Briefing 2.3

An overview of public policy according to 'social investment' from an institutional perspective

This project has received funding from the European Commission Horizon 2020 Programme Societal challenges: European societies after the crisis under grant agreement no. 649189

Contents

Innovative Social Investment
Strengthening communities in Europe

1. Overview

Reforms in DE FI, NL (and in different ways) SE and UK appear to correspond with the INNOSI criteria for ‘innovative’ social investment.

This is a snapshot of the state of play in 2015 of the ways in which welfare states are moving towards social investment approaches and the extent to which these developments are being impacted by EU policy and funding. InnoSI takes a special interest in a community/citizen-led, bottom-up (including social economy organisations and private companies) approaches to social investment, rather than a government-led top-down perspective.

2. Key policy implications

We examine two key policy areas for social investment: early childhood education & care (ECEC) and

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- create new relationships between people and organisations across public, private and social economy sectors = social innovation
- identify long-term aims and the means of achieving them = strategic

3.Context

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We do this according to two key policy areas for social investment: early childhood education & care (ECEC) and active inclusion in the labour market.
Within the EC Social Investment Package, there was a specific Recommendation from the European Commission to Member States entitled "Investing in Children". The Recommendation sets out six horizontal principles to address child poverty and social exclusion. It has three pillars:

1. Access to adequate resources to support parents' labour market activation and provide for adequate living standards

2. Access to affordable quality services, including ECEC, education, health, housing, family support and child protection

3. Children's right to participate in play, recreation, sport and cultural activities and in decision-making that affects their lives

The European Commission's Active Inclusion Recommendation could be seen as an attempt to weave together the EU's social inclusion agenda with its Lisbon Agenda for Growth and Jobs – as it provided guidance on how to activate those furthest from the labour market into work. Like the Recommendation on "Investing in Children", it had three pillars31:

1. "adequate income support together with help to get a job. This could be by linking out-of-work and in-work benefits, and by helping people to access the benefits they are entitled to

2. inclusive labour markets – making it easier for people to join the work force, tackling in-work poverty, avoiding poverty traps and disincentives to work

3. access to quality services helping people participate actively in society, including getting back to work."

4.Methodology

This report draws directly and exclusively on ten national country profiles produced by INNOSI partners (NL, FI, SE, HU, PL, GR, IT, ES, DE, UK) within WP2.
A template for gathering information was prepared and distributed to partners. The questions from the template are set out in Appendix One. It is important to note that each partner only had limited time and resources to address the questions. Data collection was predominantly desk-based and relied on published documents. Some partners also contacted a small number of key informants where they judged that published documents were insufficient to form a judgement. The completed templates will be made available as appendices on the INNOSI website (http://innosi.eu). An additional profile was prepared on the general EU policy & funding context (EU).

"The strength of the project lies in its regional analysis of social investment practices – there are compelling examples in the regions that often go under the radar."

Prof Chris Fox
Chief Coordinator of the InnoSI project

5.Main findings

In some countries, the high degree of regional or municipal variation makes it difficult to present a single picture. The Finnish ECEC infrastructure is very different from the Greek, but in neither case is there a strong social economy presence. In two other mature welfare states there are also contracts: social economy actors have a strong and long-established role in ECEC in Germany, whilst in Sweden their role is growing. The SIP and other European guidance on ECEC does not take a strong view on the distribution of roles between the public, social economy and private sectors.

There are numerous smaller, municipal or regional projects which work across sectors and a systemically strong role for certain actors (be they social economy, private or public) in certain countries. It may be that when organisations become fixed in certain roles, it is very difficult to reorganise the pieces of the puzzle in a complex system. Sweden is seeing a gradual expansion of non-State provision of ECEC services whilst the UK has an intriguing example of cooperation between the public, private and social economy sector in 'Together for Children'.

In the active inclusion policy area, policy and financing instruments are based to a large extent on entitlement to benefits that are paid out by the government. Some complementary services like food aid are organized by the social economy or private sector role in temporary work agencies. Probably the best known form of collaboration are the work integration social enterprises, in which people furthest from the labour market, gain a sheltered and subsidized job. The extent to which WISE schemes concretely improve people's prospects to progress into the primary labour market is contested; there are also situations of disability or illness where this may not be appropriate. It has been difficult to identify reforms which obviously fulfil all three INNOSI requirements. This is largely because of the apparently limited extent to which such reforms create new relationships across the public, private and social economy sectors.

The story of reforms within labour market activation seems to be more about creating new partnerships between different actors in the public sector. Those reforms in DE FI, NL (and in different ways) SE and UK appear to correspond with the INNOSI criteria for 'innovative' social investment by combining different public services, though with limited private sector or social economy involvement. In those countries, active inclusion is consistent with the current policy system; there is then a secondary question about the efficacy of those programmes. In the other INNOSI countries (ES GR HU IT PL), active inclusion reforms have not been introduced at strategic national level, but regional or EU-funded programmes do contain elements of active inclusion. This raises interesting questions about whether there is inherent value in cross-sector collaboration, e.g. a strong involvement of social economy actors.

7.Interpretation/Limitations

At national and international level, economic justifications of social investment reform agendas appear to weigh more heavily than societal ones. This could be detected in the approach of the ESPN report, which is built around enabling parents to access the labour market through ECEC and long-term care provision of their younger and older dependents. Yet, such provision is justifiable as much in terms of its benefits (if well-designed) to those dependents as to the (potential) working-age population, which would otherwise perform caring roles. One of the overall INNOSI project aims is to investigate the social and psychological impacts of welfare reform, a dimension that is not well-considered in current policy debates.

6.Impact & Implications

Our starting point for generating pathways to impact is to recognise that there are different types of non-academic impacts.
We originally envisaged four main challenges to achieving the impact described above as follows:

Regional variation: The key implication for our project is that for effective impact we will need a range of innovative ways of implementing and financing social welfare systems to appeal to a wide range of policy-makers and stakeholders in different European countries.

Wide range of potential stakeholders: Stakeholders will include national and European-level policy-makers and third and private sector organisations across Europe who currently or who might in the future be involved in implementing and financing social welfare systems.

Relevance: There is an extensive literature on knowledge mobilisation that consistently shows that there is no guarantee that even methodologically robust and clearly documented research findings will influence policy and practice. The key implications of this for our project are that research must be translated and that translation should involve research and policy intermediaries.

Timeliness: The social welfare policy environment is fast moving. Innovations in social welfare that look promising now, may not be useful in 5 to 10 years' time.

To these factors we have added the following 3:

Fiscal consolidation/austerity: virtually all EU countries are to some extent affected by the need to reduce spending and tackle debt – not just at national/federal level but also in regions and municipalities. This means that knowledge mobilisation will have to make a convincing case that new approaches are an investment in future growth and cohesion rather than merely an expense.

Modalities of partnerships: building new relationships between organisations in different sectors can be very challenging in terms of legal contracts and financing; this is clear even when creating new forms of joint working within the public sector.

Social economy/private sector capacity: some INNOSI partners reported weaknesses in the capacity of the social economy sector (e.g. GR, HU, IT, PL) even if they also saw potential for a greater deployment of such organisations; others highlighted the difficulties for private companies of operating sustainably in a fractured market with wide variations between municipalities and regions or of providing fee-charging services to people with a low income (e.g. HU, FI) – this may mean that the ideal of community/citizen-led initiatives is difficult to achieve in practice.

8.Further information

To access the full report, please go to http://goo.gl/Bejp4k

For further information on InnoSI: Innovation in Social Investment: Strengthening Communities in Europe, visit our website at http://innosi.eu/

The principal contributors to this report were as follows:

- **Stephen Barnett** is Chief Executive Officer at the **EUCLID** Network and was formerly Policy Director at the European Social Network.

- **Chris Fox** is Professor of Evaluation at **Manchester Metropolitan University** and Director of the Policy Evaluation and Research Unit (PERU)

- **Gavin Bailey** is a Research Associate with the Policy Evaluation and Research Unit at **Manchester Metropolitan University**.

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