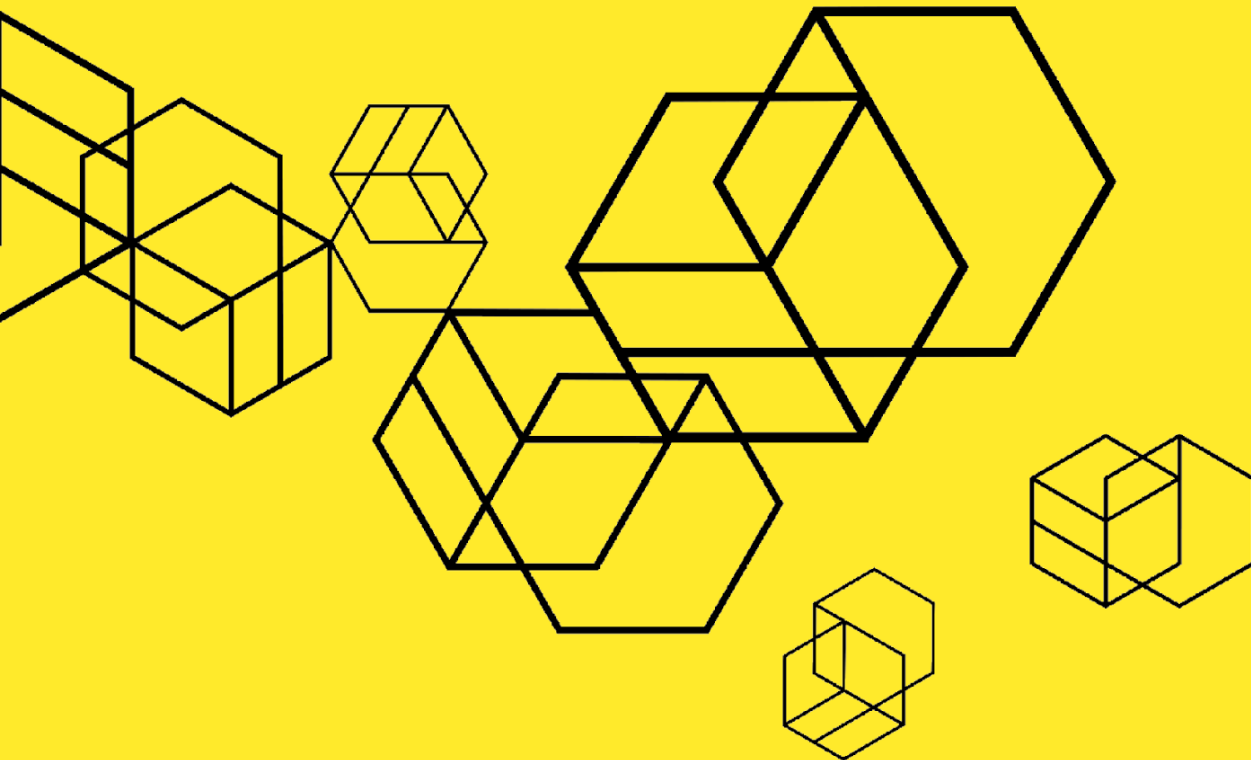D5.3: Annual State of the Union Report – Part 1

Social innovation policy in Europe: where next?

*Sophie Reynolds (Nesta), Madeleine Gabriel (Nesta),
Charlotte Heales (The Young Foundation)*

Work package	WP5 - Policy	
Task	5.3: Annual State of the Union Report – Part 1	
Originally submitted	30/11/2016	
Due date (re-submission)	31/07/2017	
Re-submission date	31/07/2017	
Deliverable lead	Madeleine Gabriel (Nesta)	
Dissemination level	Public	
Nature	Report	
Authors	Sophie Reynolds (Nesta), Madeleine Gabriel (Nesta), Charlotte Heales (Young Foundation)	
Reviewers	Luigi Martignetti and Erdmuthe Klaer (REVES), Jeremy Millard (DTI), Christoph Kaletka (TUDO)	
Status	-	Plan
	-	Draft
	-	Working
	X	Final
	-	Submitted
	-	Approved

SUMMARY

Over the last decade, policymakers and public officials worldwide have shown a growing interest in social innovation. It is seen as a way to help address some of the biggest challenges facing governments and the societies they represent, from tackling climate change to promoting inclusive economic growth.

However, this interest has not yet been accompanied by a clear or comprehensive concept and framework for 'social innovation policy'. In this report, we outline what a field of social innovation policy could encompass. We argue that it has two facets. It includes:

01 Public policy that enhances supply of and demand for social innovation, as well as creating a wider environment in which social innovations can thrive. We call *this **'policy for social innovation'**.

02 Policymaking that is in itself socially innovative, when it adopts the principles and tools of social innovation. We call this **'policy as social innovation'**.[i]

The proposal for a more comprehensive concept of social innovation policy is not altogether new. Rather it seeks create a field of policy that adopts a wide view of innovation. In so doing it draws on seemingly distinct but related ideas from innovation studies, social innovation research and public sector innovation to reap the concept's fullest benefits for society.

After describing policy tools for social innovation generally, this report looks in more detail at the work that the European Commission (EC) has done in this field. The EC has been a leading proponent of social innovation for over ten years. Directorates-General have used several of the policy levers at their disposal - from structural funds and public procurement to regulation - to promote social innovation at a European level and in Member States. The EC has invested considerably in social innovation research and has led experiments in social policy innovation.[ii]

Nevertheless, the EC could play a stronger role in providing a coherent framework for social innovation in Europe and in driving this agenda forward. While good progress has been made, we therefore challenge European policymakers and decision makers to go further in forging this field, in particular by:

- Actively working with key stakeholders within and beyond the Commission to create a more harmonised and coordinated framework and agenda for social innovation.

- Further empowering policymakers to use the tools and principles of social innovation to make better, more innovative policy.

- Helping find ways to enable social innovation to flourish in those places and policy fields where the concept is still new but could add great benefit.

Defining a coordinated European social innovation strategy that can be directed towards addressing some of our most complex societal challenges also requires participation and active involvement of EU Parliament and other EU institutions, such as the Committee of the Regions and European Economic and Social Committee, and a willingness on the part of Member States to look for opportunities to support, encourage and adopt social innovation approaches and goals.

1. INTRODUCTION

This report explores the next steps for social innovation policy, focusing on the role of the European Commission. It is intended as a short provocation to spark further conversations and joint working with the Commission over the course of the Social Innovation Community project. The report is structured as follows:

- Section 1 describes how and why social innovation has become of increased interest to policymakers, and offers a definition of social innovation policy.

- Section 2 describes some of the main trends and tools that have emerged in social innovation policy so far, taking a global perspective.

- Section 3 looks specifically at the activities of the European Commission in promoting policy for and as social innovation.

- Section 4 highlights some challenges and opportunities for further developing social innovation policy at a European level, and makes recommendations as to 'where next'.

THE EMERGENCE OF SOCIAL INNOVATION AS AN OBJECT OF INTEREST TO POLICYMAKERS

Innovation has long been an object of interest for public policy, but mainly for the purposes of economic or military advancement. More recently, however, policymakers have increasingly become interested in how innovation can be directed to broader social goals, and how innovation processes can be opened up to a much broader range of people and organisations.

Over the last decade, at least a dozen national governments have attempted to design and implement policies for social innovation, including the US, Canada and India, and several in Europe. Governments in countries as diverse as Australia, Chile and South Korea have set up dedicated units aimed at using social innovation processes to achieve policy objectives.[iii] Some city and regional governments, including in Seoul, Barcelona, Emilia-Romagna and Athens have also made social innovation a priority. During this time, the European Commission has placed a strong emphasis on social innovation as a way to support a plethora of policy objectives.

The reasons for policymakers' interest have varied. Social innovation has been promoted, for example, as a way to:

- Tackle persistent social challenges
- Create jobs, particularly for disadvantaged people
- Promote economic growth, particularly inclusive growth
- Improve public services, making them more responsive, and potentially, cheaper

and/or more efficient

- Create greater legitimacy for public institutions
- Foster resilience in communities, giving people the means to solve their own problems
- Change relationships between state and citizens, and to innovate governance models

As it is not yet a tightly defined concept, social innovation has proved attractive from a wide range of political standpoints. This is both a strength and a weakness, since it runs the risk of being seen as a panacea or duplicitous. Social innovation's "flexible credo" has led some to suggest it is a product of 'neoliberal orthodoxy' that draws on the 'eclectic concept to dissimulate political choices, legitimated by the doctrine of budgetary constraints'.[iv] If used without due reflection, the concept's innate tendency to seek out solutions can also itself become problematic, directing innovation towards symptoms rather than structural issues where it will have limited ability to effect genuine, lasting change.

Overall, however, it is social innovation's orientation towards the future that makes it particularly useful for policymakers. Social innovation is not simply about 'quick fixes' or maintenance of current (sometimes failing) systems, but about opening up a collective vision of a better future and devising the strategies to achieve it.[v] The bureaucratic 'control and command' model of governance - valued for its stability, predictability and risk-aversion - is not well-regarded for its openness to change or open innovation processes.[vi] It is in this regard that the underlying principles of social innovation can open up opportunities for a more relational, participatory mode of governance and policymaking.

Realising and deriving benefit from social innovation's transformative potential makes some big demands of policymakers: it asks that the voices of marginalised groups be inserted into civil society, electoral institutions and the policy-making process[vii]; that due consideration be given to how power and assets will be shared and redistributed; and efforts be taken to direct innovation towards the underlying structural factors that contribute to societal challenges.

THE TWO STRANDS OF SOCIAL INNOVATION POLICY

This report argues that there are two main roles that policy can play with respect to social innovation:

- Public policy can enhance supply of and demand for social innovation, as well as creating a wider environment in which social innovations can thrive. We call this *'policy for social innovation'*.

- Meanwhile, policymaking can be socially innovative in process, when it adopts the principles and tools of social innovation. We call this *'policy as social innovation'*.

At present, there tends to be some separation in practice between these roles. On one hand, governments across the world have started to explore ways in which policy can stimulate and support social innovation. Largely, these efforts have been concerned with putting in place the supports and conditions needed for a thriving social market economy. There are also numerous examples of public officials engaging directly with social innovators to meet citizens' needs in new ways, for example by commissioning, funding or partnering with social enterprises to deliver public services.

Meanwhile, the use of social innovation tools in policymaking falls mainly into the realm of 'public sector innovation'. This involves "creating, developing and implementing practical ideas that achieve a public benefit". While some past research programmes, such as the FP7-funded **Learning from Innovation in Public Sector Environments (LIPSE)**[viii] have attempted to bring the two fields together, public sector innovation has developed as a field somewhat separate from the social innovation discourse. This movement aims to bring innovation methods and tools into government to support the design and development of public services and public policies themselves.[ix]

The two strands of social innovation policy
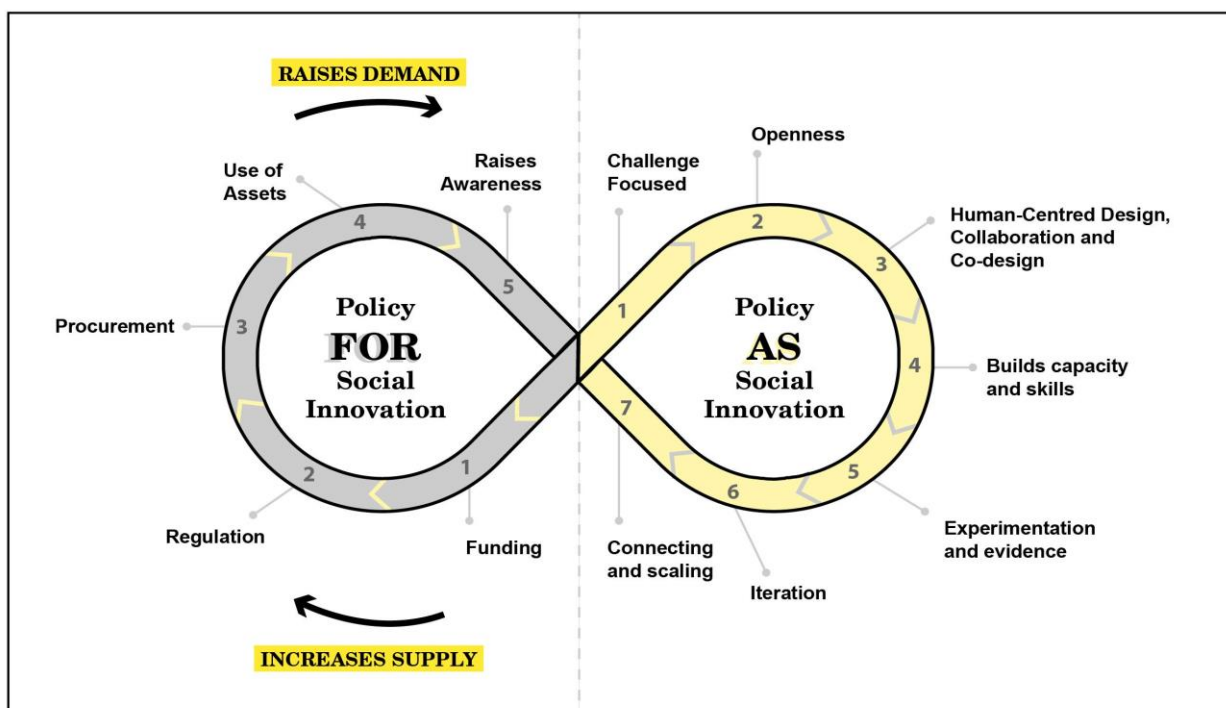
WHAT IS SOCIAL INNOVATION?

Researchers continue to debate the definition of social innovation.[x] For some, the term implies a change in social relationships or practices - in the way that social media, for example, has

transformed the ways that people communicate. Through this lens, social innovation is neither good nor bad, but simply different.

From a policy perspective, however, social innovation is more of a normative concept. Policymakers are interested in social innovation for its potential to make a positive difference to people's lives.

In this sense, social innovations can be distinguished first by their **goals**. While business innovations are (primarily) profit-oriented, social innovations aim (primarily) to create positive societal impact. For example, mobile money transfer is facilitating access to financial services for marginalised people. Community micro-grids offer poor communities access to reliable electricity whilst contributing to a transition to greener energy. Fair trade is tackling the mistreatment of workers and meeting a public desire to remove exploitation from the value chain.

Yet social innovation isn't only concerned with outcomes, but also with **process**. It is characterised by collaboration that crosses traditional roles and boundaries, between citizens, civil society, the state and the private sectors. This process of engagement is valuable in itself, since it creates new relationships and builds people's capacity to do things differently in future. Social innovations can take many **forms**. They include new technologies, products, services and processes, as well as new organisational forms, institutions, business models and practices. Often, any given example of social innovation will encompass several of these at once.

Regardless of its form, social innovation in the normative sense is intrinsically concerned with meeting social need. Here the notion of **'scale'** is useful. It suggests that social innovation aims to create positive impacts that better match the magnitude of the social need or problem it seeks to address. Meeting the magnitude and scale of a challenge in turn captures social innovation's concern with change at a systemic level. The work of BRAC in Bangladesh, for example, shows how social innovation can effectively solve the social problems they have set out to address by reaching transformative scale and changing entire systems or sectors.

Social innovation is also **context-specific**. The geographic element of social innovation is important - as often social innovations emerge in response to local challenges or needs; something which needs to be considered when it comes to the scalability of a social innovation into new contexts. This context-specificity is important also given many of the regional disparities found across European Member States.

While social innovation is ultimately directed to creating social value, its outcomes are not necessarily unanimously positive or clear from the outset. Like business innovations, social innovation can create value for some while destroying it for others. This 'political' aspect of social innovation is often overlooked.

Finally, social innovation is often conflated with related terms such as social enterprise and the social economy. Indeed the social economy has been an important forum for the development of many social innovations. However, the concepts are distinct from one another:

- The 'social economy' describes the re-organisation of relationships between people, work, production and distribution in a systemic way. Organisations including cooperatives, mutuals, non-profits, social enterprises and charities are vehicles for the social economy.

- A 'social enterprise' is an organisation that applies commercial strategies in order to maximise social impacts alongside profits. It is an element of the social economy.

Social innovation is not only a matter for the social economy - it can and should be embedded in the public sector, the private sector, in new technologies and in the work of civil society.

THE SOCIAL INNOVATION COMMUNITY

The Social Innovation Community project is engaging with policymakers, social innovators, citizens, researchers, companies and others in order to help create a context where new ideas and new voices can more effectively contribute towards solving complex social problems and creating desirable social futures.

Taking areas of known social innovation activity, which we have organised around 'social innovation networks', a central aim of the project is to strengthen, connect and grow existing social innovation communities, including public sector innovation, digital social innovation, intermediaries, social economy actors and more.

We are developing a practical programme of support for policymakers to make better use of social innovation principles and approaches to solve public policy challenges with social innovators and others in their own contexts. Our aim is to create a learning community of social innovation policy practitioners. Our work includes:

- Collecting and sharing examples of promising policy initiatives
- Building a repository of social innovation methods and tools for policymakers
- Hosting a series of practical policy workshops
- Creating practice guides, tools and multimedia content aimed at supporting policymakers to work on policy challenges in more socially innovative ways

2. AN EMERGING 'POLICY MENU' FOR SOCIAL INNOVATION

This section summarises some of the key types of policy tools governments have so far used or considered in their attempts to support social innovation. Reflecting the two roles for social innovation policy that we set out above, this section first considers 'policies for social innovation', and next, 'policies as social innovation'.

POLICIES FOR SOCIAL INNOVATION

In most countries and regions that have promoted social innovation so far, policy has to a large extent focused on creating a supportive environment for the social economy, social enterprises and/or social entrepreneurship. In this sense, the tools of social innovation policy have to some extent mirrored those of innovation and entrepreneurship policy more widely. Broadly speaking, policy for social innovation has been largely concerned with the following themes:

Funding and investment

Policymakers have led a range of initiatives designed to provide suitable funding for social innovations, including access to grants (widely seen as important for early-stage social innovations) and investment. Examples include:

- Direct provision of grants or loan schemes open to social innovators or socially innovative organisations. The Irish Government-backed Social Innovation Fund provides investment and support programmes tailored to early or later stage social innovations. In 2015, the French Public Bank of Investment created FISO (Fonds d'Innovation Sociale) - a repayable advance or zero rate loan.

- Measures to stimulate growth of a social investment market, such as the UK's establishment of Big Society Capital as a 'wholesale' social investor (it provide funds to other investment intermediaries) and introduction of Social Investment Tax Relief.

- Experimentation with new forms of financing instruments, such as social impact bonds and community shares and other forms of crowdfunding (for example, the UK government has recently launched a matched crowdfunding scheme for arts and heritage projects, in association with Nesta and Crowdfunder).

Using the European Social Fund to fund and support social innovation in Flanders

At the national and regional level, it is the responsibility of European Structural and Investment Funds' Managing Authorities and other actors to design calls for proposals that can support and promote social innovation projects. The ESF Agency Flanders is one such managing authority that has made good progress in designing ESF calls for social innovation[xi] that, in particular, can support the objectives of Flemish labour market policy. It has been trialling and experimenting with a number of the tools and approaches associated with the European Social Fund programme to help fund social innovation to improve employment prospects for young people and disadvantaged people, and devotes 8.5% of its ESF budget – €32m – to innovation and transnationality.

ESF Agency Flanders holds separate calls for two types of innovation: innovation via exploration – for people with a challenge they need to address; and innovation via adaptation – for people with a service that works well and deserves scaling up.[xii] Supported projects receive a 100% grant of €50,000 for a first phase lasting 6 months, and if deemed viable following an assessment by external experts, can receive a follow-up grant of up to €150,000.

Some projects supported by the agency have included a transnational social innovation initiative "Creative Cities", led with transnational partners from Finland, Bulgaria and Germany. Creative Cities addresses suburban challenges related to youth unemployment and vacancy, by offering youth entrepreneurship programmes to young people via creative hubs created in formerly disused buildings. Another project, IVE: "Single parents in the labour market" aims to increase employment opportunities for unemployed single parents and counter the impact that their employment status has been found to have on their wellbeing. A particular focus of the project is to strengthen participants' social networks. To do this, single jobseeking parents are invited to take part in the organisation of a neighbourhood event, "Neighbourhood Link". Participating jobseekers form part of a team and go through several steps including an idea workshop, planning, logistics, distribution of work, the day of the event, etc. Support is provided by a coordinator who is closely connected to the municipality's social services and other local actors.

Building skills and capacity amongst innovators and social ventures

Alongside funding, some policymakers have looked to build broader systems of support for social innovators. Examples include:

- Supporting intermediaries, such as incubators and network organisations, like the Seoul Creative Lab in South Korea.

- Promoting social entrepreneurship training and education (e.g. Scottish Government's

Just Enterprise training programme for social entrepreneurs, or the Malaysian Government's Social Enterprise Track).

- Providing funding for capacity building in particular areas, such as the UK government's Investment and Contract Readiness Fund for social enterprises.
- Funding research on social innovation theory and practice, such as impact measurement frameworks.

Regulation and legislative frameworks

Socially innovative organisations often do not fit traditional institutional forms well, which can cause problems - for instance, not all social economy enterprises can access Horizon 2020 and COSME funding. In places like Estonia and Ireland, social innovators have expressed a need to have legal frameworks that better meet their needs, and some national governments have already taken steps to do this. Examples of this include establishing the Community Interest Company (CIC) model in the UK, while in France the "Société Coopérative D'intéret Collectif" and more recent Loi Economie sociale et solidaire (ESS 2014) have brought about greater flexibility in the kinds of commercial frameworks that are available for social or solidarity-based businesses.

Regulation can both stimulate or inhibit social innovation, for example around new forms of financing (like crowdfunding) and new business models being developed in collaborative economy initiatives. People in these sectors have called for 'smart regulation' that allows space for innovation while still protecting consumers and citizens. An example of this type of approach is the UK Financial Conduct Authority's 'regulatory sandbox', which provides a 'safe space' for innovators to test out the impacts of new models without immediately incurring the usual regulatory requirements.

Using public procurement and commissioning to create a market for social innovation

In their role as commissioners, funders and providers of public services, public agencies have the ability to help social innovators develop and test solutions, get them working and take them to scale. However, social innovators often find it hard to access public sector markets. Examples of policies to address this include:

- Requiring social value to be considered as part of procurement decisions.[xiii]
- Initiatives to make procurement processes generally easier for SMEs to access.
- Commitments to bring socially oriented suppliers into public sector supply chains, such as the UK parliament's commitment to 'Buy Social'.
- National and city-level challenge-based procurement models, like the Barcelona Open Challenge.

Awareness raising, championing and connecting

Policymakers can help to improve the legitimacy and visibility of social innovation through initiatives that map and measure activity, and attempt to measure its impact and contribution. The EC-funded TEPSIE project, for example, set out a blueprint for measuring social innovation that would give national or regional policymakers a good evidence base to inform new policy measures.

Other examples include directly running or supporting competitions and awards, such as Colombia's global "Ain´t No Need We Can´t Solve – Challenge 2014"[xiv] and events like Chile's Social Innovation Festival, or the Social Innovation Community Summer School, hosted as part of Tilburg University's European Social Innovation Week 2016 in the Netherlands.

Using public assets to foster social innovation

An interesting, but (so far) less frequently explored type of policy intervention is opening up access to public assets to stimulate social innovation. Examples include:

- Opening up public datasets and platforms to innovators to spur innovation, such as NASA's Office of the Chief Information Officer Open.Data and open.Gov or Open Government Partnership's Toolbox for Open Government.
- Policies to encourage 'Shareable Cities', such as allowing residents to lease residential parking spaces for shared vehicles, designating lanes for ridesharing, creating incentives for urban farming on vacant or unused land, and facilitating the temporary use of empty commercial spaces.

POLICY AS SOCIAL INNOVATION

Policymakers at various levels of government have been embracing social innovation principles and approaches to support the achievement of their respective policy goals – sometimes without ever referring to their actions as social innovation.

Policy innovations are often part of a wider effort to innovate democracy itself. Though, in many respects their emergence can be understood as a response to some of the shortcomings of conventional policy processes: specifically, decision-making systems based on the belief that government experts can identify the best solutions to problems on their own.[xv]

Table 1: Key challenges with traditional policymaking approaches

How policy challenges are defined and formulated	Policy challenges, particularly those aimed at addressing complex social challenges, are often difficult to define and multi-causal. Political short-termism, departmental silos and the shifting nature of how policies are prioritised and defined mean that policymakers often only have a partial or inaccurate image of the policy challenge at hand. Lack of incentives to take risks and experiment can result in policy solutions can focus on 'quick fixes' to manage complex social challenges.
How open the policymaking process is to those outside government	Implicit in conventional policy approaches is an assumption that policymakers and decision makers can arrive at policy solutions on their own. A lack of awareness about when and how the input of citizens can be integrated into existing policymaking processes can mean vital feedback and knowledge can be missed.[xvi]
How policies are legitimised	Conventional, top-down policy approaches can result in policies being implemented that are not reflective of citizens' opinions or needs. Citizens who feel their votes and voices are irrelevant in shaping the decisions taken that affect their lives will likely lose confidence and trust in democratic institutions.
How the policy process is designed	Policy that appears good on paper may not be viable to implement, and policymakers often fail to take into account the likely behaviours of those whose actions the policy is designed to affect or benefit. Policy is often designed in a fixed or static way, and so is unable to adapt to the changing realities of social challenges.[xvii]
The distance between policy theory and practice	Representations of the policymaking 'lifecycle' are often highly idealised and overlook a) the extent to which policy is subjugated to the interests and influences of certain stakeholders and b) thus presents an oversimplified notion of where and how the policy process might be innovated.
How policy impacts are measured and evaluated	Changes take place throughout the policy process: the object of evaluation is a moving target. Policy dealing with complex, 'wicked' social challenges is unlikely to produce effects that are measurable and attributable to a particular policy intervention. Policy processes need to take into account the cumulative impact of many different initiatives in a particular area, or consider how the wider system can be effectively managed.[xviii]

In response to a number of challenges associated with conventional, top-down approaches to policymaking, policy innovation trends are emerging in Europe and beyond, many of which embrace the ideals of social innovation. These include:

Finding solutions to policy challenges

The political and professional domination of public services and policy programmes often leaves the greater population with little say on innovation.[xix] Meanwhile, the success of open innovation at driving value creation for firms has been emulated by public institutions too - with the belief that sharing information (e.g. open data, or sharing learning about good practice between policymakers) and inviting input from citizens will tap into the populations distributed knowledge and capabilities to help find solutions capable of tackling complex policy challenges. Examples include:

- Presenting complex policy challenges as open innovation opportunities - e.g. challenge prizes like Innovate UK's Innovation Challenges and the US Government's Challenge.gov platform.

- Inviting "citizen experts'" input through citizen science platforms e.g. the US government's Citizenscience.gov.

Bottom-up, participatory approaches to involve a broader range of actors

Bottom-up or participatory approaches aim to involve a broader range of actors in decision-making and selecting priorities. Integrating these approaches into the policy process can can help policymakers better understand and adapt policy responses, by accessing citizens, social innovators and others' specialist knowledge and information about their needs and priorities.[xx] Engaging citizens, particularly 'passive citizens', in public policy issues can also help create greater trust of the political system and can improve the quality of governance and decision-making.[xxi] Overall, these more participatory and collaborative approaches mitigate against some of the political risks associated with top-down policy initiatives, and improve their likelihood of success.[xxii] Examples include:

- Using participatory action research methods to invite dialogue around contentious political questions. For example, the Irish Citizens Assembly was seen to play a key role in Ireland's decision to legalise same-sex marriage.[xxiii]

- Using participative governance approaches to bring different stakeholders to the table – for example, REVES, European Network of Cities and Regions for Social Economy has developed the Territorial Social Responsibility (TSR) approach to local planning that brings local authorities, social economy and other enterprises, civil society and citizens together to improve local conditions.

- Democratising budgetary priorities through participatory budgeting – city-level

examples include Seville, Spain and Freiburg, Germany, whilst Portugal has recently announced it will roll out participatory budgeting nationally.

- Using "lawsourcing" to crowdsource legislation - e.g. use of crowdsourcing platforms to shape Iceland's constitution.
- Using e-petitions to enhance the effectiveness of digital democracy e.g. the UK Government Petitions Committee, and the US Government's We the People initiative.

Creating more citizen-centred policies

A variety of innovative methods have been used to support policymakers to design policies with people and not only for them. Taking a more human-centred design approach to policy asks that policymakers start to approach public policy challenges with 'professional empathy'.[xxiv] A number of tools have emerged that aim to do this: such as digital storytelling, citizen panels and co-creation workshops. Meanwhile, tools such as 'citizen stories', used by Welsh Public Services Management provide deeper insight into citizens' individual experiences to equip policymakers with improved awareness and understanding of the personal impact of policy decisions.[xxv] Examples include:

- Using human-centred approaches to develop better policy solutions with and for citizens e.g. Denmark's Climate Consortium.
- Using government innovation labs as a way to create spaces to meet and collaborate with citizens around policy challenges e.g. La 27e Région (France), MindLab (Denmark), Policy Lab UK (United Kingdom).

Bridging the gap between policy design and implementation

Conventional approaches to policymaking assume the process is linear and draw a distinction between policy formulation and policy implementation. Research has found however that the two processes are intrinsically linked and the outcomes of policy may even change significantly during the implementation phase.[xxvi] Adopting an iterative, user-driven approach which applies the principles underpinned by behavioural sciences and tests out the real-world impact of policy ideas before they are scaled up can bridge the gap between policy concept and delivery.[xxvii] Examples include:

- Using behavioural insights to consider citizens' behaviours when developing policy e.g. Behavioural Insights Team (United Kingdom).
- Using experimental methods to guide social policy development e.g. Fonds d'expérimentation pour la jeunesse, or the Experimental Fund for Youth (France).
- Applying agile approaches to policy or service development e.g. the UK Government Digital Service and the Department for Work and Pensions (DWP) redesigned the Carer's Allowance using an iterative approach.

Creating communities of change to address policy challenges

Conventional guidance presents policies as discrete interventions to tackle specific challenges, whose effects can then be reliably measured and evaluated. However, it may not be appropriate to look at policies as discrete instruments that can achieve a particular goal on their own.[xxviii] A number of public sector-led initiatives have emerged which are involving multi-actor and cross-departmental working. They are inviting more input from a broader range of actors, and are coalescing support from both inside and outside the public sector in the hope of deepening and sustaining impact around priority challenges. Examples include:

- Working to build a community of practice that can drive innovation inside and outside a particular public sector context e.g.US DigitalGov Communities (USA).

- Appealing to a wider community to take action on specific challenges e.g.The White House's Call to Action for private sector engagement on the global refugee crisis (USA).

- Collating and sharing tools and approaches to help address particular challenges e.g. The Open Government Toolbox is a repository of online digital solutions and tools aimed at empowering government and civil society to use open government approaches (worldwide).

SEVEN PRINCIPLES OF SOCIALLY INNOVATIVE POLICYMAKING

'We organise government vertically, but people live horizontally.' - Stephen Goldsmith, Director of Innovation in Government at Harvard Kennedy School

'Individuals and interactions over processes and tools.' - The Agile Manifesto

In response to many of the constraints and challenges associated with conventional policymaking, the emergence of these policy innovations spells out an incorporation of the ideals of social innovation into the policymaking process. Through our analysis of the various policy innovations identified as part of this report, we have identified seven key principles of socially innovative policymaking.[xxix]

We offer these as a guiding framework for policymakers and public authorities looking to open their public programmes and services up to social innovation:

01 **Challenge-focused:** Policy discourse presents social innovation as an effective "problem-solving" mechanism, being repeatedly cited as a means and end to meeting social needs within the context of resource scarcity.[xxx] Socially innovative policymaking therefore draws on social innovation processes and partnerships to address policy challenges.

02 **Open:** To effectively design and deliver better solutions, socially innovative policymaking is open to new insights, new methods and approaches, and new forms of knowledge, experiences and expertise often overlooked in the policy process.

03 **Human-centred and collaborative:** Policymaking is often developed in a public agency with an emphasis on administrative rather than user needs. Human-centred design (HCD) is a process which attempts to invert this logic, by having policymakers approach a policy challenge with empathy for users' and citizens' needs. Socially innovative policymaking also goes a step beyond consulting users and citizens to meaningfully involve them in the policy process.

04 **Builds capacity and skills:** Working in new ways will also require that policymakers, citizens and other stakeholders have the supports in place to acquire and develop the skills and capabilities needed to find innovative ways to solve challenges. A number of options are available to public sector agencies - such as co-sourcing or partnerships - but the aim should be to deepen, sustain and embed the organisation's social innovation competences, while also working with citizens and other stakeholders to do the same.

05 **Iterative:** Socially innovative policies seek to adopt an agile approach to policy development where policy solutions are designed to have a series of learning loops so that the solutions being developed are continually refined and revisited to see they are meeting their specified goals. In this sense, an iterative policy development approach is at odds with traditional 'waterfall' or 'big bang' policy approaches.

06 **Experimental and evidence-informed:** Socially innovative policymaking is ultimately outcomes-focused, and seeks to identify whether a policy intervention is achieving its intended goal in a real-world setting. Designing experimental and evidence-informed policies supports policymakers with a framework to make better decisions, to monitor and evaluate what is working – and stop what isn't.

07 **Scalable:** Scaling up of policy refers to the expansion, replication, adaptation and sustaining of effective policies, programmes or projects in geographic space and over time to reach a greater number of people.[xxxi] Ongoing policy scaling requires political support, and regular monitoring and evaluation to assess a policy continues to create impact as it grows. However, embedding and sustaining change also requires creating synergies with other policies and programmes, while forging connections and alliances with those affected by or working on the policy challenge inside and outside government.

3. SOCIAL INNOVATION POLICY WITHIN THE EUROPEAN UNION

In 2010, the Bureau of European Policy Advisors (BEPA) advocated for social innovation as a way of fostering smart, sustainable and inclusive growth.[xxxii] Since then, European policymakers have used many policy instruments - from structural funds and public procurement to regulation - to promote social innovation. Reflecting the distinction between 'policy for social innovation' and 'policy as social innovation' noted above, they have also attempted to promote more socially innovative practices in policymaking.

A review of progress by BEPA in 2014 celebrated these achievements, commenting that "policy support for social innovation has moved towards the centre of the political agenda… the number of services involved has grown and a 'social innovation' culture has spread in support of the Europe 2020 strategy and its implementation.[xxxiii] Indeed, as BEPA's 2014 report and a survey by the CrESSI project in 2015[xxxiv] clearly show, a significant amount of European policy activity has set out to foster and engage with this field.

Building on the findings of these previous policy surveys, in this section we summarise key features of current European social innovation policy, and explore challenges and opportunities for its future development.

THE EU PLAYS A RANGE OF ROLES IN SUPPORTING SOCIAL INNOVATION

The range of policy initiatives that the EU has put in place over the last few years show that it is playing several broad roles in support of social innovation.

First, the EU is attempting to create a more supportive **ecosystem for social innovation**, with a particular focus on social enterprise and social entrepreneurship. For example, it has put in place initiatives to improve the flow of investment to social enterprises (the European Investment Fund's **Social Impact Accelerator** provides funding to social investment funds while **European Social Entrepreneurship Funds** (EuSEF) regulation aims to help investors identify funds that support social enterprises); to improve measurement of social impact (such as the report by GECES, the European Commission's expert group on social entrepreneurship); to provide microfinance (such as **JASMINE** and **JEREMIE**); to improve the regulatory environment for social businesses (e.g. through the **Social Business Initiative**); and to open up **public procurement** to social innovators and to better respond to emerging challenges using innovative approaches (e.g. the 2014 **Innovation Partnerships** directive).

Linked to this, the EU has supported several initiatives focused on **capacity building, networking and awareness raising**, which are mainly delivered by external consortia under grant agreements or service contracts. These include the **Social Innovation Europe**

platform and now the **Social Innovation Community** project, funding for social incubators through **TRANSITION** & **BENISI**, support for digital social innovation networks through **CAPSSI** and urban development networks through **URBACT**. **RegioStars** and the **Social Innovation Tournament** recognise and reward innovative social innovation projects while the **European Social Innovation Competition** invites applicants from across Europe to submit ideas that could contribute to solving big challenges, the most promising of which are given training and support to help develop and scale their idea. The **Guide to Social Innovation**, published with input from a number of Directorates General in 2013, highlighted a wide range of examples across Europe, and provided guidance for public authorities in how to support social innovation.

Largely, the efforts outlined above can be characterised as aiming to create an environment that is more conducive to social innovation, without (in most cases) taking a view on what social innovation should be used for, aside from a general aim to promote 'smart, sustainable and inclusive growth'. At the same time, the EU has, in some areas, also pursued more directional social innovation policies, **promoting the use of social innovation towards particular social goals** such as poverty reduction, employment and social solidarity. For example, between 2008 and 2012, €10m **PROGRESS** funding was used to support 36 social policy experiments. PROGRESS's successor, the **Employment and Social Innovation** programme (EaSI) has since been expanded to incorporate two additional complementary programmes:

- EURES (European Employment Services), a cooperation network between the European Commission and the Public Employment Services of the Member States that encourages mobility amongst workers.
- PROGRESS Microfinance, which aims to increase the availability and accessibility of microfinance for vulnerable groups and micro-enterprises, and increase access to finance for social enterprises.[xxxv]

In this context, social innovation is seen as a means to achieving specific goals, such as reducing youth unemployment through initiatives such as the **Your First EURES Job scheme**.

A third approach has been to **promote public sector innovation**. The Commission has provided grant funding for the **OECD's Observatory of Public Sector Innovation** to help foster theoretical and practical learning on innovative approaches, share ideas and co-create innovative solutions, whilst working to build the innovative capacity of public servants. Meanwhile, the pilot **European Public Sector Innovation Scoreboard** (EPSIS) sought to benchmark the innovation performance of the public sector in Europe in a similar way to the innovation performance rating of countries in the Innovation Union Scoreboard (IUS).[xxxvi] The **Open Innovation Strategy and Policy Group** was created to identify the friction points and suggest measures to industry regarding what 'to prioritise in the new innovation system as

interesting and remarkable.' To enable open innovation to be implemented in practice, the group has established **Living Labs**. They are an experimental integrated, user-centred approach to innovative economic and social developments.[xxxvii] The EU has supported its own officials to build innovative practices into their work, for example by funding training in **participatory leadership**.

Finally, the EU has been a major **funder and producer of research on social innovation**, particularly under **Framework Programme 7**, which supported 24 projects. It funded a major study on **social enterprises and their ecosystems**. More recently, through next level programmes such as **CAPS**, the EC has funded several applied research and innovation projects that look to develop new tools, approaches and relationships, moving on from theoretical or empirical research studies.

The IESI project: Using research to tackle the evidence gap on how social innovation can contribute to EU policy objectives

The ICT-Enabled Social Innovation project (IESI), led by the Joint Research Centre in collaboration with DG Employment, Social Affairs and Inclusion, explored how ICT-enabled social innovation can contribute to the policy objectives of the EU Social Investment Package (SIP) and the EU 2020 strategy to support inclusive growth and employment. More specifically, the research aimed to better understand how ICT-enabled innovation 'can enhance integrated approaches to social services delivery in different welfare systems within the EU.'[xxxviii] In addition, the project aimed to showcase successful examples of initiatives implemented in EU Member States by mapping and case studying examples of good practice across Europe.[xxxix] Based on analysis of case studies in fourteen Member States,[xl] the IESI research found that that ICT-enabled social innovations can help support social services:

- address emerging societal challenges by promoting social innovation and social investment.
- enable a more targeted and personalized approach that better meets beneficiaries' expectations, widens access, and is focused on outcome-orientation and demonstrable results.
- play a crucial role in fostering the success of modernisation initiatives, and pursuing the objectives of the EU Social Investment Package.

The research also pointed out that this must be combined with re-engineering organisational structures and a cultural shift in embracing social innovation in the development and implementation of such ICTs, and balanced with a commitment to maintaining alternative service protection channels to ensure that the less technologically-savvy are not excluded.

ALTHOUGH SOCIAL INNOVATION IS NOT A STANDALONE STRATEGIC PRIORITY, IT IS EMBEDDED WITHIN SEVERAL KEY EUROPEAN STRATEGIES

Europe 2020, the European Commission's overarching strategy for jobs and growth, is delivered through seven flagship initiatives. Social innovation features prominently in two of these. The original communication on the **Innovation Union** makes clear that the EU wishes to promote 'a broad concept of innovation' that involves 'all actors and all regions in the innovation cycle', and makes explicit reference to social innovation. Two of the 34 commitments in the document concern social innovation: making it a mainstream focus of the European Social Fund (ESF), encouraging Member States to play a more active role in supporting social innovation through the ESF; and launching a research programme on public sector and social innovation.[xli] A progress review published in 2015 noted that several actions had been taken against both of these commitments, while more work was needed to scale up social innovation and help social enterprises to grow.[xlii] Meanwhile, the **European Platform Against Poverty and Social Exclusion** makes considerable reference to social innovation and commits to creating an 'evidence based approach to social innovation and reforms'. The Platform also commits to promoting partnership working across sectors, particularly with the social economy and NGOs.

Other key policy frameworks for social innovation include the Social Investment Package and the Social Business Initiative. The **Social Investment Package** paves the way for a transition to new forms of welfare models where states invest in 'human capital' and preventative measures alongside social protection and reactive policies. To achieve this shift, social innovation and social policy experimentation is seen as crucial.

The **Social Business Initiative** sets out to improve conditions for social enterprises and the wider social economy. However, the extent to which social innovation is central to key European policy frameworks should perhaps not be overstated. As the author of CrESSI's review of social innovation policy comments, even within Innovation Union, social innovation is featured in just one of ten objectives. It is not explicitly mentioned in most of Europe 2020's flagship initiatives. Political support has also varied over time: while social innovation was championed by former President Barroso, it did not feature in President Juncker's ten priorities for Europe. This suggests that while EU policy provides fertile ground for social innovation, but that there is also some risk that momentum and engagement could lessen over time should social innovation drop off the political agenda.

The Social Business Initiative

The Social Business Initiative (SBI) was launched in 2011 and seeks to create and enhance conditions conducive to the development and growth of social enterprises. The initiative emerged out of the Single Market Act I and the Commission's aim to promote a shift to a 'social market economy'. It also reflects the goals of Europe 2020 to engineer more inclusive, sustainable economic growth that provides employment opportunities for all, by deploying innovative vehicles for social impact.

The SBI aims to strengthen the social economy, which already constitutes an important pillar of the European economy: it represents around 10% of GDP, employs more than 11 million workers (4.5% of the economically active EU population), while one in four new businesses set up each year are social businesses.[xliii] SBI provides support to social enterprises via three key channels: (1) Improving access to finance, (2) Providing more visibility to social enterprises, and (3) Optimising the legal environment.

WHILE THE EU HAS ADOPTED A SINGLE DEFINITION OF SOCIAL INNOVATION, IN PRACTICE THE TERM IS USED TO MEAN SEVERAL DIFFERENT THINGS

BEPA's influential report in 2010 stopped short of proposing a single definition for social innovation, instead proposing that it could mean three things for Europe: innovating to tackle the needs of vulnerable people not addressed by the market; innovating for the good of society more widely, by blurring the boundaries between economic and social benefit; and innovation to transform society to promote participation, empowerment and learning. BEPA noted that these three models overlapped, but that different policy instruments would need to be used to promote each.

Since then, the Commission has adopted an official definition that combines some of the elements above. According to the Guide to Social Innovation, published in 2013, social innovation is:

> the development and implementation of new ideas (products, services and models) to meet social needs and create new social relationships or collaborations. It represents new responses to pressing social demands, which affect the process of social interactions. It is aimed at improving human well-being. Social innovations are innovations that are social in both their ends and their means. They are innovations that are not only good for society but also enhance individuals' capacity to act.[xliv]

However, perhaps reflecting the broad nature of this definition, the term 'social innovation' is used in practice to refer to sometimes quite distinct processes and outcomes. To take one example, within the [2016-17 Horizon 2020 Work Programme for 'Societal Challenge 6: Europe in a Changing World'](#) (a document that set out the various initiatives that the Commission wished to support in that time period), social innovation was explicitly mentioned in three calls, each of which emphasised considerably different characteristics. The European Social Innovation Competition described social innovation as 'projects' led by innovators from any sector of society, that could be turned into new enterprises or taken on by existing enterprises. The Horizon Prize for Social Innovation emphasised 'solutions' for problems relating to an aging society, while a call for Participatory Approaches and Social Innovation in Culture focused on innovative ways to involve citizens in 'governance' of cultural institutions.

Initial feedback from European Commission policymakers as part of the Social Innovation Community project suggests that different emphases and rationales exist for social innovation within different Directorates General (DGs). They note that a lack of clarity persists among some officials, particularly those who have been less involved with social innovation to date, and about what it means and its relevance in supporting their respective policy priorities.

A WIDE RANGE OF EUROPEAN POLICY INSTRUMENTS HAVE BEEN USED TO SUPPORT SOCIAL INNOVATION, BUT SOME COULD BE EXPLOITED MORE FULLY

The EC has used several of the policy instruments at its disposal both to support social innovation directly, and to encourage Member States to do the same. Key examples include:

- **Structural and investment funds: European Regional Development Fund (ERDF**; in particular funds like **INTERREG IVC** and **URBACT**) and **European Social Fund** have funded social innovation projects. In the current programming period (2014-2020), ESF Regulation has been used to promote social innovation through all areas of action supported by the ESF, with the aim of testing, evaluating and scaling up innovative solutions to address social needs.[xlv]

- **Research and innovation funding: Framework Programmes (FP) 5 to 7** funded 34 social innovation projects, including research and innovation, and coordination and support activities. **Horizon 2020** (the current Framework Programme) has supported, among other things, Social Innovation Community and a challenge platform to link SMEs and social enterprises using the SME Instrument.

- **Investment financing:** The **Social Impact Accelerator**, an initiative of the European Investment Fund, invests in social venture funds and is the EU's first public-private partnership supporting social enterprises.

- **Legislation and regulation:** The **Social Business Initiative** has proposed amendments to regulations on European venture capital funds and European social entrepreneurship funds, which aim to improve social enterprises' access to private

capital.[xlvi] The EC has also implemented and explored new legal statuses for cooperatives, mutuals and foundations working across EU Member States. Meanwhile, the 2014 **public procurement directive** enables public authorities in the EU to consider social value in their procurement decisions. In 2003, a directive on the reuse of public sector information (PSI) led many countries to begin implementing open data policies.[xlvii] The directive has since been revised to include greater levels of transparency.

Nevertheless, Structural and Investment Funds in particular could be used more consistently to promote social innovation. BEPA's 2014 review noted that ERDF and cohesion policy makes no reference to social innovation, even though it is one of the most important resources the EU has to promote it. Although many social innovation initiatives have been supported through ERDF and ESF, the monitoring burden on those implementing the funds can lead to a preference to support larger, more established organisations better able to meet these requirements, at the expense of smaller, newer, potentially more innovative actors.[xlviii] While regional disparities are likely to still persist, some progress has since been made in this regard. In the 2014-2020 programming period, the European Structural and Investment Funds (ESIF) have laid down new requirements that Member States are to provide annual implementation reports in accordance with Article 50(1), and includes "progress in the implementation of actions in the field of social innovation."[xlix]

THE EU HAS BEGUN TO EXPERIMENT WITH MORE SOCIALLY INNOVATIVE POLICYMAKING METHODS, AND COULD FURTHER DEVELOP THESE PRACTICES

Past research programmes such as CROSSOVER - Bridging Communities for Next Generation Policy-Making have attempted to build the scientific and political basis for long-lasting interest and commitment to "next generation policy-making" or "Policy Making 2.0". Furthermore, the EU has supported public sector innovation at a national, regional and city level.[l] For example, research such as the EU Policy Lab's policy lab mapping exercise (undertaken in collaboration with La 27e Region[li]) and JRC's IESI research both took the Member States as their unit of analysis. Thematic objective 11 of the 2014 - 2020 programming period sets out to enhance the 'institutional capacity of public authorities and stakeholders and efficient public administration.'[lii] Correspondingly, several examples of initiatives have sought to draw on principles of social innovation within the EC:

- **Openness**: The EC has experimented with crowdsourcing, for example through the **Futurium** platform, which invites citizens to contribute ideas about future policy, and the **Social Innovation Competition**, a challenge prize that invites social innovators across Europe to submit solutions - including products, services or projects - to broad challenges set by the Commission. It has set up new models to promote open innovation to tackle societal challenges, such as the **European Innovation Partnerships** and **Living Labs.** It has trained a large number of staff in participatory leadership and run

some large-scale **co-creation** exercises, most notably to prepare the Strasbourg Declaration on Social Enterprise in 2014.

- **Building capacity and skills**: The **EU Policy Lab** works across DGs to promote innovative policymaking, drawing on methods from behavioural insights, design thinking and foresight. In October 2016, for example, it led [Lab Connections](#), an event that brought policy labs from across Europe to share, learn and co-create responses to policy challenges presented by various DGs. The challenges identified ranged from improving youth employment policy and practice (DG Neighbourhood and Enlargement Negotiations) to countering segregation in mainstream education (DG for Justice and Consumers) and connecting digital, physical, natural and social solutions for cities (DG Research).

- **Connecting and scaling**: **Joinup** is a collaborative platform created by the European Commission and funded by the European Union via the Interoperability Solutions for European Public Administrations (ISA) Programme. It offers several services that aim to help e-Government professionals through peer learning, and 'support them to find, choose, re-use, develop and implement interoperability solutions.'[liii]

Co-producing the Strasbourg Declaration on Social Enterprise

"Social entrepreneurs, have your say!" was a large participatory policy event organised by European Commission, the European Economic and Social Committee (EESC) and the City of Strasbourg as part of a follow-up to the Social Business Initiative (SBI) in January 2014. Over 2000 social entrepreneur and social economy stakeholders participated at the two-day event, which set out to assess the impacts of the SBI and co-create future strategies to help support the scale up of Europe's social entrepreneurship sector. Numerous parallel workshops and open space sessions were run at the event, which enabled participants to define priorities and themes of the discussions themselves. To help ensure that the important outputs of these conversations were captured and linked to future European strategy in some way, a 'Harvesting Team' worked throughout the event. The Harvesting Team were tasked with capturing, making sense of and offering feedback of the insights, strategic orientations and practical ideas generated about how European-level policy-making can support social entrepreneurship and social innovation in Europe.[liv] A physical space, known as a "Harvesting Hub", was set up during the event to bring together the outputs of the different sessions, and this was permanently staffed by members of the Harvesting Team. A key output of this event was The Strasbourg Declaration[lv] - a final declaration which summarises participants' discussions into ten practical recommendations and which calls on the EESC, the European Commission and the European Parliament to take full ownership and deliver on the actions put forward in Strasbourg. At the time of writing this, the declaration has been signed by over 860 people.[lvi]

4. Challenges and Opportunities for EU Social Innovation Policy

While BEPA's 2014 review of social innovation policy celebrated the wide range of activity in and across services, it concluded that "we need to ... move beyond the expanding myriad of small initiatives and projects with limited results – as successful as they are – to achieve a real systemic change that puts social innovation at the heart of all processes and policies."

In this section we briefly outline some challenges, opportunities and recommendations that help clarify some possible directions where EU social innovation policymaking could be taken next.

CHALLENGES

It is clear the EU has demonstrated strong leadership in developing policy for social innovation. Yet challenges remain in **embedding and institutionalising social innovation policy and maintaining momentum**. These include:

- **Reliance on individual champions, amongst staff and politicians**: Social innovation has benefited from active support by key individuals, including former EC president Barroso and various Directors-General, as well as policymakers in different roles who have advocated for social innovation within their own areas of influence. However, when roles or executive leadership changes, commitment to social innovation can weaken.

- **Inconsistent engagement across services**: While some DGs have enthusiastically promoted social innovation, it is less central in others' work. In addition, within DGs there are varying levels of engagement and awareness.

- **Limited impact of short-term projects**: While the Commission's investment in research and support for social innovation has been useful in deepening understanding of social innovation, it is unclear that long term benefits can always be achieved through short-term projects. Currently responsibility lies with project deliverers to create impact and exploit results - sometimes with little involvement or risk-sharing from Project Officers and other Commission staff. The focus on 'excellence' in research and innovation funding may also have an unintended consequence. Arguably, the countries most able to benefit from social innovation are those where existing activity is lowest - yet typically these are the same countries where there are fewer organisations skilled up to participate successfully in funding bids.

There are also several **dilemmas inherent in social innovation policymaking at a European level.** These include:

- **Variable capacity and interest of Member States to engage with social innovation**: The EC has played a considerable role in spreading social innovation to new

geographical contexts through capacity-building, structural and investment funding, and network building efforts. Nevertheless, large geographical disparities remain in the extent to which social innovation is fostered and facilitated across Europe.

- **A lack of robust evidence on the impact of social innovation on policy:** While research programmes such as IESI and TEPSIE have attempted to address some of the challenges related to measuring the impact of social innovation, a lack of robust evidence still remains a challenge for policymakers, particularly for those working to build the scientific and political case for supporting social innovation.

- **Limits to EU competences** in key areas relating to social innovation, including social policy and employment policy.

- **Political sensitivity surrounding direct engagement with citizens**, which without the buy-in and direction by the European Parliament, could be seen as 'stepping on the toes' of Member States.

- **Possible tensions between policymaking as a top-down process and social innovation as an emergent, bottom-up process**: While many social innovations have been brought about as a result of direct involvement by politicians, several recent projects, including SI-DRIVE and CrESSI have pointed out that policymakers' involvement in social innovation could limit its capacity to effect broader systemic change by forcing it into existing 'cognitive frames' and institutional structures.

Experiments in citizen engagement: Futurium

The Futurium example illustrates some of the challenges facing the Commission in transitioning towards socially innovative approaches to policymaking and governance. Futurium was launched by DG Connect as part of its foresight project, Digital Futures.[lvii] The platform invites citizens to 'co-create' ideas for future EU policies and to communicate the kinds of policy changes needed to make such envisaged futures a reality. Citizens can also announce their own 'brainstorming events' about life in 2050, and participate in workshops, debates on online community discussions.[lviii]

The platform is still being used to crowdsource ideas from citizens and others around a range of policy areas. However, it has had limited reach so far, and highlights the need to develop the Commission's internal competences related to bottom-up and participatory processes, and in particular, to establish more user-centred engagement strategies that clearly articulate the value of democratic participation and delivers on them in order to reach a critical mass of citizens and other key stakeholders.[lix]

OPPORTUNITIES

While challenges exist, the EU is also in a unique position to lead in developing the field of social innovation policy. It has considerable experience to draw on and is well placed to explore and offer a degree of oversight on the issues that national and regional policymakers are also struggling with. These might include:

- Exploring how to improve policy coherence and find the appropriate 'policy mix' for different objectives in supporting social innovation

- Exploring how far is it possible/desirable to embed social innovation in wider innovation policy and to create and measure the effectiveness of innovation systems in supporting social innovation

- Experimenting with new approaches and demonstrating how policy instruments can be used to tackle ongoing challenges in social innovation, such as scaling, replication and diffusion

---

Using EC funding to test and replicate social innovation: Advance Care Planning

For patients with serious illnesses, having a clear plan about the care they want if the worst happens can help improve quality of life, reduce unnecessary hospitalisations, and increase satisfaction with care.[lx] But hospitals, patients and families often find it difficult to have these discussions until it's too late.

Initiated in 1991 by the Gundersen Lutheran Health System in La Crosse, Wisconsin, Respecting Choices sets out to engage patients and families in formalised conversations about end-of-life care preferences. Non-physician facilitators guide patients and families in advance care planning and use common policies and practices to collect, maintain, and use advance care directives across all healthcare settings. Respecting Choices has emerged as the favoured model of advance care planning for more than 130 health systems and medical centres, having been successfully replicated in communities across the U.S. and internationally. As well as improving patients' well-being, the Respecting Choices model of advance care planning can also reduce healthcare costs.

The Respecting Choices model is now being tested in Europe through the ACTION project, funded by FP7.[lxi] The study launched in late 2013 and involves 1,360 advanced-stage cancer patients in six countries: Belgium, Denmark, England, Italy, the Netherlands and Slovenia.[lxii] The trial is taking place at 22 hospitals - half of them adopting the programme and the other half acting as the control group. The five-year study is expected to continue until the end of 2018.

RECOMMENDATIONS AND NEXT STEPS

As summarised in this paper, the EU has made considerable efforts to support social innovation and can see itself as a leader in this field. Below we suggest next steps for European social innovation policymaking.

01   EXPLORE OPPORTUNITIES TO CREATE MORE COHERENT, CROSS-SERVICE SUPPORT FOR SOCIAL INNOVATION

I. **Co-create a cross-service agenda for social innovation:** Although social innovation is firmly on the EC's agenda, there is no overarching social innovation strategy or explicit shared understanding of different DGs' roles in supporting it. Strong political support and engagement would be needed to achieve this through a top-down process (for example, putting in place a cross-cutting framework for social innovation in the model of the Digital Single Market agenda, or a cross-cutting principle like the circular economy principle). However, progress in creating a shared agenda could also be made 'from the bottom up', working with champions of social innovation and representatives of the different DGs to take stock of existing policy frameworks and initiatives, such as the existing inter-service group on social innovation, and to explore what shape a future agenda should take.

II. **Further incorporate social innovation policy into existing policy frameworks:** There are clear examples of initiatives and departments that could benefit from making use of social innovation principles and partnerships to support their policy objectives. These include the Innovation Union initiative, the implementation of the European Pillar of Social Rights,[lxiii] the EU Urban Agenda, and the initiatives of DG Regio, and policies/initiatives that are about to be developed such as the European Solidarity Corps.

III. **Use the policy instruments at the EC's disposal in a more joined-up, strategic way.** This might include, for example, designing more explicit or horizontal thematic links between interventions led by different services, to create support for social innovations across the innovation cycle.

IV. **Further support EU policymakers and other actors as social innovators and intrapreneurs:** Building on previous initiatives such as training officials in participatory leadership, the both the EC and the European Parliament should further consider how they can support socially innovative policymaking and working. While efforts being led by the EU Policy Lab indicate an appetite to inject a culture of staff-led innovation across the different DGs, accompanying measures may need to be taken to ensure that the EC has the institutional capacity to best support social innovation. This might include reviewing reward and incentive systems, targets and performance management processes, learning and development opportunities and working practices to what further steps could be taken in building a 'social innovation culture' across the Commission.

V. **Capitalise on the lessons learnt, and the experience and knowledge generated through funded projects:** The Commission could use more experimental approaches to sustain the long-term impact of EC-funded programmes, for example by more frequently using workplace innovations such as co-sourcing,[lxiv] secondments and partnerships with grantees and other organisations in the social innovation field) to help embed knowledge and skills back into the Commission, particularly over the course of funded projects.

VI. **Creating a shared agenda for social innovation for Europe:** Defining a coordinated European social innovation strategy that can be directed towards addressing some of our most complex societal challenges also requires collaboration and support from other EU institutions, as well as key actors working at the national and regional levels. In particular, the European Economic and Social Committee (EESC) and the Committee of the Regions (CoR) have an important role to play in promoting and supporting social innovation, and should be considered key stakeholders to actively involve in the defining, and where appropriate, operationalising of a more coordinated future social innovation policy agenda.

02   CONTINUE AND BUILD ON THE EU'S LEADERSHIP ROLE IN DEFINING AND DEVELOPING SOCIAL INNOVATION POLICY

I. **Expand support for experimental, action research programme designs that explore 'next level' issues:** Past and upcoming programmes showing promise in this regard include D-CENT (DG CONNECT, which piloted digital engagement tools in a number of EU locations), the SME Challenge Platform (DG GROWTH, which seeks to support re-industrialisation in Europe by encouraging cross-sectoral industrial collaboration), the H2020-funded FoTRRIS (Fostering a Transition towards Responsible Research and Innovation Systems) programme, which has been described as a transition experiment 'to support the transformation of present-day research and innovation strategies into co-RRI-strategies'[lxv] and the upcoming call, 'CO-CREATION-06-2017: Policy-development in the age of big data' (DG CONNECT). These projects help to demonstrate new possibilities through practice and applied R&I.

II. **More deeply and systematically engage social innovation practitioners in policymaking**: While some grant-funded projects have co-created agendas for research and action (e.g. the 'Digital Social Innovation Manifesto' set out by the ChiC project), these actions are time-limited. The EC could collaborate with social innovation actors to create more sustainable routes for practitioners to interact with the EC and get involved in social innovation policymaking - for example by employing more upstream engagement approaches such as helping to identify priorities for research funding. Setting up such a mechanism is an ambition of the SIC project, but can only be successful if matched with strong Commission involvement.

III.   **Facilitate knowledge sharing amongst the Member States:** The EC could go further in ensuring better knowledge sharing and can do this by showcasing better practices within Member States and by advocating at a national level for social innovation through mechanisms like the Country Specific Recommendations and the ESF Transnational Cooperation Learning Networks (see also the Boostinno URBACT network).

WHAT SOCIAL INNOVATION COMMUNITY WILL DO

Making this future vision for social innovation policy a reality is at the heart of the SIC project's policy programme. SIC will be rolling out a series of practical workshops aimed at supporting policymakers to reflect on where and how they can make use of social innovation principles and approaches in their policy work. Our aim is to create a learning community of social innovation policy practitioners who can share and exchange their experiences of working to adopt the social innovation policy principles, along with other practical policy resources and supports including:

- Collecting and sharing examples of promising policy initiatives in a variety of policy areas on the SIC Policy Portal

- Building a repository of social innovation methods and tools for policymakers to support better social innovation policy practice

- Hosting a series of practical policy workshops in a number of locations across Europe

- Creating practice guides, tools and multimedia content aimed at supporting policymakers at different levels of government to work on policy challenges in more socially innovative ways

In the spirit of social innovation, we intend for this to be an open and collaborative process, and therefore would welcome active involvement from European policymakers in shaping our activities and priorities.

5. ENDNOTES

i We've adopted the distinction between 'policy for social innovation' and 'policy as social innovation' proposed by the CRESSI project. Cited at: Edmiston, D. (2015). EU Public Policy, Social Innovation and Marginalisation: Reconciling ambitions with policy instruments. CRESSI Working Paper Series No. 18/2015. Oxford: University of Oxford.

ii DG Employment uses the terms 'social policy innovation' to refer to reforms in the field of social services planning and/or delivery that include one stop-shop approaches; personalised approaches to social services; and innovative strengthened partnerships between public, private and civil society sectors. See more at: Directorate-General for Employment, Social Affairs and Inclusion. (2015). Social policy innovation: Meeting the social needs of citizens. Luxembourg: Publications Office of the European Union.

iii Examples of dedicated social innovation policy units include the The Australian Centre for Social Innovation (TACSI) and the US Office of Social Innovation and Civic Participation.

iv Grisolia, F. & Ferragina, E. (2015). Social Innovation on the Rise: Yet Another Buzzword in Times of Austerity? *Salute e Società*, 1, p. 167.

v Moulaert, F. (Ed.). (2013). The International Handbook on Social Innovation: Collective Action, Social Learning and Transdisciplinary Research. Edward Elgar Publishing.

vi Reynolds, S. (2015). An Introduction to Government Innovation Labs. *Public Sector Digest,* p. 63

vii Edmiston, D. (2015) EU Public Policy, Social Innovation and Marginalisation: Reconciling Ambitions with Policy Instruments. Part of Deliverable 6.1 of the CRESSI research programme. CRESSI Working Papers No. 18/2015

viii Available at: <http://www.lipse.org/about>

ix Past events such as the 2015 event LabWorks, hosted by Nesta in London, UK and the 2016 event Lab Connections, have attempted to convene the global gathering of policy lab practitioners.

x Jenson, J and Harrisson, D. (2013) Social innovation research in the European Union: approaches, findings and future directions (Policy Review). Luxembourg: Publications Office of the European Union.

xi ESF Agentschap Vlaanderen VZW (2015). Toolkit for supporting social innovation with the European Social and Investment Funds: Guiding the reflection on and implementation of social innovation support measures by ESIF programme managers. Flanders. Available at: <http://www.esf-vlaanderen.be/sites/default/files/attachments/articles/toolkit_on_si_in_esif.pdf>

xii See more at: <http://www.mgrt.gov.si/fileadmin/mgrt.gov.si/pageuploads/Regionalni_razvoj/socialno_podjetnistvo/Konferenca2017/Predstavitve/24.4.-18.00-19.00_SEE2_Karel_Vanderpoorten.pdf>

xiii The EC has encouraged EU public authorities to consider social value and criteria in the procurement process through the 2014 public procurement directive.

xiv "Ain´t No Need We Can´t Solve – Challenge 2014" was the first global innovation challenge aimed at innovators who could come up with solutions based on collaborative economy, to address problems faced by vulnerable populations It is organized by Socialab and Pioneros, and driven by the National Agency for Overcoming Extreme Poverty (ANSPE)

xv Noveck, B.S. (2011). "The Single Point of Failure." In: van der Hof, S. and Groothuis, M.M. ed. *Innovating government*. The Hague: TMC Asser Press, pp. 77-99.

xvi For example, the Finnish Government recently refused to debate a batch of crowdsourced bills that were developed on Open Ministry. Available at: <http://yle.fi/uutiset/all_six_citizens_initiatives_have_failed__activists_accuse_ parliament_of_intentionally_slowing_the_process/7525779>. While a survey of Danish public managers showed that while the majority of the public managers who responded claimed that they made efforts to involve users and citizens in collaborative innovation, they also stated that they seldom used the inputs and ideas from users and citizens when designing new and innovative solutions. Cited at: Sørensen, E., & Torfing, J. (2015). Enhancing Public Innovation through Collaboration, Leadership and New Public Governance. In: *New Frontiers in Social Innovation Research* (p.157). Palgrave Macmillan UK.

xvii Hallsworth, M. & Rutter, J. (2011). Making Policy Better: Improving Whitehall's Core Business. London: Institute for Government. Available at: <http://www.instituteforgovernment.org.uk/sites/default/files/publications/Making%20Policy%20Better.pdf>

xviii Hallsworth, M., Parker, S. & Rutter, J. (2011). Policy Making in the Real World: Evidence and Analysis. London: Institute for Government. Available at: <http://www.instituteforgovernment.org.uk/sites/default/files/publications/Policy%20making%20in%20the%20real%20world.pdf>

xix Hartley, J. (2005). Innovation in governance and public services: Past and present. *Public money and management*, *25*(1): 27-34, p. 20

xx Barnes, M., et al. (2008). Designing citizen-centred governance. York: Joseph Rowntree Foundation.

xxi Carreira, V., Machado, J.R. & Vasconcelos, L. (2016). Engaging Citizen Participation—A Result of Trusting Governmental Institutions and Politicians in the Portuguese Democracy. *Social Sciences,* 5 (3), p.40.

xxii OECD (2009). Focus on Citizens: Public Engagement for Better Policy and Services. OECD Publishing.

xxiii Independent.ie (2016). Katherine Zappone 'to vote against motion to repeal constitutional ban on abortion'. *Independent. ie* [online] 16 October. Available at: <http://www.independent.ie/irish-news/news/katherine-zappone-to-vote-against-motion-to-repeal-constitutional-ban-on-abortion-35134272.html>

xxiv Clarkson, P.J., et al. (eds) (2003), Inclusive Design. Design for the Whole Population, Springer

xxv Connect for Cymru (n.d.). The Use of Citizen Stories in Policy Development. Connect 4 Cymru Health Reconfiguration Group.

xxvi Hallsworth, M. (2011). System Stewardship: The Future of Policymaking. London: Institute for Government. Available at: <http://www.instituteforgovernment.org.uk/sites/default/files/publications/System%20Stewardship.pdf>

xxviiHaynes, L., Service, O., Goldacre, B, Torgerson, D. (2012). Test, Learn, Adapt: Developing Public Policy with Randomised Controlled Trials. London: Cabinet Office Behavioural Insights Team. Available at: <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/62529/TLA-1906126.pdf>

xxviii Hallsworth, M., Parker, S. & Rutter, J. (2011). Policy Making in the Real World: Evidence and Analysis. London: Institute for Government. Available at: <http://www.instituteforgovernment.org.uk/sites/default/files/publications/Policy%20making%20in%20the%20real%20world.pdf>

xxix Reynolds, S. & Gabriel, M. (2016). Seven Principles of Socially Innovative Policymaking. Available at:<https://www.siceurope.eu/sites/default/files/field/attachment/D5.1%20Seven%20principles%20of%20socially%20innovative%20policymaking.pdf>.

xxx Von Jacobi, N., Edmiston, D., & Ziegler, R. (2016). Tackling Marginalisation Through Social Innovation? Examining the EU Social Innovation Policy Agenda From A Capabilities Perspective. *Journal of Human Development and Capabilities* (forthcoming, January 2017).

xxxi Hartmann, A. & Linn, J. F. (2007). Scaling Up: A Path to Effective Development. 2020 Focus Brief on the World's Poor and Hungry People. Washington, DC: International Food Policy Research Institute.

xxxii BEPA (2010). Empowering People, Driving Change. Social Innovation in the European Union. Luxembourg: Publications Office of the European Union.

xxxiii BEPA (2014). Social Innovation: A Decade of Changes. Luxembourg: Publications Office of the European Union. Available at: <http://espas.eu/orbis/sites/default/files/generated/document/en/social_innovation_decade_of_changes.pdf>

xxxiv Edmiston, D. (2015) EU Public Policy, Social Innovation and Marginalisation: Reconciling Ambitions with Policy Instruments. Part of Deliverable 6.1 of the CRESSI research programme. CRESSI Working Papers No. 18/2015

xxxv European Commission (2013). EaSI: New EU umbrella programme for employment and social policy. Luxembourg: Publications Office of the European Union.

xxxvi BEPA (2014). Social Innovation: A Decade of Changes. Luxembourg: Publications Office of the European Union. P. 32

xxxvii BEPA (2014). Social Innovation: A Decade of Changes. Luxembourg: Publications Office of the European Union.

xxxviii See more at: <https://ec.europa.eu/jrc/en/iesi>

xxxix Misuraca, G., Kucsera, C., Lipparini, F., Voigt, C., Radescu, R.; 'ICT-Enabled Social Innovation to support the Implementation of the Social Investment Package - Mapping and Analysis of ICT-enabled Social Innovation initiatives promoting social investment in integrated approaches to the provision of social services: IESI Knowledge Map 2015'; EUR 27838 EN; doi:10.2791/743181 Available at:: <http://publications.jrc.ec.europa.eu/repository/bitstream/JRC101042/jrc101042.pdf>

xl See more at: <https://ec.europa.eu/jrc/sites/jrcsh/files/jrc106581.pdf>

xli European Union (2011) Europe 2020 Flagship Initiative Innovation Union. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Luxembourg: Publications Office of the European Union. Available at: <http://ec.europa.eu/research/innovation-union/pdf/innovation-union-communication-brochure_en.pdf#view=fit&pagemode=none>

xlii European Commission (2015)

xliii European Commission (2014). *Major European event to shape the future for social businesses*. [Press Release] Brussels, 15 January 2014. Available at: <http://europa.eu/rapid/press-release_IP-14-20_en.htm?locale=en>

xliv European Commission (2013). Guide to Social Innovation. Brussels: Regional and Urban Policy Publications, Office of the European Union

xlv See: <http://ec.europa.eu/esf/main.jsp?catId=62>

xlvi European Commission (2016). Capital Markets Union: new rules to support investment in venture capital and social enterprises. [Press Release] 14 July. Available at: <http://europa.eu/rapid/press-release_IP-16-2481_en.htm>

xlvii http://www.socialplatform.org/wp-content/uploads/2015/10/Public_procurement_for_social_progress.pdf

xlviii BEPA (2010). Empowering People, Driving Change. Social Innovation in the European Union. Luxembourg: Publications Office of the European Union.

xlix Online: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1303&from=EN>

l See for example: <https://ec.europa.eu/growth/industry/innovation/policy/public-sector_en>

li Fuller, M. & Lochard, A. (2016). Public Policy Labs in European Union Member States. Luxembourg: European Union. Available at: <http://publications.jrc.ec.europa.eu/repository/bitstream/JRC102665/final%20report%20w%20identifiers.pdf>

lii See for example: <http://ec.europa.eu/regional_policy/en/policy/what/glossary/t/thematic-objectives>

liii See: <https://joinup.ec.europa.eu/>

liv http://ec.europa.eu/internal_market/conferences/2014/0116-social-entrepreneurs/docs/harvesting_en.pdf

lv http://ec.europa.eu/internal_market/conferences/2014/0116-social-entrepreneurs/docs/strasbourg-declaration_en.pdf

lvi http://ec.europa.eu/internal_market/conferences/2014/0116-social-entrepreneurs/index_en.htm

lvii Digital Futures was launched in July 2011 by DG CONNECT's Director General Robert Madelin following a prior DG CONNECT exercise called Digital Science. Cited at: Accordino, F. (2013). The Futurium—a Foresight Platform for Evidence-Based and Participatory Policymaking. *Philosophy & Technology*, 26(3), pp. 321-332.

lviii Accordino, F. (2013). The Futurium—a Foresight Platform for Evidence-Based and Participatory Policymaking. *Philosophy & Technology*, 26(3), pp. 321-332.

lix Accordino, F. (2015). The Futurium: state of play and lessons learnt. [Presentation]. At: second workshop on the new EU eGovernment Action Plan 2016-2020. Available at: <https://joinup.ec.europa.eu/sites/default/files/3_-_futurium4jounup_ws.pdf>

lx Rietjens, J.A. et al. (2016). Advance care planning - a multi-centre cluster randomised clinical trial: the research protocol of the ACTION study. *BMC Cancer*, 16 (264). Available at: <https://bmccancer.biomedcentral.com/articles/10.1186/s12885-016-2298-x>.

lxi Framework Programme 7 (FP7) was a research and innovation funding programme which ran from 2007 to 2013.

lxii Rietjens, J.A. et al. (2016). Advance care planning - a multi-centre cluster randomised clinical trial: the research protocol of the ACTION study. *BMC Cancer*, 16 (264). Available at: <https://bmccancer.biomedcentral.com/articles/10.1186/s12885-016-2298-x>

lxiii Examples such as the European Pillar highlight how effective support for social innovation relies on the European Commission setting a clear framework and direction, as well as the support and cooperation of Member States, social partners and civil society, and the European Union institutions. Efforts have been made to consider the role of social innovation in supporting the Pillar's objectives. For instance, a public consultation, carried out throughout 2016, asked about the best practices and lesson

from social innovation which should be actively encouraged as part of the European Pillar of Social Rights. See for example: <https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/towards-european-pillar-social-rights/public-consultation-european-pillar-social-rights_en>

[lxiv] See for example the model of co-sourcing being used by the Singapore Government Digital Services, is favoured over outsourcing to help government employees gain specific skills and expertise from industry to improve their institutional capacity: <https://govinsider.asia/smart-gov/why-does-singapore-co-source-digital-services/>

[lxv] See: <http://cordis.europa.eu/result/rcn/195234_en.html>