



EUROCITIES Social Affairs Forum
26-27 May | Grenoble Alpes Métropole
Social Innovation - New ideas to
tackle social exclusion
- Background Paper -



What is social innovation?

According to the Young Foundation, social innovations are ‘social’, both with regard to their ends and their means. They are new methods of acting that are both good for society and enhance society’s capacity to act. Social innovation in the public sector includes:

- new practices, organisational models and processes (e.g. customer-focus);
- new legal frameworks (e.g. service contracts), involving new actors (a strategy for coordinating work across departments, local partnerships, user involvement, citizen’s budgets); and
- new concepts for internalising external costs (socially responsible procurement, social return on investment).

While there are huge overlaps between social innovation and public sector innovation, they are not the same: non-public actors can and are involved in social innovation while public sector innovation also includes measures focusing on non-social goals.

Popular examples of social innovation include:

- housing cooperatives to improve access to housing for vulnerable groups (since the late 19th century);
- street newspapers to create an income for and improve the image of homeless people (since the 1980s);
- participatory budgeting since the late 1980s; and
- e-government to improve cost-effectiveness and user friendliness of public services (since the 1990s).

The current context for social Innovation in cities - doing more with less?

New social trends and risks constantly prompt local governments as providers and buyers of social services to adapt their services and to develop novel instruments. Social services came under particular pressure in the current context of the economic crisis and reduced public finances where the number of vulnerable people has increased, while the public administration resources have decreased. In this case, innovation seems to imply doing a better job with fewer resources. In addition to economic pressures, cities are facing new challenges such as demographic change or migrant integration.

While social innovations are defined by the positive social impact they have, they may also have a secondary financial impact. In this way, a campaign that leads to better health will also help to reduce costs in the provision of health services. The idea of a social return on investment can often also lead to a financial return. Lowering the costs while at the same time decreasing customer satisfaction is not a social innovation, and may even create additional costs in the long run.

In order to understand whether an innovation actually has a positive social impact, a framework for identifying what is happening is essential. This includes both a means of understanding what the problem is and suggestions for improving the situation. Social experimentation is an approach used (for instance, in [France](#) or in [the European Commission's PROGRESS Programme](#)), for piloting new policies while closely measuring the outcomes, e.g. by drawing on control groups or cost-benefit analysis. Social experimentation is also set to become a key element of the new European platform against poverty (see below).

How does social innovation occur? Spaces of innovation

Local actors witness social problems more directly than national governments or EU Institutions. Perhaps due to this social innovation is also more often developed by local actors¹.

Similar to economic models of innovation (like Schumpeter's product innovation cycles) a social innovation has a life cycle and goes through different stages, from the idea to a pilot, to the roll-out of successful pilots and maturity, leading eventually to further diffusion. During its life cycle, an innovative idea or process will become more widely disseminated, and might jump from one context or scale to another, through incentives from a national government or simply through contact between policy makers in contexts such as EUROCITIES working groups or projects or transnational projects. It may also fail on its way - failure is actually an element that is intrinsic to innovation.

Arguably, innovation needs some space to flourish, and is closely linked to the principle of subsidiarity - giving the power to innovate to those who are closest to the problem (and its solution). At the same time, frameworks at regional, national and European level can create a stimulus for local social innovation.

EU programmes such as EQUAL or the URBAN initiative have created incentives for local actors to develop innovative pilot projects within specific policy fields. URBAN has also contributed to disseminate integrated local development in Europe to combine social policies with improvements in the built environment in disadvantaged neighbourhoods. In cities all over Europe, area-based approaches to social inclusion serve today as laboratories for experimenting with new ways of delivering services, citizen participation and for working across sectors.

Current EU initiatives such as the URBACT or INTERREG programmes or the European Social Fund (ESF) foster innovation through creating new learning networks both at transnational (the network itself) and local levels (local support groups). The ESF and the European Regional Development Fund (ERDF) allow pilot projects to be developed at local and regional level, with the idea of rolling out the successful ones in mainstream policies.

For the Copenhagen based cross-ministerial innovation unit 'MindLab', innovation in the public sector is mainly generated through cooperation ('co-creation'). Co-creation happens across sectors (e.g. practitioners working with researchers), levels of government and with service users. This cooperation can draw on various forms of information gathering in workshops, but also through observation techniques. Co-creation has a double purpose of understanding the problem and creating shared ownership on the solution.

¹ The European Commission's communication on the 'platform against poverty' recognises national, regional and local authorities as 'incubators' of social innovation.

Social innovation and the current EU policy context

The concept of social innovation has a prominent role throughout the new Europe 2020 strategy, which consists of headline targets, policy initiatives (seven flagship initiatives) and a reporting framework for member states through the national reform programmes.

The Europe 2020 [flagship initiative 'Innovation Union'](#) plans to set up a *substantial research programme on public sector and social innovation*, looking at issues such as measurement and evaluation, financing and other barriers to scaling up and developing social innovation. It will also pilot a *European Public Sector Innovation Scoreboard* as benchmark for measuring public sector innovation, and look into the possibilities to foster mutual learning in this field. To inform the development of the scoreboard, an *Innobarometer* survey was conducted on public sector innovation in 2010. It revealed that two-thirds of public administration institutions introduced a new or significantly improved service in the last three years and that innovations are more likely in bigger administrations. New regulations and new policy priorities are seen as most important drivers of innovation. Staff and service users are the most important information sources, providing many innovative ideas.

Within Innovation Union, the [Social Innovation Europe \(SIE\) initiative was launched in March 2011](#). This initiative involves several directorates general of the European Commission. It is managed by a consortium made up of Young Foundation, SIX, DTI and the Euclid-network. SIE launched an online hub that brings together existing portals on social innovation, and will produce papers on financing and evaluating social innovation and general policy recommendations. Two events are planned under the Polish Presidency (autumn 2011) and the Danish Presidency (February/March 2012). Innovation union has also announced pilot innovation partnerships.

The Europe 2020 [flagship initiative 'Platform Against Poverty and Social Exclusion'](#) will focus on solutions for combating social exclusion and promoting evidence-based social innovation. Through ESF and PROGRESS funding, the European Commission wants to develop a more systematic approach to mutual learning in social policies that is backed by robust evidence on what does work and what does not. The concept of '*social experimentation*', understood as evidence-based social policy innovation, will be used as framework underpinning social policy developments and actions on their roll-out. Social experimentation is to be framed by a *European initiative on social innovation* providing methodological support, expert know-how, guidelines and impact measurement. Furthermore, the European Commission announced that a 'high-level steering committee' will advise and guide developing EU actions in the field of social innovation. This will be accompanied by a 'European research excellence network' promoting capacity building for the design and evaluation of social innovation programmes.

Social Innovation in the work of EUROCITIES Social Affairs Forum

The EUROCITIES Social Affairs Forum has always served as a platform for showcasing and fostering social innovation at different stages of the innovation life cycle:

- projects such as peer reviews on migration and integration serve to assess local policies and to **identify innovative policies**. Similarly, in working group or forum meetings, city practitioners present their work in front of an audience of peers.
- in addition to their presentation and evaluation, EUROCITIES forum meetings and communication tools **showcase innovative policies** to other cities and EU level

stakeholders. These include speed-networking sessions, newsletters, EUROCITIES database on social inclusion, EUROCITIES case studies, and many more².

- EUROCITIES political statements such as the Green Digital Charter or the Integrating Cities Charter **bring cities together around a joint commitment to innovate** their policies, to become more inclusive and resource efficient and back these up with concrete action plans.
- knowledge collected in cities is also used to illustrate the points we make in our policy papers and reports for **informing EU-policy proposals**. For instance, Cities for Active Inclusion (EUROCITIES Network of Local Authority Observatories on Active Inclusion, or EUROCITIES-NLAO) aims to connect the EU approach to active inclusion to the reality on the ground. In the second half of 2011, Cities for Active Inclusion will look specifically at social innovation through a collection of factsheets on innovative local practices on active inclusion. Cities for Active Inclusion will disseminate these factsheets among key European and national stakeholders in autumn 2011.

All of the **Social Affairs Forum's priorities for 2011** refer to social innovation, providing social services in the context of reduced public finances, adapting social services to meet new and emerging needs and tackling exclusion through innovative policies in the field of employment, education, re-skilling and combating poverty.

One of the emerging topics in the Social Affairs Forum, both at city and EU-level is **socially responsible public procurement (SRPP)** which is using the leverage of public procurement policies for a positive social impact, e.g. by giving consideration to the positive social impact of social enterprises or of companies with a dedicated equal opportunities policy in the assessment of bids for public contracts.

Social Affairs Forum, 26-27 May 2011, Grenoble-Alpes Metropole

Grenoble Alpes Metropole is a very appropriate setting for a Social Affairs Forum on social innovation. Not only was the concept of social experimentation re-launched under the French presidency, for decades Grenoble has been one of the 'pôles' and laboratories of innovation within French Urban Policy. From the 1970's Grenoble has developed ambitious urban and social policies. H. Dubedout, former mayor of Grenoble, created the concept of 'politique de la ville', the first attempt of an area based approach to social inclusion. Following this example, municipalities in the agglomeration have developed many experimental social policies during the last 30 years, which make Grenoble Alpes Metropole an example at national level in terms of policies for social cohesion and innovation.

The meeting of the Social Affairs Forum will address the questions of how to **stimulate, evaluate, scale and finance** social innovation at local level. To do this, participants will examine the concrete examples given by cities. They will also discuss the policy link between the Europe 2020 strategy, the EU, national and local levels and the reform of EU funding instruments after 2013 with the aim of assessing the role that local authorities, as incubators for social innovation, can play in this framework.

² In 2011, the EUROCITIES SAF team will start to collect case studies of knowledge that was successfully transferred from one city to another through EUROCITIES activities.