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Connecting entrepreneurship with policy experimentation? The EU framework for social innovation

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Connecting entrepreneurship with policy experimentation? The EU framework for social innovation

This article investigates how social innovation made its way onto the European Union (EU) agenda and how this notion has been creatively used to further different policy goals. We do so by analysing the resources that the EU has provided to promote social innovation over the period 2006-2014. Three main conclusions can be drawn. First, between 2006 and 2010 the label social innovation was rarely used, although a number of EU instruments and processes supported it. Second, throughout 2009-2010, the European Commission's Bureau of European Policy Advisers played a key agenda setting role in raising attention on social innovation at a critical juncture of EU politics, i.e. the elaboration of the Europe 2020 Strategy. Consequently, and third, since 2010 social innovation has been explicitly mainstreamed into the Europe 2020 Strategy. This phase is characterized by a stronger emphasis on 'social entrepreneurship' and 'social experimentation', a methodology aimed at welfare reforms. In this way, social innovation has become an important tool in the EU2020 strategy to the reform of the welfare state.

Keywords: social innovation; social entrepreneurship; Europe 2020; welfare state reform; social policy experimentation

1. Introduction

Social innovation [...] is an opportunity not to be missed to generate new solutions, to connect with the citizens and to promote a better quality of life. Social innovation should be at the core of our social market economy and also contribute to make our social market economy more competitive. [I]t has the potential to unleash fresh waves of creativity and innovation and create new sources of sustainable growth and jobs. That's why innovation is a cornerstone of our Europe 2020 strategy for growth and jobs (Barroso 2011, 3)

These words of the former President of the European Commission Barroso target social innovation as a key instrument for the achievement of the Europe 2020's social targets and,

more generally, for achieving Europe 2020's ambition to promote smart, sustainable and inclusive growth (EC 2010a, 2010b, 2010c). Social innovation became an unavoidable reference in the area of policy and research in the context of the Europe 2020 strategy. Yet, how this notion initially emerged as a crucial issue on the European Union (EU) agenda, and how it has since been promoted, is not entirely clear. This article aims at investigating these issues by identifying the resources the EU has made available to promote and support social innovation in the period between 2006 and 2014. We map and discuss a number of EU policy tools and processes for sustaining social innovation, notably in the area of poverty and social exclusion. We also assess how the notion of social innovation has been creatively used to further different EU policy goals.

This article contributes to the existing literature in at least three respects. First, while most literature has dealt with social innovations at the local level through case-based research strategies (Lehtola and Stähle 2014, 158), less attention has been paid to the supranational level (Jenson and Harrison 2013, 20). Nevertheless, recent studies have shown that the EU level is a key layer of 'multi-scalar social innovation systems', often able to directly support local projects through funding and other kinds of resources (Sabato and Verschraegen 2016). Second, in analysing the emergence and key features of the European social innovation agenda, we adopt a diachronic approach covering a long-term perspective. We first describe how various EU initiatives and programs implemented in the nineties already supported social innovation. Then we focus on the most recent period (i.e. since 2006), distinguishing between three sub-periods: 2006-2010, when the EU social innovation agenda remained implicit; 2009-2010, a critical juncture leading to a more concrete inclusion of the theme of social innovation in the EU agenda; and 2010-2014, when social innovation explicitly appeared in EU policy discourses and was largely mainstreamed into EU policy processes. This approach allows us to situate social innovation developments within the broader policy framework of

the EU's overarching strategies: the re-launched Lisbon Strategy (2006-2010) and the Europe 2020 Strategy (2010-ongoing). It also enables us to provide an assessment of the current EU framework for social innovation (i.e., of resources available under the Europe 2020 Strategy). Finally, while research on social innovation has already focused on a variety of policy fields - including business, workplace innovation, education, healthcare, public services, labour market, and social entrepreneurship (cf. Eurich and Langer 2015; Grimm et al. 2013; Jenson and Harrison 2013; Lehtola and Ståhle 2014) – we focus on social innovation in the field of poverty and social exclusion and, more generally, in relation to welfare systems' reforms. This particular focus is motivated by three reasons. First, as Ewert and Evers (2014, 423) argue, a significant gap exists between the debate on social innovation and the debate on social welfare reforms. We aim at bridging these debates shedding light on how some EU circles have gradually used social innovation as a mean for promoting welfare reforms and on the instruments and the resources made available for such a purpose. Second, the notions of social innovation and social exclusion are historically linked as social innovation initially emerged against the backdrop of the 1970's economic crisis and transformation of the Western welfare state (Oosterlynck et.al. 2013). Third, the emphasis on poverty and social exclusion appears important because setting up of a quantitative poverty target has been one of the major novelties of the Europe 2020 Strategy.

The article is based on a careful desk research which encompasses documents produced by EU institutions/bodies, 'grey' literature and insights from the relevant scientific literature. In addition, six semi-structured interviews with highly informed actors were held between October 2014 and January 2015 (cf. Table 1 in Appendix 1). Respondents have been selected according to two criteria: 1) their institutional affiliation; 2) their experience in dealing with social innovation. Hence, our interviewees reflect the variety of points of view on social innovation characterising various policy circles and they have a deep knowledge of

the evolution of the topic over time, due to a long-standing involvement in EU level debates and initiatives. Interviewees include three officials from various Directorates-General (DGs) of the European Commission, DG Employment, Social Affairs and Inclusion (DG EMPL), DG Enterprise and Industry (DG ENTR), DG Regional and Urban Policy (DG REGIO); two representatives of EU level think-tanks; and one stakeholder.

The article is structured as follows. Section 2 briefly explains definitional challenges related to the contested notion of social innovation and presents the definition elaborated by the Bureau of European Policy Advisers (BEPA) in 2010. Section 3 describes the key initiatives implemented before the 2000s. Section 4 reviews EU instruments and processes supporting social innovation in the field of poverty in the period between 2006 and 2010 (the second phase of the Lisbon Strategy). Section 5 looks in more detail at the late 2000s. We claim that it was in this period that the label social innovation emerged in EU level policy discourses, with a key role played by the BEPA. Section 6 reviews instruments and processes supporting social innovation implemented within the Europe 2020 Strategy. The last two sections wrap things up by providing an overall assessment of the current EU framework for social innovation (section 7) and of the initiatives more directly linked to the fight against poverty and social exclusion implemented under the Europe 2020 Strategy (section 8).

2. Defining a multifaceted concept: the unofficial EU definition of social innovation

Social innovation can be understood as a ‘quasi-concept’, i.e. a concept characterised by a significant degree of flexibility and some analytical weaknesses, whose utility primarily lies ‘in fostering cohesion across a policy network, composed of researchers, analysts and decision-makers [and] provid[ing] an analytical focus for identifying policy challenges and diagnosing their characteristics’ (Jenson and Harrison 2013, 14). Because there is no basic

agreement on the exact meaning of the concept and a variety of definitions exist¹, one can question from which perspective the EU framework has to be interpreted and assessed.

We have opted to rely on the work carried out by the European Commission's Bureau of European Policy Advisers² and regard the definition of social innovation proposed in that context (BEPA 2010) as the main reference for the present study. This a pragmatic choice, dictated by three reasons.

First, BEPA's activity during the late 2000s was key for the emergence of the topic of social innovation on the EU agenda. Second, key documents produced by EU institutions explicitly refer to the BEPA definition. Third, the work undertaken by BEPA includes a retrospective analysis of instruments and processes which the EU has used to support and promote social innovation.

Although there are pragmatic reasons for selecting the BEPA definition of social innovation, we also acknowledge the limitations of this choice. Definitions are not neutral tools; they are outcomes of definitional struggles. Each definition selects and emphasizes certain aspects of reality while obscuring others, and may be used to push specific policy goals. Yet, as soon as they are broadly accepted, they may become an element in the political game. For this reason, our analysis will also highlight how the BEPA definition came about and can be used to legitimate specific policy goals and attenuate others.

Relying on a definition proposed by a study commissioned out to the Young Foundation and the Social Innovation eXchange (SIX) (Caulier-Grice et al. 2010), BEPA (2010, 33, italics in the original) defined social innovation as:

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1. For an overview, see Borzaga and Bodini (2014); Grimm et al. (2013); Sabato, Vanhercke and Verschraegen (2015).
 2. Made up of experts in various policy fields, the task of the Bureau of European Policy Advisers was to provide policy and political advice to the President of the European Commission and to Commission Services on issues relevant to the President's agenda and the future EU policies. Since 2014, the Bureau was renamed European Political Strategy Centre (EPSC).

[I]nnovations that are social in both their ends and their means. [N]ew ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations. In other words they are innovations that are not only good for society but also enhance society's capacity to act.

Such a definition highlights two main dimensions of social innovation: the 'output dimension' and the 'process dimension'. As for the former, BEPA elaborates on the kind of challenges that social innovation is supposed to address and on the scope of change in social interactions they require, thus identifying three complementary and interdependent approaches to social innovation:

- a social demand perspective, according to which social innovation addresses '*social demands that are traditionally not addressed by the market or existing institutions and are directed towards vulnerable groups in society*' (BEPA 2010, 43, italics in the original). According to this approach – considered as a narrow interpretation of social innovation – the economic and social spheres are seen as two separate but complementary dimensions, and social innovations are mainly targeted at satisfying the needs of the most vulnerable groups in society. Key players in developing social innovations may be public, private, third sector actors as well as users and local communities, with social entrepreneurs expected to play a key role.
- a societal challenge perspective, according to which social innovation addresses: '*societal challenges in which the boundary between 'social' and 'economic' blurs, and which are directed towards society as a whole*' (BEPA 2010, 43, italics in the original). From this perspective social innovation could reform the very meaning of economic activities by adding an additional dimension to economic outcomes and generating both economic, social and ecological returns (growth, jobs and the satisfaction of social needs).

- a systemic changes perspective, emphasising ‘*the need to reform society in the direction of a more participative arena where empowerment and learning are sources and outcomes of well-being*’ (BEPA 2010, 43, italics in the original). In this perspective a key role has to be played by public actors, together with private and community players. Social innovations would result in ‘[...] changes in fundamental attitudes and values, strategies and policies, organisational structures and processes, delivery systems and services, methods and ways of working, responsibilities and tasks of institutions and linkages between them and different types of actors’ (ibid., 38).

As for the process dimension, irrespective of the specific output they are expected to deliver, social innovations should rely on ‘[...] the development of new forms of organisations and interactions among actors to tackle social issues’ (BEPA 2010, 36).

While the BEPA definition tries to merge the various approaches to social innovation, it seems closer to what Ayob et al. (2016) call a ‘utilitarian tradition’, focussing on the societal value of innovation, i.e. to its capacity to produce positive aggregate changes in individual utility. Opposed to this view, there is a more ‘radical tradition’ that considers social innovation “[...] as a set of radical practices that together [lead] to greater social inclusion and social justice via the changing of existing social (and particularly power) relations” (ibid., 645). While the utilitarian view draws on business management literature, the latter, more academic approach, draws on a sociological tradition and, particularly, on the work of Moulaert et al. (2005) (Kazepov et al. 2013; Ayob et al. 2016, 645).

3. The emergence of social innovation within EU initiatives

Over time, different initiatives supporting and promoting socially innovative practices have been implemented by the European Union. A first important initiative were the so called

Community Initiatives promoted by the European Commission in various policy fields (Jouen 2008, 17).

In the framework of EU cohesion policy, the URBAN I (1994-1999) and URBAN II (2000-2006) have been considered suitable for promoting social innovation (Oosterlynck et al. 2013, 19-20). Those initiatives were funded through the European Regional Development Fund (ERDF) and aimed at promoting the sustainable development of deprived urban neighbourhoods by adopting integrated approaches based on partnership, capacity building and the active involvement of local communities and target groups (Carpenter 2006).

Similarly, the mobilisation of local actors, the development of partnerships, the promotion of integrated and bottom up approaches to rural development and capacity building activities were among the key assets of the LEADER Community initiatives implemented between 1991 and 2006 (EC 2000a). The last of them, LEADER+, intended to represent ‘a laboratory which aims to encourage the emergence and testing of new approaches to integrated and sustainable development’ (ibid., point 8).

In a similar vein, the European Anti-Poverty programme implemented since the end of the 1970s consisted in ‘a number of locally-based pilot projects, intended to demonstrate innovatory methods of combating poverty’ (Room 2010, 9). Those projects aimed at boosting collaboration between the scientific community, national and local policy-makers and the disadvantaged communities. In particular, the participation of the latter in the design and implementation of the projects was considered as a key – and in many cases successful – element (ibid., 11-12). Some of the projects funded through the subsequent Community Poverty Programmes were small scale projects testing innovative methods for social provisions, with a view to generalising the most successful ones (ibid.).

An emphasis on innovation as a way to test and promote policy reforms will be later developed by EQUAL (2000 - 2006). This initiative, aimed at combating discrimination and

inequalities in the labour market, was based on five priorities: partnership (the involvement of all relevant actors); empowerment (including the active participation of the target groups); transnational cooperation; *innovation*; and mainstreaming (i.e. analysis, benchmarking and dissemination of innovative solutions both within Member States and across the EU) (EC 2000b). The ad hoc working group on innovation and mainstreaming explicitly refers to *social innovations*, defining them as ‘changes in organisational values, structures and processes, and in linkages between institutions’ (EQUAL Managing Authorities 2006, 3).

Summing up, while a variety of EU initiatives and programmes de facto promoted social innovation or supported socially innovative projects already before the 2000s, with the exception of the EQUAL programme social innovation generally did not appear among the goals of those initiatives (see also BEPA 2010, 96-97; Jouen 2008) and the label was seldom if ever explicitly mentioned in their constituent documents.

4. The EU approach during the Lisbon period: social innovation between the lines

This section discusses how social innovation was promoted by the EU from 2006 onwards by focusing on a number of policy instruments and processes relevant to the fight against poverty implemented in the framework of the renewed Lisbon Strategy: the Structural Funds, the Social Open Method of Coordination (Social OMC), the PROGRESS Programme, and the Seventh Framework Programme. These initiatives provided a crucial but varied set of resources (which is not limited to funding) for the fight against poverty and for social policies. The aim of the analysis is a) to verify if and to what extent the promotion of social innovation was among their goals; and b) to understand to what extent and in which sense they supported social innovation.

4.1 Social innovation through the Structural Funds (2007-2013)

The Structural Funds – the European Regional Development Fund and the European Social

Fund (ESF) – were the main financial instruments supporting the objectives of achieving sustainable growth, competitiveness and employment set by the renewed Lisbon strategy.

Key documents related to the Structural Funds (Council 2006a; 2006b) and to the ESF (European Parliament and Council 2006b) do not contain explicit references to social innovation, though they stress the need to mainstream the underlying principles of the EQUAL programme (cf. section 3).

As for the ERDF, its focus on sustainable local and regional development strategies contributed to regenerating disadvantaged urban areas also through innovative solutions, including financing initiatives to support cultural and creative quarters and outreach work to engage specific disadvantaged groups (EC 2013a, 22). Besides funding specific projects, the promotion of European territorial cooperation activities was an important feature of the ERDF 2007-2013. Those activities included ‘exchanges of experience concerning the identification, transfer and dissemination of best practice including on sustainable urban development [and] actions involving studies, data collection, and the observation and analysis of development trends in the Community’ (European Parliament and Council 2006a, art.6.3).

Summing up, in the period 2007-2013 the Structural Funds had the possibility to support social innovation in three respects. First, at a more general level, Structural Fund interventions relied on the principle of partnership between public authorities, social partners and civil society organisations, potentially facilitating the development of more participative arenas for social policies (what the BEPA [2010] report defines as the ‘systemic challenge’ perspective). Second, the Structural Funds financed specific socially innovative projects. Third, they supported initiatives aimed at fostering transnational cooperation, the exchange of good practices and networking.

This said, since social innovation was not among the explicit goals of the Structural Funds, it is difficult to quantify how many resources were actually devoted to the funding of

socially innovative projects – or to the promotion of exchanges and networking on those issues – in the period 2007-2013 and the impact that those resources had in the Member States. According to estimates from BEPA (2010, 72) ‘more than € 1 billion of ESF budgets [was] spent on innovative activities under the ESF Operational Programmes, [including on] new ways of combating unemployment through inclusive entrepreneurship, creating youth employment, age management, or social inclusion of vulnerable groups’.

4.2 The Social Open Method of Coordination and the PROGRESS programme

Launched in 2006 as a result of the streamlining of three existing open coordination processes (on poverty and social inclusion, pensions, and healthcare/long-term care), the Social OMC is an iterative process based on triennial cycles, Common Objectives, indicators for measuring progress towards the objectives, reporting activities, and mutual learning exercises. Most of the activities of the Social OMC in the period between 2007 and 2013 were financed through the Community Action Programme for Employment and Social Solidarity (PROGRESS).

While key documents concerning the Social OMC and the PROGRESS programme do not explicitly mention social innovation among their goals, this does not necessarily mean that it was a marginal issue in both initiatives. On the contrary, considering it ‘[...] a way to catalyse the commitment of national administrations on the transformation of national policies for employment and social exclusion’, the BEPA (2010, 64) report considers the Social OMC as a policy framework likely to promote and support social innovation, in particular when it comes to mutual learning, analytical and dissemination activities funded through PROGRESS.

Some features of the Social OMC can be considered in line with the various perspectives on social innovation set out in the BEPA report. First, the main purpose of the Social OMC was to facilitate the modernisation of Member States’ social systems, in line with the objectives of the EU Social Agendas. This ambition was arguably close to the

‘societal challenge perspective’ on social innovation. Second, strengthening stakeholders’ (in particular, civil society organisations) capabilities and promoting their involvement in EU and domestic policy-making was a key concern of both the Social OMC and the PROGRESS programme. This approach seems consistent with the ‘systemic changes perspective’. Finally, both the Social OMC and PROGRESS have been considered rather effective in promoting and funding pilot projects, studies and analysis, mutual learning, awareness raising and networking activities (Ecorys 2011; PPMI 2011), thus providing an infrastructure for promoting, supporting and disseminating socially innovative practices.

However, even if examples of innovative practices supported by PROGRESS have been reported in existing assessments (cf. INBAS and ENGENDER 2010; Ecorys 2011; PPMI 2011), information is piecemeal. It is difficult to say how much of the activities of the Social OMC and of PROGRESS were devoted to socially innovative practices. According to Ecorys, the focus of PROGRESS on social innovation and pilot projects needed to be reinforced (Ecorys 2011, 125), even if, as shown by a survey of PROGRESS grant beneficiaries ‘four out of five beneficiaries report that new working procedures innovations and new methods and approaches were adopted by the target group or their organisation thanks to the PROGRESS grant [and] transfer of best practices from one country to another occurred in almost the totality of projects’ (ibid., 57).

Examples of specific OMC and PROGRESS tools to sustain or disseminate socially innovative practices emphasised in the BEPA (2010) report are: (a) the PROGRESS funded peer review meetings; (b) the calls for proposals on social experimentation launched since 2009 (cf. section 6.5); (c) the PROGRESS micro-finance facility established in 2010 to increase access to and availability of credit for micro-enterprises and for people in vulnerable situations who want to create microenterprises.

4.3 Social innovation in the Seventh Framework Programme (FP7)

The EU's Framework programmes for Research and Technological Development have been the main instruments for funding research activities with a European added value and the main tools through which the EU supported research on social innovation. A recent overview of the projects which have directly or indirectly focused on social innovation (EC, n.d.) shows that the attention devoted to the topic has gradually increased in the course of the years. While only 4 and 6 projects were funded respectively through the 5th (1999-2002) and 6th (2002-2006) Framework programmes, 16 projects were funded by FP7 (2007-2013). In reviewing the findings of 17 of those projects, Jenson and Harrison (2013) found remarkable differences concerning their focus. The main themes addressed by these projects range from social innovations at the local/community level, to innovation in the public sector, social enterprises, corporate social responsibility, or social innovations referred to specific groups. Interestingly, Jenson and Harrison (2013, 24) report that seven of the seventeen projects did not use the concept of social innovation at all, preferring to refer to concepts such as social cohesion, social capital or social inclusion.

Here again, it should be noted that the label social innovation did not explicitly appear in the decision establishing the FP7 (European Parliament and Council 2006c), in the Decision concerning its 'Cooperation' strand (European Parliament and Council 2007), and in the annual Work Programmes of the 'Socio-economic Sciences and Humanities' (SSH) programme for the years 2007, 2008 and 2009. Such a label emerged later, in the SSH Work Programme for 2010 (EC 2009) where it was linked to the public sector and the socio-ecological transition.

5. The Bureau of European Policy Advisers as agenda setter

The situation in which social innovation was *silently promoted* changed in the late 2000s.

Since then, social innovation has been explicitly mentioned in EU discourses and documents and has become part of the Europe 2020 agenda. We argue that a workshop organised by the Bureau of European Policy Advisers in 2009 and the publication, in 2010, of the BEPA report on social innovation were key steps in this respect, insofar as BEPA activities were an opportunity to a) bring together the variegated policy community of people dealing with social innovation (including civil society organisations, social entrepreneurs, researchers and European Commission officials), b) propose a broad definition of social innovation, able to include the diversified existing interpretations of the concept and c) direct EU leaders' attention to the issue at a critical juncture of EU politics – i.e. the elaboration of the Europe 2020 Strategy – and supply EU institutions with a new policy agenda and field of action.

The workshop organised by the BEPA on 19 and 20 January 2009 was aimed at debating the support to social innovation given so far by the European Union and the extent to which social innovation was integrated into EU policies, as well as at elaborating some recommendations for the future (BEPA 2010, 127). About 50 participants attended the meeting, including a substantial number of stakeholders in the field of social innovation, top level officials from various DGs (EMPL, REGIO, SANCO, ENTR, EAC, SECGEN) and representatives of the European Commission at the highest political level (notably, the President of the European Commission and the Commissioners for Regional Policy and for Employment, Social Affairs and Equal opportunities). Interviewees' appreciations of the workshop differ. Some of them refer to an open seminar, an opportunity for the various European traditions on social innovation to get into dialogue with each other. Others appear more sceptical on this point and stress the prominent role played by representatives of a more 'entrepreneurial-oriented' view of social innovation in both the organisation of the BEPA workshop and the drafting of the 2010 report. Indeed, as pointed out by our six interviewees, a decisive role in lobbying for the discussion of such a topic at the EU level and in attracting

EU leaders' attention (in particular, the support of the former President of the European Commission) was played by big organisations in the field of social entrepreneurship or with expertise in the application of technological solutions to social issues, such as the Young Foundation and the ICT Company CISCO, with traditional EU players dealing with social policies left somehow at the margins. To a large extent, EU leaders adopted the utilitarian, entrepreneurial-oriented paradigm and language on social innovation propagated by these transnational actors and agencies, and drew less on more traditional, community-oriented approaches.

After the meeting, BEPA was invited to draw up a report on social innovation, relying on suggestions and discussions from the workshop, the contribution of the various services of the European Commission, and a study commissioned out to the Young Foundation and the Social Innovation eXchange. The definition of social innovation proposed in the report is rather broad, especially when it comes to the identification of the three perspectives on social innovation (cf. section 2). This was probably due to the need to accommodate under a single label the various traditions existing on the ground as well as the activities promoted in the past by the various DGs of the European Commission; the latter activities were, on that occasion, 'officially' recognised as linked to the promotion of social innovation.

The BEPA report primarily embeds social innovation into two interrelated discourses: a) the reform of welfare systems; b) the interplay between the social and the economic dimension. The Renewed Social Agenda (EC 2008) is the main reference framework for social innovation, which is indeed considered as a new – more participative – 'paradigm of social intervention' to address the societal challenges identified there. In this sense, social innovation is linked to the reform of welfare systems and to the emergence of a new form of 'enabling welfare state' (BEPA 2010, 18). Next to this, the report strongly highlights elements closer to what could be defined as an entrepreneurial perspective on social innovation. Social

challenges should not only be seen as risks but also as sources of economic and social opportunities and, through the development of the social economy, ‘the social dimension [could represent] a fundamental source of growth and jobs’ (BEPA 2010, 27): social innovation is expected to play a ‘growth-building role’ (ibid., 19).

When it comes to the assessment of the EU’s support to social innovation, the report concluded that, although many EU initiatives had supported social innovation in the past, those initiatives were rather piecemeal and a clear policy framework, required to give visibility and political salience to this issue, was missing. As a consequence, the report stressed ‘[the] need to actively promote a widespread adoption of social innovations as a component of the EU tool box for effectively addressing poverty, generating sustainable wealth and well-being and promoting a learning and participative society’ (BEPA 2010, 117). Obviously, the Europe 2020 strategy – in preparation at the time of the BEPA workshop and taking its first steps when the BEPA report was published – was an opportunity for this sort of mainstreaming.

6. Mainstreaming social innovation in the Europe 2020 strategy

Launched in 2010, the Europe 2020 Strategy focuses on structural reforms in key policy domains and combines EU priorities (as set out in the ten Integrated Guidelines, IGs), five EU headline targets, national targets and seven EU Flagship initiatives aimed at catalysing progress under each priority theme (Vanhercke 2013). The strategy is a constituent part of the European Semester, an annual cycle of policy coordination launched in 2011. As for the social dimension of Europe 2020 (cf. Marlier, Natali, and Van Dam 2010; Zeitlin and Vanhercke 2014), it should be noted that the promotion of inclusive growth is among the key priorities of the Strategy. Integrated Guideline n.10 (on employment policies) refers to the objective of ‘Promoting social inclusion and combating poverty’. Reducing the number of people at risk of poverty and social exclusion by 20 million by 2020 is among the headline

targets of the Strategy.

The notion of social innovation features prominently within Europe 2020. References to it can be found in constituent documents of the Strategy such as the Commission Communication on Europe 2020 and the Communications on two of its Flagship initiatives ('Innovation Union' and the 'European Platform against Poverty and Social Exclusion'). Furthermore, the need to promote social innovation is emphasised in a number of key initiatives taken from 2012 onwards, including the Social Business Initiative, the Social Investment Package, the Programme for Employment and Social Innovation, and the Structural and Investment Funds 2014-2020.

6.1 Innovation Union and the Social Business Initiative

The Europe 2020 Flagship initiative Innovation Union aims '[...] to improve conditions and access to finance for research and innovation, to ensure that innovative ideas can be turned into products and services that create growth and jobs' (EC 2010b, 6). Alongside more traditional forms of innovation (such as business or technological innovation), the Communication also refers to social innovation, recalling the language used into the BEPA report. Social innovation is described as:

[...] an important new field [...] It is about tapping into the ingenuity of charities, associations and social entrepreneurs to find new ways of meeting social needs that are not adequately met by the market or the public sector [...] tackling societal challenges, [...] empower[ing] people and creat[ing] new social relationships and models of collaboration. (EC 2010b, 21)

The Communication stresses three points, which should be developed in order to promote social innovation. First, a more evidence-based approach is needed, in order to facilitate the identification, dissemination and scaling up of successful social innovations. Second, the public sector is identified as a key target for innovation, in order to '[to] meet the evolving

needs and expectations of public service users against a backdrop of budget austerity' (EC 2010b, 21). Third, workplace innovation (in particular skills upgrade) is considered as key. Consequently, the Commission committed itself (ibid., 22) (a) to launch a European Social Innovation pilot and to enhance the role of the ESF in supporting social innovation; (b) to support a research programme on public sector and social innovation and to launch a European Public Sector innovation Scoreboard.

As for the first action proposed, a pilot initiative – Social Innovation Europe (SIE) – was launched in 2011. Funded by DG ENTR and run by an external consortium, the goal of this initiative is to become a meeting place for social innovators in Europe: policy makers, entrepreneurs, academics, third sector workers, and other social innovators. One visible tool of the initiative is a website (including a web magazine) aimed at facilitating networking among social innovators and spreading information about related practices, activities, events, and studies. Furthermore, an annual European Social Innovation Competition was launched in 2013, with the aim of showcasing and mentoring successful social innovations implemented in the Member States.

Documents and initiatives undertaken by DG ENTR generally recall the broad definition provided by BEPA in 2010 and recognise that the possible sources of social innovation are varied, including social entrepreneurs, civil society organisations, and public authorities. However, unsurprisingly, particular attention is devoted to the private sector, the social economy and, especially, social enterprises. As explained by one interviewee:

We really take it as bold as possible, so meaning that we are not prescriptive about the fact that the solutions may come from social economy organisations or social enterprises or public authorities or any type of company. We actually don't pay attention to the origin. We look at what it brings [...] But it's different from other colleagues from employment, for instance, who look at social innovation thinking of social policy innovation: we really rather take the private sector angle. (Int.4- DG ENTR)

What is emphasised from this perspective is the fact that social innovations, besides bringing innovative solutions to existing social needs, create new markets and may represent a source of growth and jobs. As stated by the former Commissioner for Industry and Entrepreneurship Antonio Tajani: ‘Social innovation is both a business and societal opportunity, because the most important sectors for growth in the next decades are linked to the development of human and social capital’ (SIE 2012, 11).

Interpreted in this sense, social innovation may lead to a transformation of the economy in line with what the BEPA named the societal challenge perspective:

This kind of attitude could and should eventually influence the whole economy. Consumption patterns are changing – think for instance to the sharing economy – and there are a lot of trends which challenge the way we conceive growth [...] or competition [...]. That's interesting, and so it's just that I would like, one day, that you talk about enterprises and non-social enterprises [...] There's a demand for it as well. As a consumer, now I'm asking more questions. For instance, if I have some savings, I don't want it to be used for speculation. So people are getting also this type of message from their clients, and this is influencing the thing. (Int. 4 – DG ENTR)

Actions undertaken at the EU level in order to support social enterprises and creating a suitable environment for them include: a) providing opportunities for networking, exchanging information and showcasing socially innovative experiences and b) ensuring access to appropriate finance and funding for social innovators (cf. SIE 2012). With regard to the former aspect, particular attention is paid to the set-up of innovation labs and incubators helping the development of social innovations. As for the latter aspect, the need to ‘[...] establish ‘[...] a comprehensive ecology of finance’ (ibid., 14) supporting social innovative experiences in the various stages of their development is stressed: besides public funding, private capital and resources from foundations should be mobilised and a greater attention to innovative enterprises should characterise public procurement (cf. SIE 2012).

Issues related to social enterprises also fall under the competences of DG Internal Market, which launched, together with other DGs, a Social Business Initiative aimed at supporting the development of social enterprises (cf. EC 2011). In the Communication, social enterprises are considered as key for attaining the objectives of the Europe 2020 Strategy insofar as they can contribute to smart growth by ‘[...] responding with social innovation to needs that have not yet been met’ (ibid., 3). The aim of the Communication is to address the problems facing social enterprises such as difficult access to funding; lack of recognition for social entrepreneurship; and the lack of an adequate regulatory framework.

6.2 The European Platform against Poverty and Social Exclusion and the Social Investment Package

The European Platform against Poverty and Social Exclusion (EPAP) is the Flagship initiative most directly related to the anti-poverty dimension of the Europe 2020 Strategy. Its ambition was to set a dynamic framework for action which should facilitate the achievement of the headline target on poverty (EC 2010c, 3), involving a broad range of stakeholders and giving visibility to the fight against poverty through the organisation of Annual Conventions. More practically, the EPAP is made up of 64 key initiatives (with specific deadlines)³.

On paper, social innovation is a prominent topic of the Platform⁴: ‘Developing an evidence-based approach to social innovation and reforms’ and ‘Promoting a partnership approach and the social economy’ are among the six areas for action of the EPAP. In particular, ‘evidence-based’ social innovation (in the form of social experimentation) is considered as ‘ [...] a powerful tool to guide the structural reforms that will be needed to

3. For an assessment of the implementation of the Platform, see Sabato and Vanhercke (2014).

4. As noted by Daly (2012, 276), ‘The rhetoric around the Platform emphasizes especially innovation and experimentation in social policy – ‘innovative social protection intervention’ [...]’.

implement the Europe 2020 vision for smart, sustainable and inclusive growth' (EC 2010c, 14).

Most of the initiatives foreseen by the EPAP, including the ones on social innovation, were taken up in the Social Investment Package (SIP), which was launched in February 2013. Through the SIP (EC 2013b), the European Commission aims at providing guidance for and support to national social policy reforms by identifying policy areas particularly suitable for pursuing a social investment strategy.

All in all, social innovation is a key theme in both the EPAP and the SIP. This said, a number of considerations can be made. First, the emphasis is often put on a specific form of social innovation: evidence based social innovation or social experimentation (cf. section 6.5). Second, social innovation is increasingly associated with the need to reform domestic social protection systems in order to assure their adequacy, efficiency and sustainability in a context characterised by (permanent) budget constraints. As the European Commission puts it:

Faced with structural long-term challenges, Member States need to adapt to ensure the adequacy and sustainability of their social systems and their contribution to stabilising the economy [...] Social innovation must be an integral part of necessary adjustments by testing new policy approaches and selecting the most effective ones (EC 2013b, 8)

Third, and linked to the constraints on public budgets deriving from fiscal consolidation measures, the SIP emphasises the need to develop '[...] more innovative approaches to financing [social policy]' (ibid., 6): public efforts should be complemented by the mobilization of third-sector and private resources. Particular attention should be paid to the social economy and to the promotion of social entrepreneurship. An example of innovative financing instruments are the so called Social Impact Bonds.

Finally, and importantly, through the SIP an attempt to link social innovation to the broader procedures of the European Semester is apparent. In this regard, the European Commission proposes that social innovation should be linked to the priorities of the SIP and

socially innovative initiatives should be developed in order to address the challenges identified in the Country-specific Recommendations (EC 2013b, 12-13). Furthermore, Member States are asked to report on those initiatives through the National Reform Programmes. As for funding, EU financial resources – including the Structural and Investment Funds, the proposed PSCI programme and Horizon 2020 – should be mobilised in order to support socially innovative projects and upscale (especially through the ESF) the most successful ones (EC 2013b; 2013c).

6.3 The Social Open Method of Coordination and the EaSI programme

In 2011, the Employment, Social Policy, Health and Consumer Affairs Council formation and the Social Protection Committee officially ‘reinvigorated’ the Social OMC in order to adapt its working methods to the new governance of Europe 2020. Since 2014, mutual learning activities are now funded through the Programme for Employment and Social Innovation (EaSI programme) (European Parliament and Council 2013a).

As apparent from its very name, social innovation features prominently in the EaSI programme and, in particular, in its PROGRESS axis⁵. The latter includes among its objectives: ‘provid[ing] financial support to test social and labour market policy innovations, and, where necessary, to build up the main actors' capacity to design and implement social policy experimentation, and to make the relevant knowledge and expertise accessible’ (European Parliament and Council 2013a, art. 15 point c).

The Regulation establishing the programme refers to the three approaches to social innovation identified by the BEPA. Social innovation is conceived as a way to address unmet

5 The other two axis of the EaSI programme are: EURES, a network between the European Commission and the national Public Employment Services; Microfinance and Social Entrepreneurship, aiming at facilitating the access to microcredit for individuals intending to set up or develop a small business and at supporting the social economy.

social needs and emerging societal challenges and to create new social relationships and collaborations (ibid., point (4) and art.2 (5)). Particular attention is paid to social policy experimentation, conceived as ‘[...] policy interventions that offer an innovative response to social needs, implemented on a small scale and in conditions that enable their impact to be measured, prior to being repeated on a larger scale, if the results prove convincing’ (ibid., art.2 (6)). From a quantitative point of view, 15% to 20% of PROGRESS resources should be allocated to the promotion of social experimentation over the three thematic sections (art. 14.2), which means € 10-14 million per year over the programming period⁶. Activities foreseen under the funding priority ‘Social Policy Experimentation’ include: funding for studies aiming at further developing the social policy experimentation methodology; grants to public authorities and organisations to test innovative social and active labour market policy reforms; dissemination and awareness raising activities, with a particular emphasis on the transfer and mainstreaming of successful examples through other European instruments such as the ESF (EC 2013e, 7).

6.4 The European Structural and Investment Funds

In December 2013 the European Parliament and the Council agreed on the reform of EU cohesion policy and adopted the new regulations concerning the European Structural and Investment Funds (ESIF) for the period 2014-2020. As mentioned, both the EPAP and the SIP had the ambition to duly integrate social innovation into the framework of cohesion policy. Important steps in this direction emerge from both the Common Provisions on the Funds and the Regulations on the ERDF and the ESF.

6 An amount significantly higher than the € 2-4 million of the period 2007-2014 (data reported by EC [2013d]).

As for the Common Provisions (European Parliament and Council 2013b), it should first be noted that social innovation can be the theme of a specific priority axis of Member States' Operational Programmes. In this case, it has a special status: in order to promote thematically coherent integrated approaches, ESF priority axes which are intended to implement social innovation can combine investment priorities from different thematic objectives. Second, priority axes dedicated to social innovation may be endowed with additional resources, i.e. an increase of the maximum co-financing rate of the Funds. Third, when appropriate Member States should provide information about progress in the implementation of actions in the field of social innovation in the annual implementation reports to be submitted in 2017 and 2019 (art. 111.1). Finally, as pointed out in the Common Strategic Framework providing guidance for the implementation of the ESIF, complementarity with the EaSI programme should be ensured and 'Member States shall seek to scale-up the most successful measures developed under the Progress axis of the EaSI, notably on social innovation and social policy experimentation, with the support of the ESF' (European Parliament and Council 2013b, Annex 1 point 4.7.2).

Among the Structural and Investment Funds, the European Social Fund has the leading role in supporting social innovation. The Regulation on the ESF makes clear that '[s]upport for social innovation contributes to making policies more responsive to social change [and] in particular, testing and evaluating innovative solutions before scaling them up is instrumental in improving the efficiency of policies and thus justifies specific support from the ESF' (European Parliament and Council 2013c, (20)). Being mentioned among the general provisions listed in Chapter II of the Regulation⁷, the promotion of social innovation

7 The ESF Regulation (European Parliament and Council 2013c, art. 9.1) reads: 'The ESF shall promote social innovation within all areas falling under its scope, as defined in Article 3 of this Regulation, in particular with the aim of testing, evaluating and scaling up innovative solutions,

potentially concerns all the thematic objectives and investment priorities within the scope of the ESF (EC 2013a, 51-52). In practice, Member States may either devote to social innovation specific priority axes of their operational programmes or include social innovation programmes in priority axes dedicated to other ESF investment priorities. Member States are requested to identify ‘fields for social innovation’ corresponding to their specific needs (art.9.2) and to specify, in their operational programmes, how planned ESF-supported actions contribute to social innovation.

The European Regional Development Fund should support all the eleven thematic objectives set out in the Common Provisions. However, when it comes to the investment priorities, social innovation is explicitly mentioned only under the thematic objective ‘Strengthening research, technological development and innovation’⁸, while support to social enterprises is mentioned under the thematic objective ‘Promoting social inclusion, combating poverty and any discrimination’ (European Parliament and Council 2013d, art.5). According to the European Commission (2013a, 54-55), this does not imply that the ERDF cannot contribute to socially innovative projects under other thematic objectives, including that linked to social inclusion. On the contrary, ERDF resources could be used (also together with ESF ones) to support socially innovative projects by investing in health and social infrastructure or supporting the physical and economic regeneration of deprived urban and rural communities. Furthermore, at the initiative of the Commission, the ERDF may support innovative actions in the area of sustainable urban development, including studies and pilot projects to identify or test new solutions.

including at the local or regional level, in order to address social needs in partnership with the relevant partners and, in particular, social partners’.

8 This provision is important insofar as it somehow put social innovation on the same footing as technology-based innovation, thus contributing to the development of a wider concept of innovation.

6.5 Social experimentation

As already indicated, DG EMPL has increasingly interpreted the notion of social innovation in terms of ‘evidence-based’ social innovation or ‘social experimentation’. The latter is a policy-making tool which entered the EU policy agenda in 2008, following the activism of the French government. Basically, two elements distinguish social experimentation from more traditional forms of local social innovation (Jouen 2008): a) it is strongly ‘evidence-based’ and relies on a rigorous methodology which includes a detailed experimental protocol, specific sampling procedures and a strict evaluation process; b) streamlining successful experiments and up-scaling them into policy reforms represent a distinctive feature, which should be already foreseen in the experimental protocol.

Since 2009 DG EMPL has been funding social policy experiments through annual calls for proposals funded by PROGRESS (2009-2013) and the EaSI programme (since 2014).

Analysing these calls provides some insight in the evolution of such a policy-making tool. First, methodological requirements have progressively become stricter. Second, the level of financial resources has gradually increased (from a budget of 3,500,000 euro in 2009 to 9,200,000 euro in 2014) and, in parallel, those resources have been concentrated on fewer, bigger and longer project, whose results should be diffused through the organisation of international peer reviews. Third, the establishment of broad partnerships including public authorities at different levels, private and third sector actors, academia and research institutes is a common feature of all the calls for proposals. Significantly, the role that the various partners are expected to play has changed in the course of time: while in 2009 and 2010 a wide range of organisations had the possibility to apply on an equal basis, since 2011 the lead applicant must be a public authority or a state/semi-state agency at central, regional or local level. The rationale behind this choice is to boost public policy-makers’ ownership and commitment, thus possibly increasing the chances that successful experiments are streamlined

into public policy. Finally, over the years the calls for proposals have set increasingly detailed priorities for social policy experiments to be funded, and the attempt to integrate and create synergies with other Europe 2020 tools has been made more explicit. Since 2012, proposals for social policy experiments are expected to address the Country-specific Recommendations issued to the Member States. Since 2013 they should be in line with the priorities set out in the Social Investment Package.

The evolution in DG EMPL's approach to social experimentation has been underlined by changes in the terminology used in the calls for proposals launched over the years. While the calls launched between 2009 and 2011 referred to 'social experimentations', 'social policy experimentations' was the label used in 2012-2013 and 'social policy innovation' in 2014. The last call, which fully takes on board the new approach, was accompanied by the publication of a guide on social policy innovation addressed to policy-makers commissioned at the London School of Economics. According to this study, the concept of social policy innovation '[...] refers to social investment approaches that provide social and economic returns and it is linked to the process of reforming social protection systems and social service delivery through innovative systemic reforms' (EC 2014, 6).

7. Towards a coherent EU framework for social innovation?

After 2010 the theme of social innovation has gained visibility at the EU level and it has been mainstreamed in key policy instruments and processes implemented under the Europe 2020 Strategy. Looking at those policy tools and processes, one can systematise the different resources made available by the EU in order to promote and support social innovation, as follows:

- *financial resources*: e.g., funds for implementing or up-scaling socially innovative practices (e.g., through the ESIF), funds devoted to organisations operating in the

social economy (e.g. ESIF; EaSI microfinance facility), funds dedicated to the regeneration of deprived urban or rural areas (e.g. ERDF), and funds for experimenting with pilot projects (e.g. through the EaSI calls for social policy experimentation);

- *visibility and reputational resources*: e.g., through the organization of social innovation competitions, the promotion of social innovations and social innovators in EU level conferences/events, and through initiatives aiming at promoting a more social enterprise-friendly legislative and financial environment (e.g., the Social Business Initiative);
- *networking and cognitive resources*: e.g. through the set-up of EU level Platforms for exchanging experiences such as the Social Innovation Europe Platform; through the funding of capacity building and training initiatives, the publication of manuals and toolkits, or the organisation of conferences and seminars on social innovation (e.g. through the EaSI programme); by funding research on the topic, including the setting up of social innovation incubators and labs (FP7 and Horizon 2020).

Importantly, under Europe 2020 social innovation has been almost put on the same footing as more traditional forms of innovation, namely technological and economic innovation. This is particularly evident in the Innovation Europe Flagship initiative, ESIF, the (post-2009) FP7 Programme and Horizon 2020. Furthermore, some attempts to strengthen the coordination among the various DGs of the European Commission have been made. In fact, according to our interviewees (Int.2- DG EMPL), social innovation is among the themes discussed by the Group of Innovation Commissioners (chaired by the Commissioner for Research, Innovation and Science), and an inter-service group on social innovation, bringing together officials from various European Commission's Directorates and services, has been set up. As explained by a

European Commission's official:

The inter-service group is the place where people working on social innovation interact. [...] Of course, each one has their own perspective and 'moves' that perspective with initiatives, etc. What we do [in the inter-service group] is: when someone is moving one thing in their own field, we try to draw on the others. We're trying to build synergies, to find where we can collaborate. And we try to understand what are the perspectives of the others, which are different. (Int.2 – DG EMPL)

The excerpt above nicely highlights the fact that the emergence in 2010 of the label social innovation has made it possible to group actions taken by the European Commission under a common heading, and to strengthen their coordination, despite persisting differences concerning the concrete understanding of such a notion between the various European Commission's DGs. In other words, each DG has linked social innovation to its own agenda, adopting a perspective on it which is closer to its policy tradition and mandate. So, in both DG ENTR and DG MARKT, social innovation is mostly considered as an opportunity to develop new markets and as a way to 'transform' the economy (and hence, as a possible source of growth and jobs with social returns): the emphasis is on the social economy and, particularly, on social enterprises. Within DG EMPL discourses and initiatives, social innovation has been mostly related, however, to the reform of social policies. Initially linked to the debate on social experimentation, such a framing has been strengthened over time and, currently, it has been conceptualised more explicitly through the notion of social policy innovation.

Comparing the current EU framework for social innovation with the past, both continuity and discontinuity can be identified. On one hand, there has been a more linear, evolutionary change, with involved EC DGs gradually refining, developing and adapting instruments and programmes already implemented in the past. For instance, there is a degree of continuity in DG EMPL's emphasis on evidence-based policy making from the Community Poverty

programmes, the PROGRESS and EaSI programmes to social policy experimentation. On the other hand, 2010 has represented a path-breaking moment. Besides the explicit emergence of the topic at the EU level, a relative prevalence of a utilitarian, entrepreneurial- oriented understanding of social innovation –transversal to various DGs – is apparent. Conversely, more traditional and radical perspectives have been left to the margins in EU discourses and initiatives. The importance of the involvement of marginalised groups has been attenuated while the need of reshaping existing social and power relations has been left aside. Various factors can explain this development. First, the nature of the actors leading 2010 debates at the BEPA, advanced a prevalence of entrepreneurial- and technology-oriented approaches to social innovation. Second, the political orientation of the Commission in office when the issue was taken on board at the EU level was not. Third, the context of financial and economic crisis, favoured an interpretation of social innovation highlighting its possible growth-enhancing role.

8. Conclusions: social innovation, Europe 2020 and welfare state reforms

The analysis of EU instruments and processes for promoting and supporting social innovation over the period 2006-2014 has allowed us to identify three distinctive sub-periods. Social innovation firstly emerged in the context of various EU initiatives and programs in the nineties, but was not yet recognizable as a distinct policy field. In the period 2006-2010 some important EU instruments and processes started supporting social innovation in a more structural manner, yet the term was hardly ever used or explicitly mentioned among the objectives of these instruments. According to our analysis, the years 2009-2010 represented a critical juncture leading to a more concrete inclusion of the theme of social innovation in the EU agenda. In particular, the European Commission's Bureau of European Policy Advisers played an agenda setting role and raised the attention paid to social innovation at the EU

level. As a consequence, social innovation was mainstreamed into the Europe 2020 Strategy at its launch in 2010: explicit references to such a topic can be found in both constituent elements of the Strategy and policy instruments implemented in its framework.

When assessing the instruments for promoting social innovation more directly related to the Europe 2020 social and anti-poverty toolkit, the relationship between social innovations and the reform of the welfare state appears as the key aspect to be considered. Indeed, while the role of social innovations in welfare reforms has been seldom considered (Ewert and Evers 2014), the EU tries to bridge such a gap. As shown, it does so by providing the national and local levels with a variety of resources to be used – and indeed used – at each stage of the innovation process from the elaboration to the implementation of socially innovative projects (cf. Sabato and Verschraegen 2016). In this sense, the EU can be considered as a key layer of ‘multi-scalar social innovation systems’, often able to directly support local projects (ibid.). Yet, two issues emerge with particular strength: a) the problem of mainstreaming social innovations into the broader welfare system, and b) the implications of social innovation with regard to the configuration of the welfare mix. As for the former, the upscaling of social innovations is often considered a formidable challenge, and welfare state institutions are supposed to play a key role in supporting local forms of social innovation. As for the latter issue, social innovations are supposed to rely on new forms of interaction between the state, market actors and civil society and on the adoption of a participatory governance style.

How are these challenges addressed by the current European toolkit for underpinning socially innovative actions? As we have argued, social innovation in the social field has been increasingly framed in terms of ‘experimentations’ aimed at reforming social policies. Such a tendency has been accentuated with the launch of the Europe 2020 Strategy and the growing attention devoted to ‘evidence-based social innovation’. Several arrangements have been implemented to promote the latter: facilitating the sustainability and upscaling of project

funding (through the ESF); an increased linkage of funding with EU priorities (notably, those set by the SIP and the CSRs); a gradual reinforcement of the experimentation methodology.

All in all, these provisions are likely to increase the chances that socially innovative projects are up-scaled into the broader welfare policies. However, it should be kept in mind that these EU resources are not targeted to local and bottom-up socially innovative projects, but rather to experiments aimed at testing on a small scale social policy reforms in line with the priorities and the approach defined at the EU level. While this represents a rational strategy for maximising the impact on Member States' policies, it may lead to a sort of 'constrained social innovation' pattern, where the approaches to be followed have been decided in advance and the space for bottom up ideas and 'out of the box' thinking appears limited. Framed in this sense, social innovation represents a strategy to reform welfare states in the direction of the social investment approach. This utilitarian, policy-oriented approach sits uneasily with a long standing discourse about social innovation as a community-based process of societal transformation. How such different understandings of social innovation are to be reconciled remains an open question.

When it comes to the relation between social innovation and the configuration of the welfare mix, some scholars have stressed the risk that, instead of being a new and more effective response to social needs and societal challenges, social innovation 'might simply become a convenient buzzword to forward neoliberal ideology in a time of austerity and the marketization of social services' (Grisolia and Ferragina 2015, 169), or a way for public authorities to avoid responsibilities in times of budget constraints. Indeed, the concept of social innovation describes '[...] the process of social transformations, but not its direction' (Tommasi 2015, 423) and the notion can potentially '[...] suggest myriad different and sometimes conflicting policy adjustments' (Grimm et al. 2013, 440). In key policy documents related to the Europe 2020 Strategy, social innovation has been increasingly

associated with the need to reform domestic social protection systems in order to ensure their adequacy, efficiency and sustainability in a context characterised by budget constraints. In order to do so, the Member States are invited to develop more innovative approaches to financing social policy through the mobilization of third-sector and private resources and to develop public-private-third sector partnerships in delivering social services. Such a choice is generally justified by the need to increase the efficiency of social spending and to boost the effectiveness of social services: it does not imply a priori a move towards privatization and marketization. However, some risks cannot be denied. In a context characterised by significant cuts in social spending and an increased pressure on welfare states, narrow interpretations of social innovation may emerge, possibly reinforcing ongoing dynamics of welfare state retrenchment. Indeed, social innovation may be merely interpreted as a call to ‘do more with less resources’ or to search for alternative sources of funding for welfare provisions or as a way to shift responsibilities from public to private/third-sector actors in times of permanent austerity. As Eurich and Langer (2015, 91) make clear, initiatives simply aiming at cost-containment or the enhancement of the efficiency can hardly be considered as social innovations, unless they are accompanied by improvements in terms of quality and effectiveness.

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Appendix 1

Table 1. List of interviewees

Code	Institution/organisation	Date	Modality
Int.1-NE	Think Thank- Notre Europe (researcher)	29 October 2014	Face to face
Int.2-DG EMPL	European Commission – DG EMPL (official)	30 October 2014	Face to face
Int.3 – DG REGIO	European Commission – DG REGIO (official)	06 November 2014	Face to face
Int.4- DG ENTR	European Commission – DG ENTR (official)	18 December 2014	Face to face
Int.5 –FEANTSA	EU NGO – FEANTSA (policy officer)	18 December 2014	Face to face
Int.6 -PN	Think tank – Policy Network (direction)	09 January 2015	Phone