

# The role of the **Social Economy** in delivering **Social Investment** related to **Social Innovation**



Social Innovation initiatives through  
Social Economy organizations  
in the Social Investment policy  
framework

**innosi**  
Innovative Social Investment  
Strengthening communities in Europe



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# Social Investment Package

- The so called “**Social Investment Package**” consist of two main documents of the European Commission (and a series of Staff Working Documents):
- a) a [Communication](#) “*Towards Social Investment for Growth and Cohesion*”, COM (2013) 83;
- b) a [Recommendation](#) “*Investing in Children: breaking the cycle of disadvantage*”, C(2013) 778
- and it provides a policy framework for redirecting Member States' policies towards social investment throughout life.
- Together with the [European Parliament resolution](#) on *Social Investment Pact* (20 November 2012) it encourages the Member States to pursue the modernisation of their social protection systems, ensuring their effectiveness, adequacy and sustainability.

# Civil society actors

- In this institutional framework a central role is assigned to **actors** outside the public sector. As it is stated in the following sentence:
- “Private and third sector resources to complement public efforts.
- Resources for social policies are not limited to those from the public sector. A non-negligible part comes from people and families. In addition, non-profit organisations provide social services on a substantial scale. These range from homeless shelters, support for the elderly, people with disabilities, to advice centres on social benefits in general.
- Social enterprises can complement public sector efforts, and be pioneers in developing new markets, but they need more support than they are receiving now.
- The for-profit parts of the private sector would need to be further encouraged to use the potential of social investment through, for instance, a healthy and secure social and working environment. This is not limited to Corporate Social Responsibility alone and includes for example on the job training, in-house childcare facilities, health promotion and accessible and family-friendly workplaces.” (COM (2013) 83, p. 5)

# Social Economy and Social Enterprise

- The Communication propose a definition of Social Economy and Social enterprises:
- “The **social economy**, also referred to as the 'third sector', refers to non-government actors such as community organisations, voluntary organisations, and social enterprises that undertake activities for social benefit.
- **Social enterprises** are businesses with primarily social objectives, and where surpluses are usually reinvested into the business or in the community, rather than maximising profit for owners and shareholders.” (COM (2013) 83, p. 5)

# Social Innovation

- Another very important driver for the modernization of the welfare systems of the Member States and toward the adoption of a “social investment” approach in their social policies is the **Social Innovation**.
- As stated in the following sentence:
- “Enabling individuals to live up to their full potential to take part in social and economic life in society entails supporting people at critical junctions in their lives. This starts with investing in children and youth, and continues thereafter. Social innovation must be an integral part of necessary adjustments by testing new policy approaches and selecting the most effective ones.” (COM (2013) 83, p. 8)

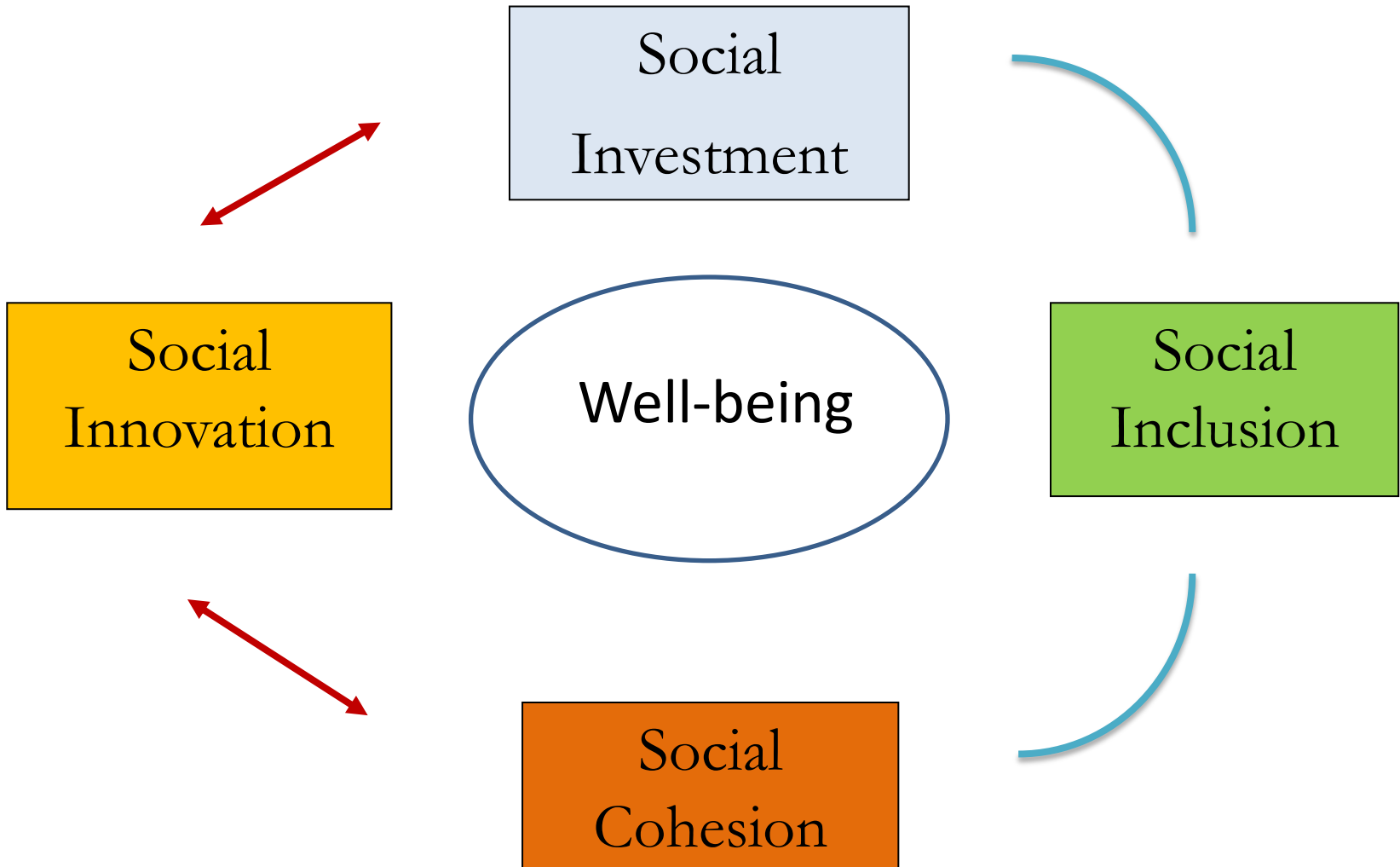
# Typology of organizations by legal status in the different narratives

	Social Economy	Nonprofit sector	Third Sector	Social Enterprises
Cooperatives	√			√
Social Cooperatives	√		√	√
Mutuals	√			√
Associations	√	√	√	
Foundations	√	√	√	√
Private for profit corporations with a social aim				√

# Key words of welfare configuration

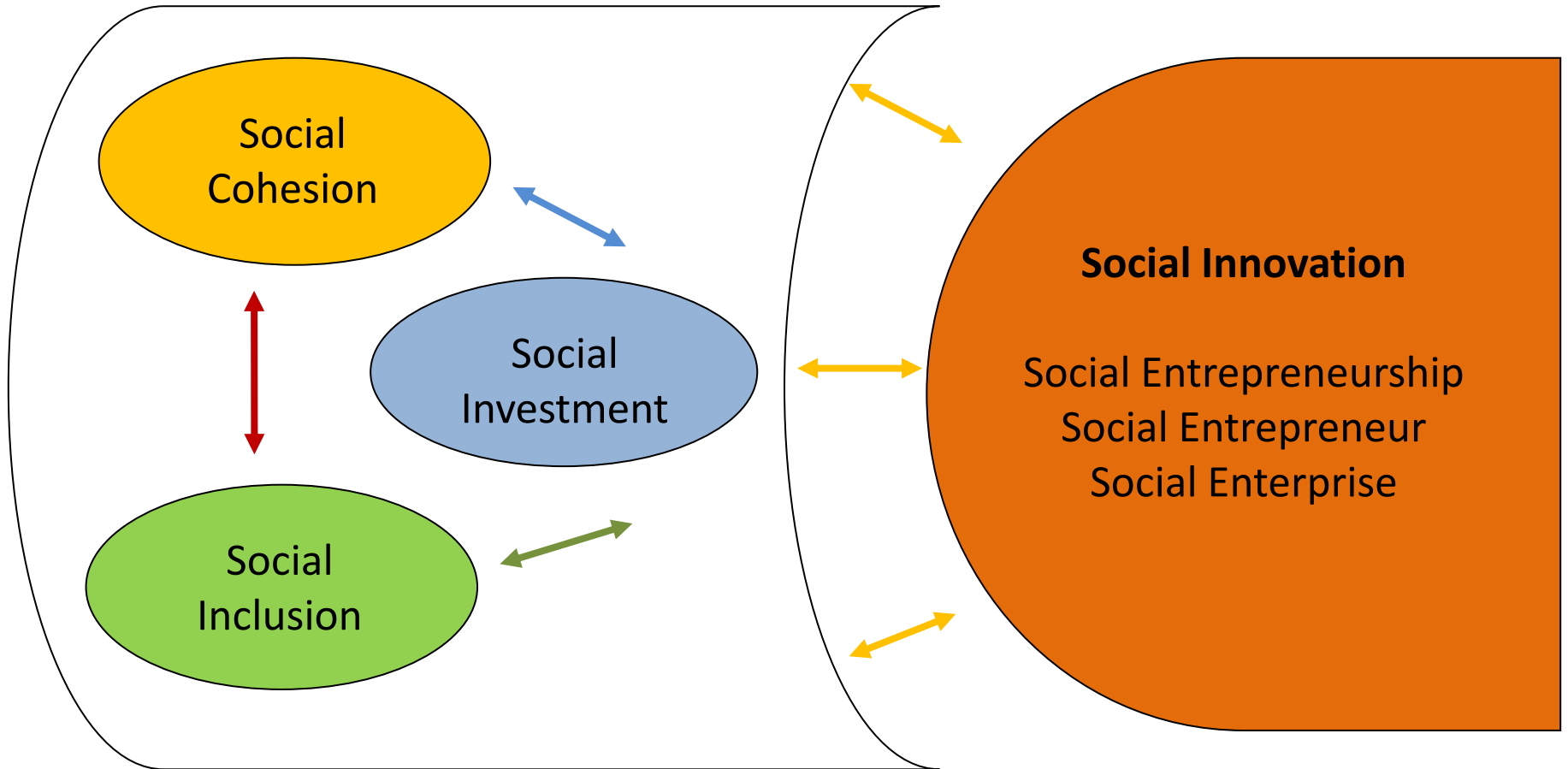
	WELFARE STATE	NEO-LIBERALISM	SOCIAL INVESTMENT
Main Actor	State	Market	Society / Community
Criteria	Universalism	De-regulation	Personalization
Principle	Equality	Freedom (of Choice)	Inclusion/Cohesion
Key policy issue	Participation	Privatization	Social Entrepreneurship
Beneficiaries	Users	Clients / Customers	Active citizens
Legitimacy Base	Social rights	Means test Selectivity	Social innovation
System of Coordination	Planning	Marketization	Accreditation Systems
Logic of actors' relationship	Negotiation	Competition	Partnership

# Four pillars of new Welfare State Configuration





# Political discourse on Social Investment



Welfare state / Welfare policy

Social Economy<sub>9</sub>

# Three Narratives in the Political Discourse on Welfare Policy Reforms

Traditional Welfare State

Traditional Social Economy

“Personalisation”  
Narrative

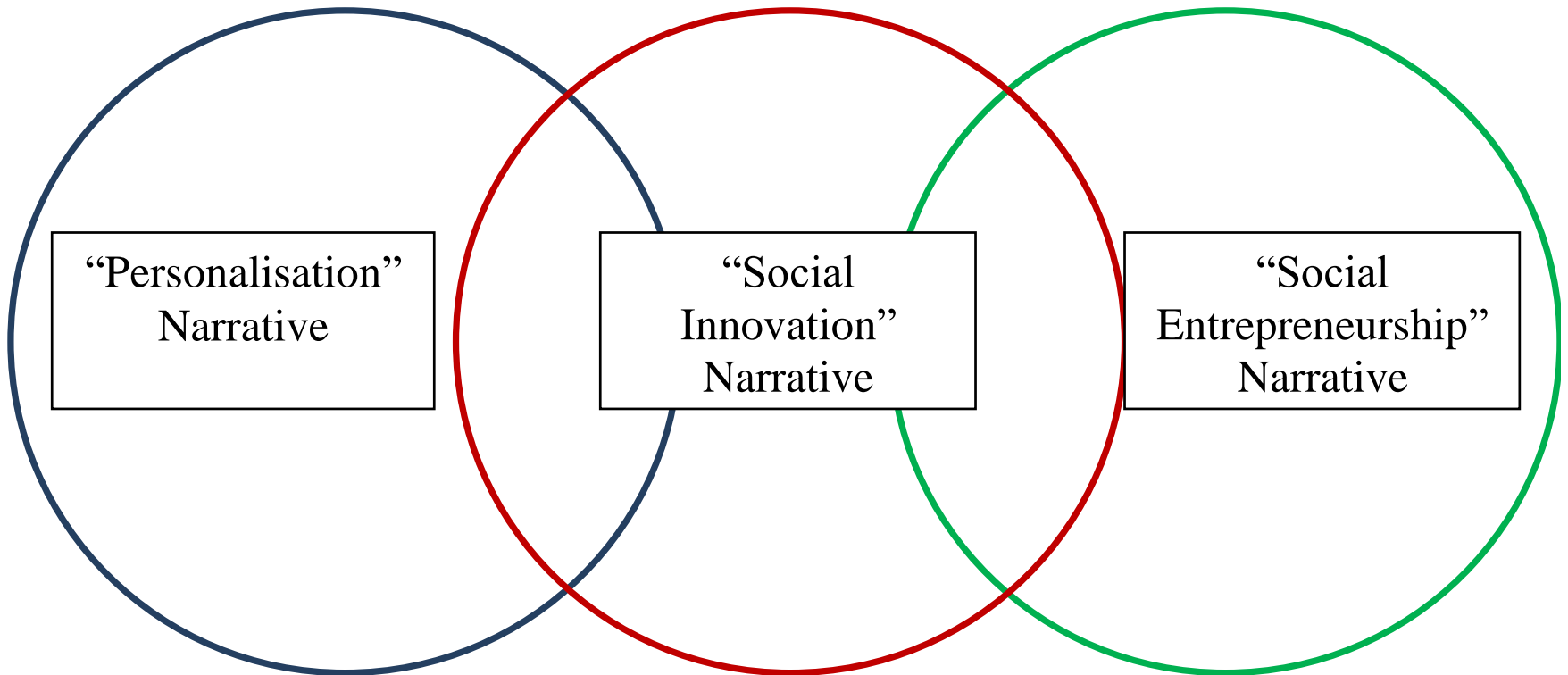
“Social  
Innovation”  
Narrative

“Social  
Entrepreneurship”  
Narrative

Social Investment State

Social Impact

Social Enterprise



Distribution of the InnoSi countries, based upon the degree of social innovation and social economy in the selected policy area

		Social Economy		
		Low	Medium	High
Social Innovation	Low	Greece	Hungary, Poland	France, Spain
	Medium		Sweden	Italy, Germany
	High		Finland, UK	The Netherlands

# Presence of Social Economy organizations by function in the selected policy areas

		Service delivering function	Advocacy function
B1) Support for early childhood development		High	High
	B1a) Early childhood education and care B1b) Family benefits B1c) Parenting services	√ √	√
B2) Support for parents' labour market participation		Medium	High
	B2a) Enabling parents, labour market participation through care provision for dependents and parental leave B2b) Long-term care B2c) Maternal /paternal/parental leave schemes	√ √	√

# Presence of Social Economy organizations by function in the selected policy areas

B3) Policy measures to address social and labour market exclusion		Low	High
	<p>B3a) Unemployment benefits</p> <p>B3b) Minimum income</p> <p>B3c) Active labour market policies</p> <p>B3d) Social Services for the persons seeking employment (e.g. social housing, mental health provision, disability support)</p> <p>B3e) Old age, disability and survivor</p>	<p>(*)</p> <p>√</p>	<p>√</p> <p>√</p> <p>√</p> <p>√</p>

# Conclusive Remarks

- These are the main elements on Social Innovation and Social Economy that emerged from our analysis.
  1. First of all it appears to be a significant degree of difference in the size and role of SE organizations, in the countries under study, in relations to the different policy areas analyzed;
  2. There is a multiplicity of drivers and initiatives engaged in the process of adopting technical and social innovations;
  3. Each InnoSi country is developing structural changes and new models that improve the quality of life and functioning of society;
  4. We can differentiate the incidence of the SE organizations contribution and involvement along two main functions that these kind of organizations deliver for the society: service delivering function and advocacy function (see Tab. 6.2);

# Conclusive Remarks

5. As far as the Service delivering function is concerned, we registered a relevant presence of SE organizations in the following policy areas:
  - B1a) Early childhood education and care;
  - B1c) Parenting services;
  - B2a) Enabling parents, labour market participation through care provision for dependents and parental leave;
  - B2b) Long-term care;
  - B3d) Social Services for the persons seeking employment (e.g. social housing, mental health provision, disability support);
6. With regards to the advocacy function, it emerges that the SE organizations are more active in the following policy areas:
  - B1b) Family benefits;
  - B2c) Maternal /paternal/parental leave schemes;
  - B3a) Unemployment benefits;
  - B3b) Minimum income;
  - B3e) Old age, disability and survivor

# Conclusive Remarks

7. Whereas the policy area “B3c) Active labour market policies” shows a distinctive role of SE organizations playing both functions: service delivering and advocacy.
8. In general SE organization have: an high level of involvement in the macro policy area B1 - Support for early childhood development; a medium level in the macro policy area B2 - Support for parents’ labour market participation; and a low level in macro policy area B3 - Policy measures to address social and labour market exclusion.
9. Another very clear result of our analysis is that there a wide and uneven distribution of power and responsibility – in all the countries under study – among public administrative bodies (national, regional and local level) in relation to the policy areas analyzed;
10. This peculiar distribution of power and responsibility entails a parallel unequal incidence of the quantitative and qualitative presence of SE organizations in the different policy areas; so the overall picture is highly jeopardized.



*Thank you for your attention!*



Andrea Bassi - [andrea.bassi7@unibo.it](mailto:andrea.bassi7@unibo.it)

Giulio Ecchia - [giulio.ecchia@unibo.it](mailto:giulio.ecchia@unibo.it)

Alice Guerra - [alice.guerra3@unibo.it](mailto:alice.guerra3@unibo.it)