long-term investment to improve prospects for economic and social participation (Hemerick, 2013, 2015; Leoni, 2015). Its early origins have been traced to the founding of the Swedish welfare state in the 1930s, and the arguments of social democrats in that country, who viewed social policy as an investment rather than a cost (Deeming and Smyth, 2015). It can also be linked to earlier and often overlooked 'productivist' traditions in British social policy (Smyth and Deeming, 2016). A 'socially investive state' was proposed by Giddens, who argued for 'investment in human capital wherever possible, rather than the direct provision of economic maintenance' (Giddens, 1998: 117). Whereas Giddens advocated activation instead of income guarantees, other prominent scholars have insisted that minimising poverty and income insecurity is a precondition for effective Social Investment, not a substitute (Esping-Anderson et al, 2002; Hemerijk, 2017). Social investment in the UK (aligned with the viewpoint of Giddens), as well as in other English-speaking countries such as Australia, has been described as a 'light' version characterised by investment in human capital alongside low social protection (Deeming and Smyth, 2015). Nevertheless, there is evidence of some convergence around key

Social Investment objectives (Jenson, 2009) and the formation of 'a fairly coherent epistemic community' (Hemerijck, 2017: 3). As a way of framing problems and solutions, Social Investment has become widely shared and gained the backing of influential international organisations such as the Organisation for Economic Co-operation and Development (OECD), the United Nations Children's Fund (UNICEF) and the World Bank (Cantillon and Van Lancker, 2013; Deeming and Smyth, 2017).

The EU, under the Dutch presidency in 1997, introduced the phrase 'social policy as a productive factor' to counter the market-liberal stance, then becoming widely accepted, that welfare interventions are at the expense of economic competitiveness. Social Investment was anchored in the Lisbon Agenda, with the objective to modernise the European social model through a synthesis of competitive markets, knowledge-based investment and social cohesion (European Council, 2000; Morel et al, 2012). The Europe 2020 Strategy reinforced the EU's social dimension and transferred the Social Investment objectives of the Lisbon Agenda into the European economic policy agenda, with the overall objective to lift at least 20 million people out of poverty and social exclusion. Investment in human capital, active inclusion strategies and early childhood intervention thereby became priorities of Europe 2020's social agenda (Social Protection Committee, 2011).

The European Commission adopted the expression 'Social Investment' in 2013. In this book, we take as a working definition words that become embedded in the Social Investment Package (SIP) launched in that year:

> The social investment approach stresses the case for considering certain parts of employment and social policies – and possibly other policy areas, such as education – as entailing investments improving prospects for future employment and social participation, together with more social cohesion and stability … thus stressing the life course dimension of social policies and their long-term benefits for society. (European Commission, 2013: 4)

This definition foregrounds human capital and labour market attachment in the 'life course dimension' of social policies. At the same time, it recognises social participation and cohesion. More recent EU policy initiatives have further emphasised fairness and social justice alongside dynamic labour markets and expanding access to paid work (European Commission, 2017).

In contrast to more redistributive forms of welfare, measures and instruments associated with Social Investment are intended to strengthen people's skills and capacities over the course of their lives. In other words, welfare should '"prepare" individuals, families and societies to respond to the new risks of a competitive knowledge economy … [rather than] "repair" damages after moments of economic or personal crisis' (Hemerijck, 2015: 242). The new risks that people face because of the challenges of post-industrial societies are associated with precarious employment, income volatility, skills that become quickly outdated and changing household structures. All this implies the need for 'capacitating social services' aimed at equipping individuals and families to mitigate increasingly unforeseeable, erratic and heterogeneous hazards (Sabel, 2012; Hemerijck, 2017). Social Investment has three central interdependent functions, known as stocks, flows and buffers, which can promote the fulfilment of the productive function of social policy (Hemerijck, 2017). In more detail, these consist of:

- raising the quality of the 'stock' of human capital and capabilities over the life course;
- easing the 'flow' of contemporary labour market and life-course transitions;
- maintaining 'buffers', mainly in the form of safety nets for income protection and economic stabilisation. People are also 'buffered' through support services that alleviate shocks and stresses (Sabel et al, 2017).

Through stocks, flows and buffers, Social Investment, according to its proponents, stops disadvantage from compounding in the lives of individuals and across generations (Esping-Anderson et al, 2002; Hemerijck, 2017). Critics counter that Social Investment policies may not impact positively on inequalities (Kazepov and Ranci, 2017) and may have flaws when it comes to the protection of vulnerable groups (Cantillon and Van Lancker, 2013). A separate but related strand of criticism concerns making social policy 'the "handmaiden" of economic policy' (Dobrowolsky and Lister, 2008: 132). Morel and Palme (2017) and Bonvin and Laruffa (2017) propose squaring this circle by thinking of human capital not only for economic returns, but also more holistically in terms of capabilities (Sen, 2001), thus opening a way to refocus Social Investment debates around human freedom, democracy and citizenship.

The break from the consensus of the post-Second World War welfare model is highlighted in the words of Palier (2008, translated by Jenson, 2009: 447): that Social Investment means 'going from a welfare state that is a "nurse" to one that is an "investor"'. The Keynesian emphasis on the management of effective demand under the post-Second World War consensus gives way to an emphasis on effective supply, removing barriers to entry into the labour market, discouraging early exit, making transitions less precarious and providing gender equality throughout the life cycle. Social Investment advocates also reject and seek to replace neoliberal principles of welfare retrenchment (Hemerijck, 2017). Three welfare paradigms are set out in Table 1.1.

The extent to which Social Investment represents a fully fledged paradigm is contested. Nolan (2013) emphasises the conceptual and empirical challenges of ascertaining what Social Investment is and what it is not since many policies and instruments have characteristics that are both investive and compensatory. Daly (2012) sees Social Investment as a compromise position that departs from neoliberalism by accepting the reform capacity of the (welfare) state while sharing neoliberalism's enthusiasm for markets, including their use in welfare provision. Echoing Deeming and Smyth's (2015) analysis of light and strong versions of Social Investment, Barbier (2017) discerns two ways of envisioning Social Investment. One way is as an innovative reform strategy that accompanies national systems of social protection. The other way departs from social protection by advocating conditional, targeted, time-limited programmes, sometimes resourced through private finance. This is close to the usage in the UK of the term 'social

Table 1.1: Three welfare paradigms

	Welfare state consensus (post-Second World War)	Neoliberal	Social Investment state
Goals	Full (male) employment and welfare rights	Market efficiencies and flexible labour markets	Growth and competitiveness through improved human capital
Enemies	Giant evils (idleness, want, ignorance, disease, squalor)	High public spending (which 'crowds out' private initiative)	Intergenerational disadvantages; gender inequality
Timescale	Here and now	Ahistoric	Future-oriented
Policy instruments	Benefits to replace income; universal services	Benefit curtailment and service privatisation	Capacitating services with investment in children and active labour programmes

Source: Adapted from Hemerijck (2017)

investment' to refer to Social Impact Investing, meaning the use of repayable finance to achieve a social as well as a financial return. The Cabinet Office (2013), for example, declared that 'social investment refers to capital which enables social organisations to deliver both social and financial returns'. Nichols and Teasdale (2017) position 'social investment' in this sense as a 'micro-paradigm' nested within the overarching frame of neoliberalism. In Barbier's analysis, it is a way of viewing Social Investment that should be strenuously resisted by Social Investment partisans. New commissioning mechanisms such as SIBs, Barbier notes, are mentioned positively in the European Commission (2013) communication on the SIP. SIBs make funding for services conditional on achieving results. The case for them is that they are a way of bringing rigour to interventions and providing the financial and political capital for innovation (Warner, 2013).

Social innovation

European welfare states were designed to offer support against 20th-century social risks. The idea of new risks that do not respond to established, tried-and-tested welfare remedies is the lynchpin of Social Investment. Social innovation is an evocative but somewhat elusive concept that has become influential in scholarship and in policymaking (Grimm et al, 2013; Evers and Brandsen, 2016). In contrast to technological and industrial innovation, social innovation is explicitly about addressing human needs (Marques et al, 2017). Nevertheless, as Jenson (2015) notes, thinking on social innovation has been heavily imbued with the writing of the economist Schumpeter (1983 [1934]), in particular, his influential categorisation on the main types of entrepreneurial behaviour that produce innovations in industry. These are: introducing a new good; introducing a new method of production; opening up a new market; exploiting a new source of raw materials; and organising whole industries in new ways (Schumpeter, 1983 [1934]). Social innovation can be found in four schools of thought from different national and linguistic traditions:

- Centre de recherche sur les innovations sociales (CRISES) in French-speaking Canada, founded by the sociologist Benoît Lévesque in the late 1980s, with an emphasis on the well-being of individuals and communities (Lévesque, 2006);
- studies of urban renewal and development primarily under the direction of the French-speaking Belgian scholar Frank Moulaert,

represented by a series of research projects funded by the European Commission during the 1990s (Moulaert, 2013);
- German and Austrian researchers particularly keen to link the debate on social innovation closely to the legacy of Schumpeter and discourse on innovation in general (Franz et al, 2012); and
- English-speaking business schools and think tanks, for example, the Young Foundation and NESTA (National Endowment for Science, Technology and the Arts) in the UK, and the Stanford Social Innovation Review (SSIR) of the Center on Philanthropy and Civil Society (PACS) at Stanford University, California, in the US.

At its simplest, social innovation refers to 'ideas translated into practical approaches; new in the context where they appear' (Brandsen et al, 2016: 5). The intentionality of social innovation distinguishes it from mere social change (Franz et al, 2012; Grimm et al, 2013). A widely cited definition is:

> The generation and implementation of new ideas about how people should organize interpersonal activities or social interactions to meet one or more common goals. As with other forms of innovation, the production resulting from social innovation may vary with regard to their breadth and impact. (Mumford, 2002: 253)

This definition encompasses activities that seek to improve the production and delivery of specific services, as well as more radical versions where the emphasis is on wide-ranging social transformation (Marques et al, 2017). The latter is the essence of social innovation for Westley and Antadze (2010), who see it as challenging institutions and affecting the distribution of power to make a difference to seemingly intractable social problems.

Within Europe 2020, social innovation features almost as prominently as technological innovation (Sabato et al, 2017). The European Commission has prioritised social innovation to address policy problems because it implies non-standard answers to non-standard risks, as well as notions of co-production based on strengths and assets (BEPA, 2010). Individual social innovations may or may not be successful and their expected benefits may be contested, but they 'raise the hope and expectations of progress towards something better (a more socially sustainable/democratic/effective society)' (Brandsen

et al, 2016: 6–7). This notion of social innovation is well aligned with the future-oriented paradigm of the Social Investment state.

The social economy

The SIP insists that resources for social policies are not limited to those from the public sector (European Commission, 2013). The SIP mentions the roles of various non-government entities: non-profit organisations, the for-profit private sector and families. It also comments on the need for more effective support for the social economy and innovation (European Commission, 2013). Recent scholarly writing on Social Investment has put new emphasis on non-government actors, especially the social economy. Ferrara (2017) considers that there is a 'precious asset' to the Social Investment agenda at the grass-roots level, where experiments outside the public sphere are becoming key arenas for solutions to social challenges with links to social innovation. Sabel et al (2017) similarly celebrate piecemeal, decentralised efforts to move in the direction of Social Investment.

The social economy engages with the market but economic activity is not the ultimate goal and social objectives override the drive to generate economic returns. Organisations in the social economy perform many roles in welfare and community functions. They often cooperate with agencies in the public sphere and may help to deliver state priorities (Evers and Laville, 2004), although for some, becoming close to the state implies losing distinctiveness (Billis, 2010). The social economy is defined by the International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC, 2012: 23) as 'organisations of people who conduct an activity with the main purpose of meeting the needs of people rather than remunerating capitalist investors'. Within the CIRIEC definition are two subsectors: (1) the market or business subsector; and (2) the non-market producer subsector. The first subsector includes cooperatives, mutual societies and social enterprises, and the second subsector includes foundations, associations, community organisations and voluntary organisations. By this definition, groups in the social economy are formally organised and usually have a legal identity. In some countries, terms such as 'civil society', 'third sector' and 'community and voluntary sector' are more commonly used, often interchangeably with social economy, although there are some differences. For example, in Italy, the main difference between the concept of social economy and the concept of the third sector is based on the fact that the former includes cooperatives while the latter does not (Bassi et al, 2016).

'Civil society' is a broader term that includes religious bodies, trade and professional bodies, and sports clubs. Informal groups of friends and neighbours are not part of the social economy according to the CIRIEC definition (although informal groups coming together for a common purpose may formalise). Informal groups may be considered part of civil society. Evers and Laville (2004) conceptualise the social economy as occupying a tension field influenced by state policies and legislation, business practices, and the needs and contributions of families. The CIRIEC definition concentrates on the intersection with the state and the market. The other part of this tension field comprises communities and families. All this is encompassed in the idea of 'substantive' economic formations, which are meant to satisfy various needs (Polányi, 1976). The substantive, or *embedded*, economy represents the opposite pole to the formal, market economy. Its characteristics are highlighted in Table 1.2.

Social innovation is often equated with social entrepreneurs, voluntary organisations and community activists taking a special role as pioneers of new ideas (Evers and Laville, 2004). It is also possible for commercial organisations to implement social innovations but it is unlikely that profit will be their primary goal (Marques et al, 2017). In the book, we follow Brandsen et al (2016) in viewing the link between social innovations and organisational forms as an empirical question, not a presupposition.

Table 1.2: Comparison of the distinctive features of the substantive and the formal economy

	Substantive economy	Formal economy
Goal of the economy	Satisfaction of needs	Growth as an end in itself
Motivation of work	Many-faceted motives, incentives and objectives	Financial incentives
Function of work	Work is a natural form of existence	Work is an instrument and/or goal
Independence of the economy	Economic activity interwoven with social relationships	Economic activity as an independent subsystem
Producer/consumer roles	The producer is also a consumer	The producer and the consumer are separate
Degree of solidarity	High collectivity	High individualism and competition

The Innovative Social Investment Strengthening Communities in Europe project

The Innovative Social Investment: Strengthening Communities in Europe (InnoSI) project examined innovative implementation of Social Investment at national and sub-national levels across the EU. The InnoSI consortium consisted of academic research teams and 'impact' partners (mainly non-governmental organisations [NGOs]) in 10 countries: Finland, Sweden, the UK, the Netherlands, Germany, Poland, Hungary, Spain, Italy and Greece. Research included econometric modelling to quantify the economic processes and outputs through which social innovation acts, and assessment of the main policymaking trends using documents and interviews with key national experts. This book is concerned with the most substantial original empirical research from the project, which consists of in-depth, multi-method case studies in 10 EU countries of innovative, strategic approaches to delivering Social Investment policy at a sub-national level. Brief reference is made in Chapter Twelve to policy analysis and national expert interviews.

Case studies have become widely used in social research in order to investigate complex contemporary issues and changes in policies or practices (Byrne, 2009). A case study is an approach to what is studied rather than a research method, and can deploy multiple, complementary forms of data collection (Stake, 2008). Case studies investigate issues or events within their real-life setting and can function as a kind of natural experiment (Yin, 2003; Wolff Kristina, 2007). They aim to develop understanding of causation beyond the idiosyncratic while rejecting any quest for universal laws (Flyvbjerg, 2006; Byrne, 2009). A core characteristic of case studies is the generation of 'rich dialogue between ideas and evidence' (Ragin, 1989: 52).

InnoSI case studies

The national InnoSI teams selected two case studies per country and these were agreed in consultation with the coordinating partner at Manchester Metropolitan University. All cases were innovations in services relating to welfare. All had been implemented, although some were fully completed and others were still in progress. Cases in the planning or inception stage were not included. Typical or average cases are not necessarily the best to advance learning (Flyvbjerg, 2006). The InnoSI case studies were not intended to be 'typical' examples of Social Investment. Rather, they were purposively selected using the

local knowledge of academic and non-academic partners. Criteria for selection were meeting characteristics of Social Investment according to the literature, and demonstrating some level of innovation (either absolutely or in context). In other words, they should be both investive and innovative. For example, although education has been called the vanguard of Social Investment (Deeming and Smyth, 2015), education programmes were not part of InnoSI. The case studies, however, included innovative interventions aiming to ensure that education reaches those who use it least. Ten out of the 20 case studies form the basis of the chapters in this book, one for each participating country.

This book is structured in three parts representing the Social Investment themes of: early interventions in the life course; active labour market strategies; and promoting social cohesion and solidarity. Table 1.3 highlights the investive and innovative characteristics of each case.

Research for the case studies involved the evaluation of programme implementation and impact, and, where possible, economic evaluation (Fox et al, 2016). It considered what the Social Investment initiatives set out to achieve and how, using the concept of Theory of Change (ToC), and examined the ways in which these achievements were evidenced. A ToC refers to the 'underlying theory of [the] program' or 'set of assumptions about how and why program activities and resources will bring about changes for the better' (Leeuw and Vaessen, 2009: 15). It allows the understanding of not only whether activities worked, but also how and why, and which aspects of the intervention worked or not, and for whom (Mackenzie and Blamey, 2005). There is a difference between a programme theory developed through a ToC approach and a logic model, although the two are sometimes elided. Logic models examine the relationship between the programme elements (input, processes, outputs and outcomes) on a technical, descriptive level. A programme theory, in contrast, emphasises context and explanation. It examines causal processes through articulating how a programme works, for whom and under which circumstances (Astbury and Leeuw, 2010). The ToC approach can be adapted to suit the evaluation context (Dyson and Todd, 2010).

All the case studies in this book include the perspectives of beneficiaries, collected through interviews, site visits and observation. All the research teams undertook interviews with programme personnel who were decision-makers, service managers and front-line workers. Other stakeholders were also interviewed, as relevant in each case, including leaders of social economy organisations and businesses, educators, local politicians, and volunteers. The national

Table 1.3: Innovative and investment characteristics of case studies

Case study	Social Investment	Social innovation
Part A: Children and families: early interventions in people's life courses		
Early Childhood Education and Care in Emilia-Romagna Italy	Education and early childhood care; support parents' labour market participation	Best practice for the relationship between public, private and social economy actors
Troubled Families in Greater Manchester UK	Improve school attendance; support for parenting; address parental worklessness	Challenging the way services have worked in silos; Payment by Results (PbR) to local authorities
Partnerships between idea-based and public organisations Sweden	Integration of unaccompanied young migrants into Swedish society	More equal long-term collaboration between sectors on new societal challenges
Part B: Labour market activation		
Youth Guarantee Finland	Improve access to education and jobs for young adults	Public–private–people partnership with young people actively shaping their own future
Connecting vocational school graduates with the labour market Greece	Addresses youth unemployment through competencies for the labour market	Forge new links between businesses and vocational education
MAMBA (Action programme for the labour market integration of migrants) Germany	Support migrants to contribute to local labour markets	Inter-sectoral collaboration and networks between originally distinct systems
Assistance from A to Z ('Accompaniment') Poland	Address social and labour market exclusion	Solutions that already existed delivered in new ways; involves representatives of all sectors
Part C: Social solidarity		
'Green Sticht' (diverse neighbourhood) Netherlands	Move vulnerable people from dependency	Integration of self-reliant residents with socially vulnerable ones with regard to housing, work and living
Social Economic Land Programme Hungary	Increase rural livelihood opportunities	Combine environmental and labour market goals
Energy cooperatives Spain	Combat fuel poverty; strengthen community	Foster new kinds of sustainable behaviours

teams all undertook documentary analysis of existing evaluations, management materials, media coverage and other public domain sources (eg websites, reports).

In the InnoSI project, research findings were supplemented with the voices of 'community reporters'. Community reporting is a storytelling movement that uses digital tools such as portable and pocket technologies to help people to tell their own stories in their own ways. Central to community reporting is the belief that people telling authentic stories about their own lived experience offers a valuable understanding of their lives. Community reporters in the InnoSI project were programme beneficiaries, front-line workers, local organisation members and students trained and supported to tell their own stories and gather the stories of others. 'User voice' stories are included in several of the chapters.

Book structure

The Social Investment paradigm puts particular emphasis on early education and the activation and inclusion of children. Part A comprises three chapters about early interventions involving children, families and young people (Chapters Two, Three and Four). In Chapter Two, Andrea Bassi explains the integrated system of early childhood education and care (ECEC) in Emilia-Romagna, Italy. Taking evidence from three contrasting locations in the region, he demonstrates how high-quality ECEC provision is achieved through the co-creation and sharing of knowledge, expertise and experiences that are generated by innovative forms of public governance. A key success factor was a strong focus on continuing professional development activities organised in the form of 'laboratories for social change' – empowering ECEC professionals – rather than as top-down training. With regard to the financing of Social Investment, a significant lesson is the success of flexible combinations of different funding sources (public, philanthropic and private enterprise). This case study provides exemplary evidence of diversified ECEC provision, serving the needs of children and families within local communities and realised with a special focus on accessibility and economic sustainability.

In Chapter Three, Jessica Ozan, Chris O'Leary, Susan Baines and Gavin Bailey report on Troubled Families in Greater Manchester, UK. This is a sub-regional implementation of a controversial national programme in England intended to offer joined-up services targeted at families representing the highest costs to the public purse. Its underpinning principles include early intervention with children and

sustained employment for parents. Troubled Families is innovative in using the funding mechanism of PbR, under which local authorities are paid partly through submitting data to demonstrate that they have met outcomes. The evidence shows that, to some extent, the programme supported a shift towards service integration in Greater Manchester as intended. A particular success factor was co-produced family plans, taking the families' perspectives into account. PbR was welcomed by some senior managers but did not prove very supportive of the desired new and positive relationship between public services, communities, individuals and enterprises.

In Chapter Four, Inga Narbutaité Aflaki describes and analyses an innovative form of partnership for the reception and integration of unaccompanied asylum-seeking children in Gothenburg, Sweden. The municipality of Gothenburg works with children who arrive in Sweden without adults. It does this through a form of collaborative partnership (idéburna offentliga partnerskap [IOP]) with nine civil society organisations. Often, housing and care are the only services that asylum-seeking children receive through municipal or contracted service providers. The Gothenburg IOP provides children with a wide variety of complementary services, including psychosocial counselling, access to Swedish social networks through volunteer 'friend' families, tailored leisure time activities and summer work practice opportunities. This IOP partnership is experimental in Swedish local public policy. It has been successful in increasing municipal capacities through new patterns of more equal and long-term relations with civil society.

Labour market activation is at the heart of Social Investment, and this is the theme of Part B (Chapters Five, Six, Seven and Eight). Their emphasis is on social innovation to upgrade human capital and increase access to paid work. In Chapter Five, Kaisa Sorsa introduces the Youth Guarantee and One-Stop Guidance Centres (OSGCs) in Finland. The Youth Guarantee supports young people to gain a place in education and employment to prevent prolonged youth unemployment. The OSGCs are a mechanism for Youth Guarantee implementation, giving young adults tools with which to improve their social situation, for example, enhancing access to education and jobs. This is a social innovation that creates a new form of public–private–people partnership, with young people actively shaping their own future. OSGCs invest in young people's social capital. The Turku OSG, the focus of the case study, achieved its goal of empowering young people by involving them from the very beginning and throughout implementation.

In Chapter Six, Alexandra Koronaiou, George Alexias, Alexandros Sakellariou and George Vayias consider a programme providing work experience for technical education graduates in Greece. This programme was launched to provide education, vocational counselling and work experience to people aged up to 29 years who resided in regions of the highest youth unemployment. It was organised and managed by a consortium of social partners established for the purpose. Enterprises were given the opportunity to employ graduates as interns to extend their workforce and to benefit from fresh ideas. The programme was quite a complex one with very limited time available (just under one year). Nevertheless, there is some evidence of positive effects on various levels, although it is too early to assess the numbers and sustainability of the new jobs created.

The subject of Chapter Seven by Nikola Borosch, Danielle Gluns and Annette Zimmer is the network for the regional labour market integration of asylum seekers and refugees in Münster (MAMBA), Germany. MAMBA was designed by a refugee aid association which coordinates it in partnership with four other local organisations, each partner providing individual support to participants in its particular field of expertise. In addition to working intensively with individuals to improve their job prospects, the MAMBA partners attempt to address structural barriers to labour market integration by raising awareness with employers and providing training for job centre staff. MAMBA is a success story mainly as a result of intensive, time-consuming personal assistance achieved through the fruitful cooperation of very different organisations.

This section concludes with Chapter Eight by Aldona Wiktorska-Święcka and Dorota Moroń, which is about activation and empowerment of the homeless in Wroclaw, Poland. Known as 'Assistance from A to Z', this programme equips homeless individuals with competencies and skills to improve self-sufficiency and access the labour market. It is a local project but related to national and EU active inclusion policy and funded through the European Social Fund. An important innovative element was the use of 'accompaniment', an idea for intensive individual support that comes from France. In the Polish context, the combined use of a wide range of social and professional support was also innovative. The activation and empowerment of a group of such extremely excluded people as the homeless is demanding and requires intensive, individualised interventions adapted to the needs and capabilities of the beneficiaries. Economic evaluation of this case suggests that it was successful in bringing positive results and was a productive expenditure.

Part C is about Social Investment and social solidarity (Chapters Nine, Ten and Eleven). The main focus is on inclusion in social and community life. In Chapter Nine, Alfons Fermin, Sandra Geelhoed and Rob Gründemann explain the innovative creation of a socially diverse neighbourhood called the 'Green Sticht' in Utrecht, the Netherlands. Inspired by the ideas of a charismatic activist preacher, the Green Sticht created an entirely new neighbourhood with an informal support system for socially vulnerable people, and thus circumvented the 'not in my backyard' sentiment present in the city. Residents who choose to move there out of idealism live alongside citizens who are formerly homeless, often with psychological and psychiatric problems. The Green Sticht has become financially self-reliant. It has never been fully replicated, but it has recently inspired two new projects, showing that it is possible to adapt combinations of the main elements and mechanisms that have made it successful and sustainable.

In Chapter Ten, Judit Csoba and Flórián Sipos introduce the Social Land Programmes in Hungary. Social Land Programmes aim to strengthen self-sufficiency and reduce reliance on social aid by helping people with no financial means to engage with small-scale agriculture. The case study investigated eight rural communities participating in a Social Land Programme. Innovative features include bottom-up organisation designed and carried out locally (in contrast to the top-down public employment programmes in Hungary). For local leaders, producing food and improving living standards are its main points. They also see various other benefits that include improving the social and physical environment and passing on positive role models within the family. However, they consider national goals of increased employment and self-sustainability to be over-optimistic.

Chapter Eleven by Michael Willoughby, Jose Millet-Roig, Jose Pedro García-Sabater and Aida Saez-Mas is about a successful energy cooperative in Spain. With rising poverty and energy prices among the most expensive in Europe, the cooperative not only provides a reliable source of clean energy to consumers, but also forms a central part of the community in which it is situated. The case study points to a need for private enterprises to collaborate with local authorities and social services to provide solutions to the drastic situations of poverty that are still prevalent, particularly in areas of Southern and Eastern Europe. The Spanish energy cooperative demonstrates one way in which the social economy can help to shape the future of the welfare state in the absence of state funding and in the face of national policies that are not well aligned.

In Chapter Twelve, Andrea Bassi, Susan Baines, Judit Csoba and Flórián Sipos review Social Investment in theory and praxis, asking whether it is a 'quiet revolution' in innovative local services. This final chapter synthesises the findings, drawing together lessons from the thematic sections. The authors consider the changing roles and responsibilities of different actors, the centrality of the substantive economy, and activation, personalisation and co-creation. They conclude with reflections on the intersection of Social Investment with social innovation, and some implications for decision-makers and for front-line practitioners tasked with implementation.

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