

# IMPLEMENTING INNOVATIVE SOCIAL INVESTMENT

## STRATEGIC LESSONS FROM EUROPE



EDITED BY  
SUSAN BAINES  
ANDREA BASSI  
JUDIT CSOBA  
FLÓRIÁN SIPOS



**IMPLEMENTING INNOVATIVE  
SOCIAL INVESTMENT**  
Strategic lessons from Europe

Edited by

Susan Baines, Andrea Bassi,  
Judith Csoba and Flórián Sipos



First published in Great Britain in 2019 by

Policy Press  
University of Bristol  
1-9 Old Park Hill  
Bristol  
BS2 8BB  
UK  
t: +44 (0)117 954 5940  
pp-info@bristol.ac.uk  
www.policypress.co.uk

North America office:  
Policy Press  
c/o The University of Chicago Press  
1427 East 60th Street  
Chicago, IL 60637, USA  
t: +1 773 702 7700  
f: +1 773-702-9756  
sales@press.uchicago.edu  
www.press.uchicago.edu

© Policy Press 2019

The digital PDF version of the Introduction [978-1-4473-5189-4] and Conclusion [978-1-4473-5190-0] are available Open Access and distributed under the terms of the Creative Commons Attribution-NonCommercial 4.0 license (<http://creativecommons.org/licenses/by-nc/4.0/>) which permits adaptation, alteration, reproduction and distribution for non-commercial use, without further permission provided the original work is attributed. The derivative works do not need to be licensed on the same terms.

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data

A catalog record for this book has been requested

978-1-4473-4782-8 hardback

978-1-4473-4784-2 ePdf

978-1-4473-4785-9 ePub

978-1-4473-4786-6 Mobi

The rights of Susan Baines, Andrea Bassi, Judit Csoba and Flórián Sipos to be identified as editors of this work has been asserted by them in accordance with the Copyright, Designs and Patents Act 1988.

All rights reserved: no part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior permission of Policy Press.

The statements and opinions contained within this publication are solely those of the editor and contributors and not of the University of Bristol or Policy Press. The University of Bristol and Policy Press disclaim responsibility for any injury to persons or property resulting from any material published in this publication.

Policy Press works to counter discrimination on grounds of gender, race, disability, age and sexuality.

Cover design by Andrew Corbett

Front cover image: Shutterstock

Printed and bound in Great Britain by CPI Group (UK) Ltd,  
Croydon, CR0 4YY

Policy Press uses environmentally responsible print partners



# Social Investment in theory and praxis: a 'quiet revolution' in innovative local services?

*Andrea Bassi, Susan Baines, Judit Csoba and Flórián Sipos*

## Introduction

This book has presented empirical evidence from in-depth, evaluative case studies in 10 European countries. In this concluding chapter, we highlight outstanding themes from the case studies and then go on to put forward a few implications of this research, intended to inform experts, stakeholders and interested readers. Nearly two decades ago, Esping-Anderson and colleagues (2002) made a case for a new welfare state that in the face of heightening uncertainties, would adopt a generational life-course logic. An emerging Social Investment paradigm became widely acknowledged, informed European Union (EU) policy (European Commission, 2013) and became influential worldwide (Deeming and Smyth, 2017). There is now a shared understanding in scholarship and policy of a Social Investment paradigm, albeit sometimes more in the form of 'engaged discord' (Hemerijck, 2017: 5) than thoroughgoing consensus.

We begin this chapter by reminding the reader (traveller) of the main stopovers that we took them to visit in this book. It has been a daring journey across 10 European countries (from south to north and from west to east) in order to see social innovation initiatives in the Social Investment policy framework. Thematically, we followed, in turn, the policy domains of early interventions in the life course, active labour markets and social solidarity. Cases were selected because, based on initial understandings of the vision of the projects and programmes, they fitted the Social Investment paradigm and literature, and because there was some evidence of innovation. Most importantly, there was the opportunity for learning.

We started in the north-east part of Italy, in a geographic area that goes from the Apennines mountain chain to the Adriatic seaside,

visiting the city of Bologna and the small towns of Serramazzoni and Comacchio. In each of those places, we saw examples of innovation and good practice in Early Childhood Education and Care (ECEC). Then, we moved north-west to Greater Manchester in England, where we learned about the local implementation of a national programme intended to turn around the lives of families with multiple problems. After this, we went north-east to the city of Gothenburg in Sweden and gained insight from an innovative form of collaborative partnership to address the urgent challenges of integrating immigrant children who arrive in Sweden without parents. Turning to active labour markets, we moved eastwards to Turku in Finland, where we learned about how multi-agency One-Stop Guidance Centres contribute to the reduction of youth unemployment and the empowerment of young adults. Then, we took a long trip to the very south of Europe in order to analyse an integrated intervention in Greece for addressing the issue of youth unemployment. In the central part of Europe, we saw the successful labour market integration of refugees and asylum seekers in the city of Münster in Germany, and innovative support for homeless people seeking work in Wrocław, Poland. Finally, we visited examples of Social Investment with an emphasis of social solidarity. In the Netherlands, we saw the Green Sticht, a socially mixed neighbourhood in the Utrecht new town extension of Leidsche Rijn. We went eastwards to Hungary to analyse the Social Land Programme, supporting poor households in rural areas to acquire competences in household agriculture. We concluded our journey in the south-east part of Spain to look at an energy cooperative in the small town of Alginet.

Following this introduction, we examine the ‘quiet revolution’ (Hemerijck, 2015) of Social Investment visible in the case studies along each of the following dimensions (adapted from Evers and Brandsen, 2016): governance; ways of addressing service users; ways of working and of financing; social justice; and, finally, nurturing, sustaining and expanding social innovations. *New forms of governance* is about the changing roles and responsibilities of different actors, highlighting new forms of cooperation and networks, and also considering the interaction of national and sub-national levels. *Ways of addressing service users* mainly relates to social capital, personalisation and co-creation. *Ways of working* involves some revision of professional roles but – much more prominently – the ‘substantive economy’ as a significant resource. *New ways of financial resourcing* were uncommon in the case studies but some examples are discussed. *Social justice* is shown to be a main driver for some participants. The final section brings these themes

together to revisit models of *social innovation* in order to reflect on what can be learned from the case studies about nurturing, sustaining and expanding social innovations in the context of Social Investment.

## **New forms of governance**

Claims to innovation in the Innovative Social Investment: Strengthening Communities in Europe (InnoSI) case studies almost always invoked new participants, and new combinations of participants, entering into unfamiliar interactions and relationships. Theories of Change identified social challenges as too big and complex for one agency, and that users' needs do not conform to professional and organisational boundaries. Troubled Families in Greater Manchester, UK (Chapter Three), and the Youth Guarantee in Finland (Chapter Five) established new ways of inter-working mainly across different professional fields in public services that had tended to work in separate silos, helping to achieve a more effective and efficient operation on a local level. More complex, cross-sectoral partnerships, collaborations and networks demonstrated some success at achieving 'collaborative advantage' (Huxham, 2003; Huxham and Vangen, 2013) to meet common Social Investment aims.

In case after case, there were examples of the redistribution of implementation roles, often expanding the importance of social economy actors. MAMBA in Germany, for example, brought new opportunities through the coming together of five organisations with divergent goals and priorities, which ranged from the championing of refugee rights to resolving skill shortages in the craft sector (Chapter Seven). In MAMBA, new services were devised and delivered with input from the public, social economy and private sectors, as was also the case with early years services in Emilia-Romagna in Italy (Chapter Two). In Gothenburg, Sweden, on the other hand, only the public and social economy sectors were involved (Chapter Four). In that city, an entirely new way of partnering between a local authority and non-profits was created, superseding established models of grant giving and contracting. In Wroclaw, Poland, the leading role taken by a social-economy organisation was, in itself, innovative (Chapter Eight).

Multi-organisational and cross-sectoral activity in InnoSI comprises various configurations, ranging from entirely informal cooperation (eg between a social-economy organisation, businesses and public services in Wroclaw, Poland) to formally constituted partnerships (partnerships between idea-based and public organisations, as in Sweden) and integrated services (Troubled Families in Greater Manchester, UK). These 'innovations in governance' have in common

that they are conceived and implemented above the level of a single agency, and are able to tap into new resources (Moore and Hartley, 2008; Hartley, 2015). Examples of how such innovations in governance successfully accessed new resources include:

- securing opportunities for building human capital through real work experience in ‘Assistance from A to Z’ in Poland;
- the pooling of funds in partnerships between idea-based and public organisations in Sweden;
- operating shared services in the Youth Guarantee in Finland; and
- the exchange of information and databases in Troubled Families in the UK.

Social-economy groups are mainly engaged in delivery in InnoSI case studies but some try to step up to influence policy. This was so in MAMBA in Germany, where in addition to case-based work, the network members undertake awareness-raising to sensitise the public, officials and employers to the precarious situation of refugees. In the partnership for supporting young migrants in Sweden, non-profit leaders told evaluators that they have gained greater abilities to influence local policy through the partnership with the local government.

In some countries in which research for this book was undertaken, notably, Italy, Spain and Germany, the role of regions is very pronounced. In other countries with more unitary national welfare traditions (the Netherlands, Finland and the UK), there has been a recent transfer of national responsibilities to sub-national levels. An increasing role for local-level institutions is illustrated in the Youth Guarantee in Finland, where there was new freedom for municipalities to organise services for younger people not in employment, education or training. The programme framework, however, was created on the national level and operated within national regulations. Troubled Families is a national programme funded by central government across England but local authorities are expected to deliver it in accordance with local conditions. The recent devolution deal with Greater Manchester has made it part of a broader programme of public service reform within that subregion, and the national policy agenda seemed largely irrelevant in the boroughs of Greater Manchester (Chapter Three). The Green Sticht in the Netherlands (Chapter Ten) and ‘Assistance from A to Z’ in Poland (Chapter Eight) involved the local, context-specific reorganisation of services and supporting networks for vulnerable people. A rather different dynamic was present in the

Social Land Programme in Hungary (Chapter Nine), where it was low financial investment by central government that forced innovative elements on the local level. National policy and regulation were prominent in the case study for combating youth unemployment in Greece (Chapter Six). A national aim of reducing structural obstacles in migrant policy was significant in MAMBA in Germany. Although innovative features of MAMBA include services designed and carried out locally, the form and many features of the programme were determined nationally and its future is vulnerable to political change at the national level.

### **New ways of working: professional change and the 'substantive economy'**

Innovations in governance and ways of combining services result in changing demands on front-line service staff. Professionals in more integrated services may be required to relocate to new workplaces, where they are situated alongside others from different occupations and agencies while still employed by their original organisations, as was the case for workers in the Finnish One-Stop Guidance Centres for young people. Some entirely new professional roles have been created. In the Troubled Families programme in Greater Manchester, as a result of service integration, case workers now operate across long-established professional and service boundaries. Such service integration can make employees worried about their professional identities and the continuation of their jobs, as we heard in Greater Manchester. A different kind of new work role is that of the 'accompanist' supporting unemployed homeless people in Poland. 'Accompanist' is a part-time paid role and most of the post-holders take it on in addition to their existing jobs, which are often in services for homeless people. Research for this case study revealed that many accompanists put in much more work than they are paid for, making this a partially volunteer role.

The most dramatic changes in ways of working encountered in the case studies in this book were not new roles for professional workers; rather, they were in the wide variety of unpaid work that supported the programmes and sometimes made them possible. In the previous section under governance, we discussed how social-economy organisations made an important and distinctive contribution to new forms of collaboration and partnership with public agencies, sometimes also alongside private sector involvement. InnoSI cases involved many different kinds of social-economy organisations, including international non-governmental organisations (NGOs), social enterprises, local

activists and faith groups. None of this was surprising as InnoSI set out with an interest in the social economy and expectations that it would be active in the implementation of Social Investment. Rather less anticipated was the extent to which this was only one aspect of the ways in which the wider 'substantive economy' was deeply embedded in local Social Investment initiatives.

Polányi (1976) is a reference point for the substantive economy (see Table 1.2 in Chapter One). Gibson-Graham (2006: 59–60) has more recently taken on the challenge of 'widening the identity of the economy to include all those practices excluded by a strong theory of capitalism'. To do this, the image of an iceberg is used. At the tip of the iceberg are the activities usually regarded as 'the economy', waged labour, market exchange and for-profit enterprise. Below the surface lie all the other practices by which people produce, exchange and distribute value – those characterised in the 'substantive economy'. These practices include volunteering, mutual aid, self-provisioning, care-giving and community activism, all of which have a strong presence in the chapters of this book. Indeed, in some cases, non-financial inputs (mainly unpaid work on the part of citizens) are essential to make Social Investment initiatives viable.

Volunteering is present particularly when social-economy partners are able to access local traditions of giving time to others. This is the case, for example, in Münster, Germany, where many long-established Catholic and Protestant institutions are active in helping refugees. Although involving volunteers is characteristic of many social-economy organisations, not all do so and social economy and volunteering should not be conflated. One of the non-profit partners in the partnerships between idea-based and public organisations in Sweden did not normally use volunteers, but called upon retired members of staff to meet the partnership's needs for skilled counsellors. There are many reasons for volunteering. Religious faith can be a strong factor for volunteering to help people perceived as unfortunate, for example, supporting refugees in Münster and homeless people in Wroclow. Other groups of unpaid workers, in contrast, are united around a shared interest, as was the case with the mothers who worked together to create new facilities for their children in a small town in Emilia-Romagna, Italy. This is in the tradition of self-help and mutual aid, which is distinct from volunteering as a form of philanthropy directed towards people seen as 'other' (Hardill and Baines, 2011). It reflects the distinction between horizontal solidarity and charity previously discussed in the introduction to Part C.

## Ways of financing

There is an overall lack of innovation in the financing of the Social Investment programmes reported in this book. Most are financed wholly or mainly through public sources from national government and/or the EU. The continuation of the initiatives dependent on fixed-term funding streams from these sources is always insecure. There are also a few elements of financial input from the private and charitable sectors. Mixed sources of funding were preferred by some innovators. The founders of the Green Sticht, for example, were determined to avoid over-dependence on public funds because of the uncertainty it entails. They secured finance from a social housing corporation and a loan from an international foundation, in addition to a contribution from local government and a European Structural Fund grant.

Although Social Investment is intended to generate future benefits and outcomes, there is very limited focus in the case studies on understanding or demonstrating the return on investment generated through the financing of these programmes. In this respect, the use of Payment by Results (PbR) in the UK stood out as exceptional because payments to a provider (in the case of Troubled Families, a local authority) are partly dependent on documenting the achievement of specified outcomes. The outcomes-based funding model of Troubled Families is just one of many versions of PbR mechanisms that have been trialled in the UK and elsewhere (Albertson et al, 2018). Unlike some other PbR schemes, it does not involve incentivising private providers and it is certainly not a fully fledged implementation of risk transfer from the public to the private sector (Warner, 2013).

Throughout the cases reported in this book, financial constraints on local government were stressed by decision-makers and front-line workers. InnoSI case studies offer some small-scale instances of ways to activate new resources. The Green Sticht has become financially self-reliant. The Foundation owns the real estate and generates income by renting out rooms in the residential/working community. In addition, it operates social enterprises on site: a restaurant, a furniture workshop, a thrift store and catering for neighbourhood festivities. In Hungary, some 'entrepreneurial municipalities' involved in the Social Land Programme are using socially produced goods (pasta, jam, garlic, paprika powder) to generate income and/or to provide resources for the community. The case of Alginet Electric Cooperative in Spain (Chapter Eleven) stands out as a successful initiative that has achieved the Social Investment goals of long-term welfare improvement

(combating fuel poverty) and citizen activation without any form of state funding.

## **Ways of addressing service users: personalisation, co-creation and social capital**

### *Personalisation*

Overall, the interventions covered in this book were person-centred in ways that reflect an active welfare paradigm and the principle of ‘preparing’ rather than ‘repairing’. This is consistent with the demands of user-led organisations, academics, policymakers and advocacy groups for a way of thinking about social interventions that rejects standardised services (Jenson, 2012; Künzel, 2012; Prandini, 2018). At its simplest, personalisation means that public services respond to the needs of individuals rather than offering standardised solutions said to be typical of welfare bureaucracies (Needham, 2011). In the labour market activation programmes reported in Part B, in particular, local decision-makers and service providers invariably articulate a stark distinction with ‘one-size-fits-all’ interventions that have failed in the past. In their Theories of Change, they identify the dysfunction of overly specialised systems that consist of many branches and ‘silos’, and the need to make up for missing services and institutions, for example, ‘tailored, participant-focused measures’ are a central element of MAMBA in Germany.

Deeper personalisation implies the active involvement of service users in reciprocal relationships with providers, for example, the ethos of the Youth Guarantee (Finland) is to not only work with young people as individuals and respond to their needs, but also involve them in shaping their own services. In Emilia-Romagna, new early childhood services were developed to respond to specific local contexts but with more emphasis on community participation and empowerment than individual service users as ‘customers’. In Valencia, Spain, the energy cooperative delivers services in a personalised way that larger energy providers do not. It does this through its visible presence within the community and through intensive work with those unable to pay bills to reduce their energy usage, raising their awareness of consumption and empowering them to control that aspect of their lives in the longer term. More radical, however, is the relationship between provider and consumer inherent in the cooperative membership model built on principles of solidarity (Ridley-Duff and Bull, 2016).

### *Co-creation*

The turn to personalisation in welfare has been criticised for a lack of focus upon relationships, community life and responsibilities (Fox, 2012; Prandini, 2018). Co-creation has much in common with deep personalisation in emphasising the capacities and knowledge of people who receive services. It goes further in locating them as creators of value in conjunction with service providers (Alves, 2013). In co-creation, people who use services work with professionals to design, create and deliver them (Social Care Institute for Excellence, 2015). It overlaps with the notion of co-production, which has the more limited meaning of service users taking on some of the work done by practitioners (Social Care Institute for Excellence, 2015). Both are present, for example, in the Green Sticht community in the Netherlands. The accommodation is managed directly by residents with some support from professional staff (co-production). Formerly homeless people were involved from the beginning in the development of the Green Sticht and currently participate in decision-making about the direction of the Foundation (co-creation). ‘Co-creation’ in public services implies profound changes in relationships between the state and the individual. Producer and consumer roles, in particular, blur and overlap. These are changes that invariably heighten the importance of the substantive economy previously discussed.

Co-creation was not part of some of the personalised interventions covered in this book where there were very widely different power positions, as was the case in ‘Assistance from A to Z’ in Poland, and where paternalistic elements are dominant in the country’s welfare models, as in Hungary. Perceived lack of skills and motivation of intended beneficiaries can make co-creation challenging but not impossible. Following the logics of empowerment and democracy close to their hearts, social-economy partners in the programme for welcoming young unaccompanied minors in Sweden were clear from the outset that they wanted to include the young people themselves in planning joint activities. For this purpose, they formed a reference group to represent their views but there was some self-criticism within the partnership that they did not manage to involve the young people enough. The partnership learned lessons from low uptake of the first set of work experience services they offered and devoted more time to involving the reference group in further developing those services.

### *Social capital*

Social capital materialises in the structure of relationships between actors, and stimulates individual action (Coleman, 1988). The target groups of the interventions in this book were typically said by professionals and decision-makers to be characterised by a narrow scope of relationships and mainly passive behaviour. Extending and enriching their connections was seen as an effective means to improve their social status and to activate them. By involving local employers in providing work experience, ‘Assistance from A to Z’, for example, helped homeless people to establish new contacts, acquaintances and even friendships. An additional value not originally anticipated was changing the attitudes of people employed in those workplaces by breaking down their stereotypes of homeless people.

Some interventions, especially but not only regarding solidarity (Part C of this book), explicitly aim to improve communities through advancing social capital (Putnam, 2000). There is evidence of some success in this, with notable examples of initiatives where enhanced social capital helps to strengthen aspects of the public sphere. In Hungary, the exchange of goods and services by barter encouraged by the Social Land Programme strengthens involvement in the community and contributes to reducing tension between locals and ‘outsiders’, who are mainly poor Roma people relocated from cities. The Green Sticht in Utrecht (the Netherlands) has built trust not only within the community itself, but also between the formerly homeless, vulnerable residents and other workers and residents in the neighbourhood. The early childhood centre in the small Italian town of Comacchio offers a space where people of different generations, ethnicity, religions and cultures can meet in a safe and controlled environment.

### **Social justice**

Social justice is one the sharpest points of contention in debates about Social Investment, especially in relation to activation. The primary goal of activation that has been increasingly used since the 1990s is to encourage and support the re-entry of the unemployed and other non-working, inactive groups into the labour market. The instruments used include a variety of solutions providing stronger incentives for work, as well as the widespread application of services supporting job search and employment (Bonoli, 2010). As the most influential theorist of activation policy, Giddens (1998) adopted the philosophy of activation from the Danish labour market policy model from the early 1990s and

made it one of the central elements of the socially investive state. The idea of ‘no rights without obligations’ became one of the defining slogans of welfare policy at the turn of the millennium. The fiscal crisis of 2008 gave fresh impetus to activation policies with the main aims of ensuring budgetary balance, to increase the responsibility of citizens in securing their own livelihood and to reduce dependence on welfare. The emphasis in Social Investment on the productive function of social policy and an overly narrow interpretation of activation can be seen as subordinating social justice goals to economic ones (Smyth and Deeming, 2016). For advocates of Social Investment, the life-course perspective is inherently supportive of social justice because most people will be vulnerable at some point in their lives (Hemerijck, 2017).

At national and international levels, economic justifications of Social Investment reform agendas appear to weigh more heavily than societal ones. This was confirmed in expert national interviews undertaken for InnoSI (Barnett et al, 2016). The case studies paint a very different picture at the local level. This is partly explained by the involvement of value-driven social-economy organisations. Social justice rather than economic efficiency is typically their motivation, as we saw, for example, in MAMBA in Germany, ECEC services in Italy, the Green Sticht in the Netherlands and partnerships between idea-based and public organisations in Sweden. In Hungary, where the social economy is weaker, it was local elected representatives responsible for implementing the Social Land Programme who questioned national policies prioritising labour market outcomes over more social ones. This street-level view of Social Investment in practice is consistent with recent scholarly perspectives on it as a tool to enhance human capabilities and social justice, and not only to increase productivity (Bonvin and Laruffa, 2017; Morel and Palme, 2017).

## **Nurturing, sustaining and expanding innovations for Social Investment**

Empirical evidence about the characteristics of social innovations in welfare across Europe highlights non-standard answers to non-standard risks, as well as vulnerabilities associated with transitions through the life course, and people’s strengths and assets (Ewert and Evers, 2014). All these resonate strongly with the claims of Social Investment. Emphasis on the active welfare user in the Social Investment paradigm is consistent with the importance now given in innovation studies to ways to bridge the gap between designers and users (see Voorberg

et al, 2015). Concepts of co-production and co-creation in public services are inspired by business practices mainly in technological innovation, such as ‘design in use’ (McLoughlin et al, 2012) and ‘user-led innovation’ (Von Hippel, 2005). Bonvin and Laruffa (2017) draw upon a very different set of ideas from the anthropological foundation of the capability approach (Sen, 2001) to articulate three central anthropological dimensions: human beings as ‘receivers’, ‘doers’ and ‘judges’. Receiver and doer dimensions broadly relate, respectively, to being a beneficiary of material and social support, and to active participation in work (understood as including but not limited to joining the labour market). Very importantly, these are complemented by the ‘judge’ dimension, which ‘refers to the fact that human beings are able to say what has value in their eyes and that this should be taken into account when designing policies aimed at enhancing their capabilities’ (Bonvin and Laruffa, 2017: 8). They do not actually use the terms ‘co-production’ and ‘co-creation’, but nevertheless offer a rich language for expressing recognition of the legitimate knowledge of service beneficiaries and the need to create spaces for their participation, and that of collective entities representing them, in service innovations.

In the analysis of Westley and Antadze (2010), social innovation occurs in the domains of ‘resources, routines, authority flows, and beliefs’. The Social Innovation Compass (Bassi, 2011) starts from this categorisation, cross-referencing it with the reflections of Hochgerner (2011) who, drawing on Parsons (1971), proposes four key labels to classify social innovations in terms of new combinations of social practices. These are ‘roles’, ‘relations’, ‘norms’ and ‘values’ (Hochgerner, 2011). The Compass is structured around four main dimensions of social innovation: ‘resources’ (material, human and financial), ‘authority flows’, ‘routines’ and ‘beliefs, values and conceptual frameworks’. These four domains are presented graphically as the Social Innovation Compass in Chapter Two (see Figure 2.1) and discussed in relation to the ECEC services in Emilia-Romagna, Italy.

The ‘Compass’ framework allows us to analyse the influences of and interactions between new elements of social practices. There is evidence that social innovations are more effective (and sustainable) when they activate processes of change in all the four dimension of the Compass (Bassi, 2011; see also Chapter Two). Social innovations supporting Social Investment reforms may be initiated at the local level, often in the social economy and driven forward by ‘social entrepreneurs’ who identify unmet needs and assemble resources. Social entrepreneurs who do this are typically not ‘heroic’ individuals, as Amin (2009) has

noted from earlier studies of the social economy. The charismatic figure of Ab Harrewijn, who inspired the Green Sticht and died 2002, is exceptional in this book. The social entrepreneurs we encountered were groups such as the mothers who initiated new childcare in Emilia-Romagna and front-line professionals in non-profits working with unaccompanied migrant children in Gothenburg, Sweden. The idea of routines is often used to explain resistance to change. To explore how change in routines comes about, Westley and Antadze (2010) refer to 'institutional entrepreneurs', who pursue and achieve change in the established institutional logics of services or professions (Battilana et al, 2009). Again, these change agents may not be individuals. An example from this book is the new ways of configuring mixed housing projects that are emerging in the Netherlands with the influence of the various partner organisations in the Green Sticht.

Case-study evidence suggests that systematic change usually needs sponsors from the political level and continuity in the form of public funding (authority flows). Significant actors may be local 'policy entrepreneurs', who devote time and effort to promoting a particular solution to an apparently intractable problem. The mission-driven non-profit leaders and municipal administrators who together promoted the partnership for working with immigrant minors took on this role in Sweden, where their innovative model has inspired new partnerships. There are opportunities for social innovations to be mainstreamed when a crucial role is played by agencies of the public administration, as in the Italian case of ECEC services. This does not always happen, as we saw in MAMBA in Germany, for example, where the achievements of the local network are vulnerable to changes at the political level. As a counter-example, the Spanish energy cooperatives demonstrate one way in which the social economy can help to shape the future of welfare in the absence of state funding and in the face of national policies that are not well aligned.

Influence on 'beliefs, values and conceptual frameworks' is something that social organisations often aspire to. For this reason, it is important to them not to be mere deliverers of local welfare programmes, but to try to bring about change through wider education and lobbying activities. This is much more daunting than other levels of innovation. An outstanding example is the case of Comacchio in Emilia-Romagna, where a long-standing lack of attention to early childhood education was turned around by the successful interaction of international, national, regional and local actors. There were also some achievements in challenging attitudes to homeless people in Utrecht and Wroclaw, and to Roma in rural villages of Hungary.

## Policy implications

The body of new evidence from the InnoSI case studies reported in this book has begun to incorporate social innovations into debate surrounding a ‘Social Investment state’, and to push them towards reflection on sub-national contexts (Ewart and Evers, 2014). In particular, it has foregrounded the importance of the social economy and, rather less predictably, the much wider ‘substantive’ economy. It is perhaps something of a paradox that Social Investment (with its emphasis on labour markets) relies, in practice, on so much non-marketised time and activity. In most analyses of Social Investment, all this typically lies out of sight, below the iceberg (see Gibson-Graham, 2006). It leaves unanswered questions about the sustainability of voluntary action in the long term, and how to compensate the work of citizens who may not be a part of mainstream work, but still perform valuable and impact-laden services for the community (Klemelä, 2016).

In addition to the case studies reported in this book, InnoSI teams interviewed national policy experts and analysed policy documents in 10 countries (Barnett et al, 2016). Overall, there was awareness of Social Investment as a perspective on welfare, albeit with variations from country to country. In the UK, and to a lesser extent in Germany, it competes with ‘social impact investing’ but is rather better recognised in Southern and Eastern Europe in response to EU economic incentives (Barnett et al, 2016). At the sub-national levels at which the research reported in this book was undertaken, the concept of Social Investment was almost unknown. Nevertheless, the evidence documented from the case studies in Chapters Two to Eleven is consistent with the presence of a ‘quiet revolution’ in innovative welfare (Hemerijck, 2015) in the form of capacitating services devised and delivered at sub-national levels. This is true in the sense that local projects, pilots and experiments were dedicated to the principles of Social Investment. In other words, they can be seen as ‘investments’ in human capital and/or promoting the long-term resilience of individuals, families or communities. Some were guided by national and European-level priorities, and a few influenced change beyond their immediate local context.

The evidence from Chapters Two to Eleven presents a mixed picture of how social innovation practices are beginning to contribute to welfare state reforms that fit the Social Investment paradigm. Generally, it is at the margins in particular initiatives. There have been some examples of replication but the uptake of innovations at a system level

is not well advanced. Many researchers and stakeholders see potential for greater use of social innovation to drive welfare state reform and are looking for ways to achieve this (Brandesen et al, 2016; Reynolds et al, 2017; Sabato et al, 2017). For Reynolds et al (2017), this implies opening up innovation processes to a broader range of people and organisations. Evers and Brandesen (2016) emphasise the strong links of social innovations to specific and local contexts. They argue for more focus on the cumulative effect of small initiatives, and less on success in the sense of wider take-up and mainstreaming. All these commentators emphasise the overwhelming importance of experimentation, adaptation and ways of nurturing learning (Sabel et al, 2017). The evidence from this book offers examples of how innovations can be kept alive by energetic knowledge exchange and shared capacity building (as in the partnership for the reception of unaccompanied minors), and by collective reflection and self-evaluations, as occurs within the Green Sticht community.

Overall, there was little monitoring of outcomes and returns on financial and other investments. The UK case study was an exception in that it deployed an outcome-based funding model (PbR). This is not a panacea that can be wholeheartedly recommended for other contexts. There are many criticisms of the principles of PbR and indications that it has not so far delivered on its promises (Albertson et al, 2018). PbR is consistent with the usage of the term ‘social investment’ in the English-speaking world to refer to new financial instruments for funding social programmes rather than to the Social Investment paradigm. There has been little dialogue to date between these meanings of ‘social investment’. While the Social Investment Package (European Commission, 2013) advocates such financial innovations, Barbier (2017), as discussed in Chapter One, argues that they should be strenuously resisted by supporters of Social Investment. The conversation, however, has barely started as yet.

Critics have warned that the Social Investment paradigm is not pro-poor and may drive economic rationales to replace human rationales (Deeming and Smyth, 2015). Case studies reported in this book set out to benefit some of the most vulnerable and stigmatised social groups, often with elements of compensation. Nevertheless, they demonstrate success for initiatives with a socially investive and innovative character in tapping into new capacities and resources. They do this in ways that support personalised interventions to assist the poorest and most disadvantaged (non-EU migrants, Roma, people with physical or mental health problems) and achieve some positive outcomes for individuals and communities. There are also some

(albeit often incomplete) instances of co-creation. These legitimate the knowledge of people who receive public services, and nurture their participation in service innovation and decision-making. All this does not, of course, overthrow concerns regarding the productivist stance of Social Investment, but it adds to a much richer picture of what implementation of its principles can look like. This book has enhanced what we know by taking the unusual step of viewing Social Investment from a sub-national perspective and listening to the voices of front-line providers and intended beneficiaries.

## References

- Albertson, K., Fox, C., O’Leary, C. and Painter, G. (2018) *Payment by Results and Social Impact Bonds: Outcome-based payment systems in the UK and US*, Bristol: The Policy Press.
- Alves, H. (2013) ‘Co-creation and innovation in public services’, *The Service Industries Journal*, 33 (7/8): 671–82.
- Amin, A. (2009) ‘Extraordinarily ordinary: working in the social economy’, *Social Enterprise Journal*, 5(1): 30–49.
- Barbier, J. (2017) ‘“Social investment”: with or against social protection’, in A. Hemerijck (ed) *The uses of social investment*, Oxford: Oxford University Press.
- Barnett, S., Bailey, D. and Fox, C. (2016) ‘A provisional overview of public policy according to “social investment” from institutional perspectives’. Available at: <http://innosi.eu/the-state-of-the-art-of-social-investment/>
- Bassi A. (2011) ‘Social innovation: some definitions’, *Boletín CIES* [Centro de Investigación de Economía y Sociedad], n. 88 (March).
- Battilana, J., Leca, B. and Boxenbaum, E. (2009) ‘How actors change institutions: towards a theory of institutional entrepreneurship’, *Academy of Management Annals*, 3(1): 65–107.
- Bonoli, G. (2010) ‘The political economy of active labor-market policy’, *Politics & Society*, 38(4): 435–57.
- Bonvin, J.-M. and Laruffa, F. (2017) *Towards a normative framework for welfare reform based on the capability and human rights approaches*, RE-InVEST Working Paper Series D4.1, Leuven: RE-InVEST.
- Brandson, T., Cattacin, S., Evers, A. and Zimmer, A. (eds) (2016) *Social innovations in the urban context*, Berlin: Springer International Publishing.
- Coleman, S.J. (1988) ‘Social capital in the creation of human capital’, *The American Journal of Sociology*, 94(Supplement: Organizations and Institutions: Sociological and Economic Approaches to the Analysis of Social Structure): 95–120.

- Deeming, C. and Smyth, P. (2015) 'Social investment after neoliberalism: policy paradigms and political platforms', *Journal of Social Policy*, 44(2): 297–318.
- Deeming, C. and Smyth, P. (eds) (2017) *Reframing global social policy: Social investment for sustainable and inclusive growth*, Bristol: The Policy Press.
- Esping-Andersen, G., Gallie, D., Hemerijck, A. and Myles, J. (eds) (2002) *Why we need a new welfare state*, Oxford: Oxford University Press.
- European Commission (2013) 'Towards social investment for growth and cohesion – including implementing the European Social Fund 2014–2020', COM (2013) 83 final, Brussels.
- Evers, A. and Brandsen, T. (2016) 'Social innovations as messages: democratic experimentation in local welfare systems', in T. Brandsen, S. Cattacin, A. Evers and A. Zimmer (eds) *Social innovations in the urban context*, Berlin: Springer International Publishing, pp 161–80.
- Ewert, B. and Evers, A. (2014) 'Blueprints for the future of welfare provision? Shared features of service innovations across Europe', *Social Policy & Society*, 13(3): 423–32.
- Fox, A. (2012) *Personalisation: Lessons from social care*, London: RSA.
- Gibson-Graham, J.K. (2006) *A post capitalist politics*, Minneapolis, MN: University of Minnesota Press.
- Giddens, A. (1998) *The third way: The renewal of local democracy*, Cambridge: Polity Press.
- Hardill, I. and Baines, S. (2011) *Enterprising care? Unpaid voluntary action in the 21st century*, Bristol: The Policy Press.
- Hartley, J. (2015) 'Eight and a half propositions to stimulate frugal innovation', *Public Money & Management*, 34(3): 227–32.
- Hemerijck, A. (2015) 'The quiet paradigm revolution of social investment', *Social Politics*, 22(2): 242–56.
- Hemerijck, A. (2017) 'Social investment and its critics' in A. Hemerijck (ed) *The uses of social investment*, Oxford: Oxford University Press.
- Hochgerner, J. (2011) 'The analysis of social innovations as social practice'. Available at: <https://www.zsi.at/object/publication/1566/attach/The%20Analysis%20of%20Social%20Innovations%20as%20Social%20Practice.pdf>
- Huxham, C. (2003) 'Theorizing collaboration practice', *Public Management Review*, 5(3): 401–23.
- Huxham, C. and Vangen, S. (2013) *Managing to collaborate: The theory and practice of collaborative advantage*, London: Routledge.

- Jenson, J. (2012) 'Redesigning citizenship regimes after neoliberalism: moving towards social investment', in N. Morel, B. Palier and J. Palme (eds) *Towards a social investment welfare state*, Bristol: Policy Press, pp 61–88.
- Klemelä, J. (2016) 'User-driven development of local public services in Kainuu, Finland', InnoSI Policy Briefing. Available at: <http://innosi.eu/wp-content/uploads/2017/04/FINLAND-Kainuu.pdf>
- Künzel, S. (2012) 'The local dimension of active inclusion policy', *Journal of European Social Policy*, 22(1): 3–16.
- McLoughlin, I.P., Maniotopoulos, G., Wilson, R. and Martin, M. (2012) 'Inside a "digital experiment" co-producing virtual services for older people', *Scandinavian Journal of Information Systems*, 24(2): 3–26.
- Moore, M. and Hartley, J. (2008) 'Innovations in governance', *Public Management Review*, 10(1): 3–20.
- Morel, N. and Palme, J. (2017) 'A normative foundation for the social investment approach?', in A. Hemerijck (ed) *The uses of social investment*, Oxford: Oxford University Press.
- Needham, C. (2011) 'Personalization: from story-line to practice', *Social Policy & Administration*, 45(1): 54–68.
- Parsons, T. (1971) *The system of modern societies*, Englewood Cliffs, NJ: Prentice-Hall.
- Polányi, K. (1976) *Az archaikus társadalom és a gazdasági szemlélet* [*Archaic society and the economic approach*], Budapest: Gondolat Kiadó.
- Prandini, R. (2018) 'The person-centred turn in welfare policies: bad wine in new bottles or a true social innovation?', *International Review of Sociology*, 28(1): 1–19.
- Putnam, R.D. (2000) *Bowling alone. The collapse and revival of American community*, New York, NY: Simon and Schuster.
- Reynolds, S., Gabriel, M. and Heales, C. (2017) *Social innovation policy in Europe: Where next?*, London: NESTA.
- Ridley-Duff, R.J. and Bull, M. (2016) *Understanding social enterprise*, London: Sage.
- Sabato, S., Vanhercke, B. and Verschraegen, G. (2017) 'Connecting entrepreneurship with policy experimentation? The EU framework for social innovation', *Innovation: The European Journal of Social Science Research*, 30(2): 147–67.
- Sabel, C., Zeitlin, J. and Quack, S. (2017) 'Capacitating services and the bottom-up approach to social investment', in A. Hemerijck (ed) *The uses of social investment*, Oxford: Oxford University Press.
- Sen, A. (2001) *Development as freedom*, Oxford: Oxford Paperbacks.

- Smyth, P. and Deeming, C. (2016) ‘The “social investment perspective” in social policy: a longue durée perspective’, *Social Policy & Administration*, 50(6): 673–90.
- Social Care Institute for Excellence (2015) *Co-production in social care: What it is and how to do it*, SCIE Guide 51, London: SCIE.
- Von Hippel, E. (2005) *Democratising innovation*, Cambridge, MA: MIT Press.
- Voorberg, W.H., Bekkers, V.J. and Tummers, L.G. (2015) ‘A systematic review of co-creation and co-production: embarking on the social innovation journey’, *Public Management Review*, 17(9): 1333–57.
- Warner, M. (2013) ‘Private finance for public goods: social impact bonds’, *Journal of Economic Policy Reform*, 16(4): 303–19.
- Westley, F. and Antadze, N. (2010) ‘Making a difference: strategies for scaling social innovation for greater impact’, *The Public Sector Innovation Journal*, 15(2): article 2.

