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"Social Innovation: Recent activities in the EU"

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Policy context : Europe 2020

POVERTY	At least 20 million people lifted out of poverty
EMPLOYMENT	75% of the population aged 20-64 should be employed
INNOVATION	3% of the EU's GDP should be invested in R&D
CLIMATE / ENERGY	A reduction of greenhouse gas emissions by 20% A share of renewable energies up to 20% An increase in energy efficiency by 20%
EDUCATION	The share of early school leavers should be under 10% At least 40% of the younger generation should have a degree or diploma



Social innovation in EU activities

Different perspectives are considered in EC approach to social innovation

Innovation Union

Social innovation (EMPL, RTD, ENTR, CNECT, EAC, SANCO, MARKT, ESI Funds).



Social innovation in EU policy frameworks

- **Innovation Union**
- **Digital Agenda**
- **Social Business Initiative**
- **Employment Package**
- ***Social Investment Package***
- ***Cohesion Policy***



The EU Employment and Social Situation

Unemployment: 10.2% of economically active population (11.5% euro area).

Youth unemployment: 21,7%

NEETs around 12,5%

Long-term unemployment rate: 5.3%

Involuntary part-time work increasing

Financial distress continue increasing for all households, in particular for those on low income.

Poverty and social exclusion has deteriorated during the crisis. 24,8% of all Europeans in 2012

Inequalities also growing within and among MS

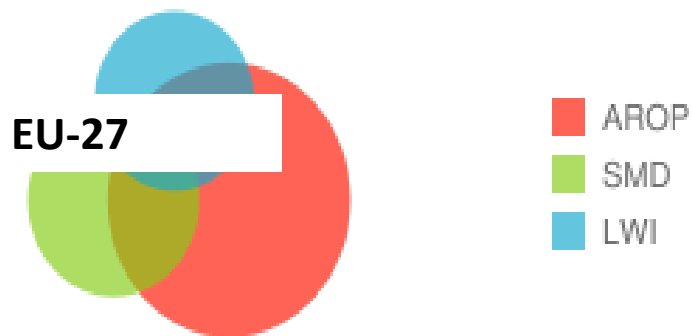
Stabilising impact of social protection expenditure remained very weak in 2013, despite a slight improvement



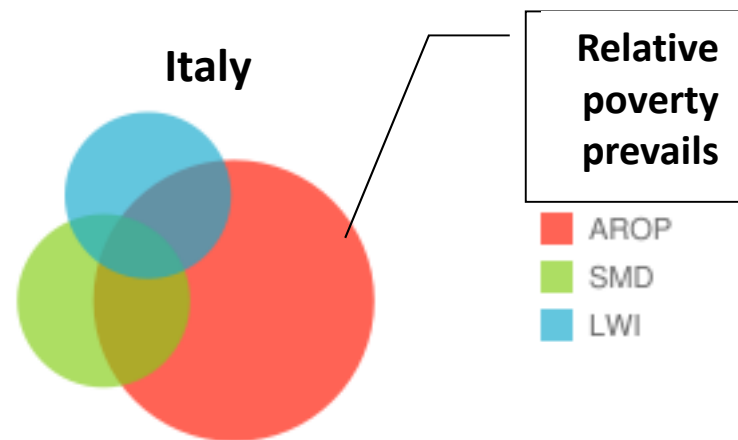
Lack of progress on the EU 2020 headline target on poverty and social exclusion



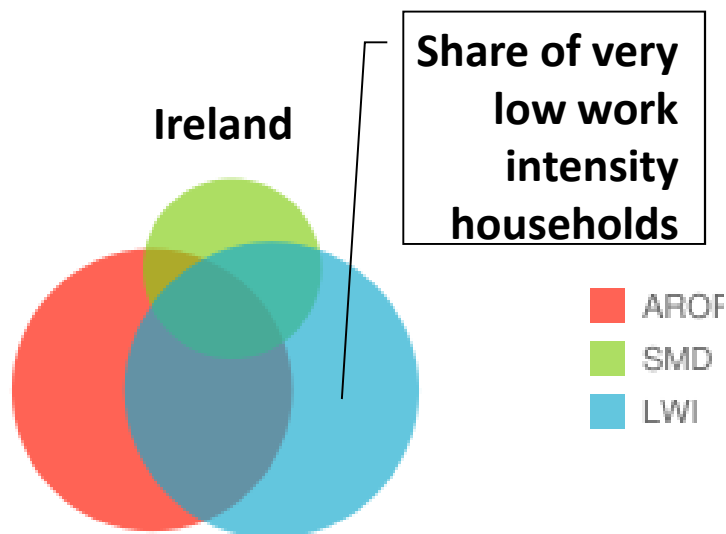
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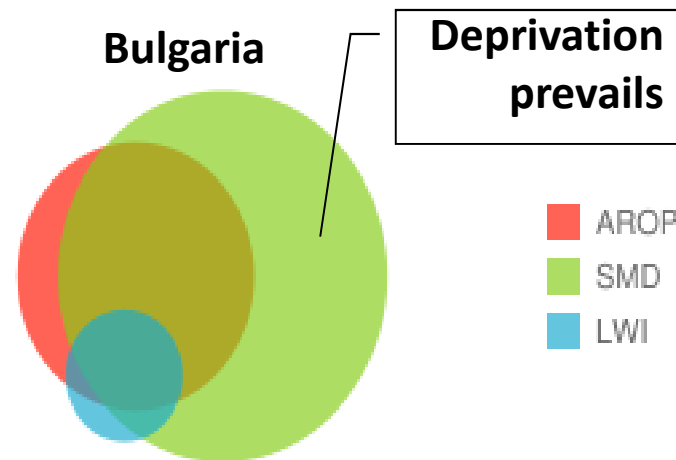
Italy



Ireland



Bulgaria

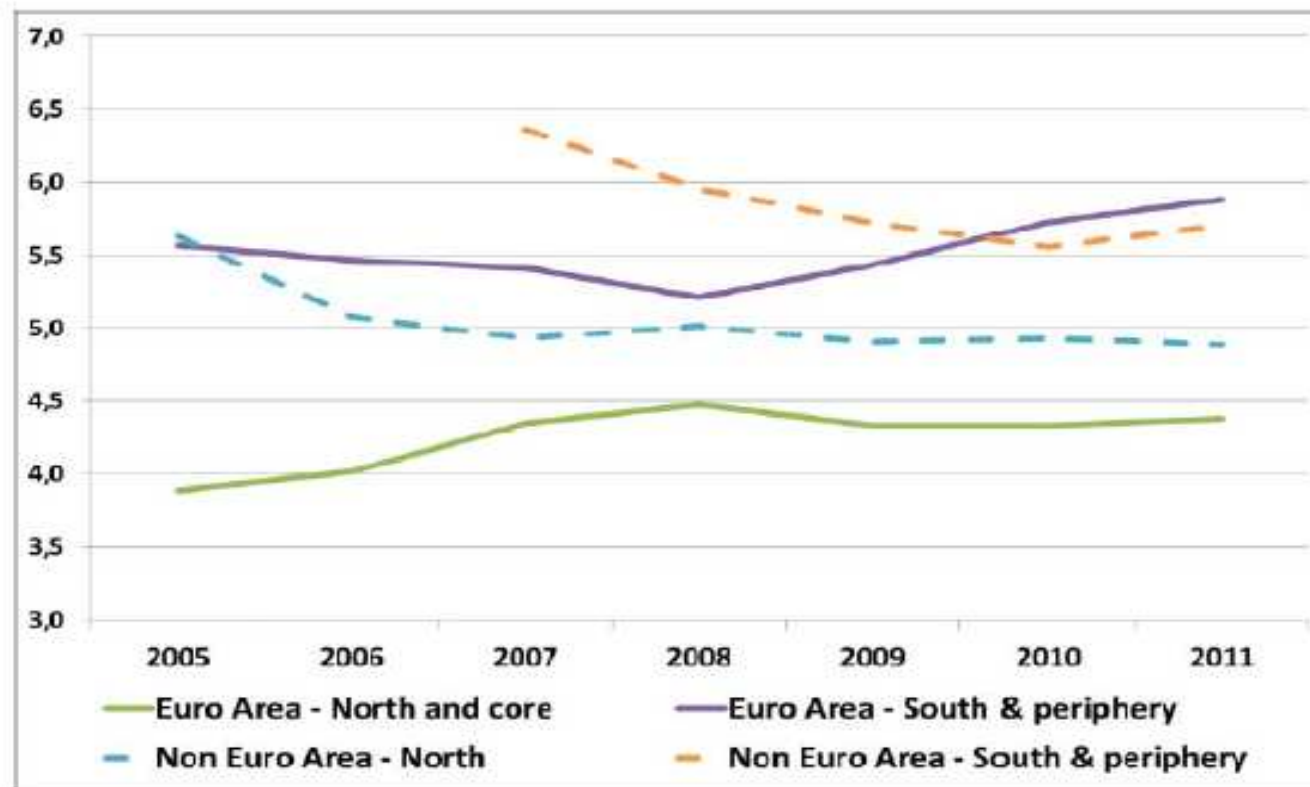


AROP – at-risk-of-poverty rate

SMD – severe material deprivation rate

LWI – share of population living in (quasi-) jobless/very low work intensity households

Inequality (S80/S20 measure) by groups of EA and non-EA Member States since 2005



Source: Eurostat, EU-SILC, DG EMPL calculations; weighted averages - years refer to income year



The Social Investment Package for Growth and cohesion (SIP)

Provide a **strategic social investment approach** to the modernisation of social policies and the reforms social welfare systems

*"Well designed social systems combining **a strong investment dimension** with the other two functions, protection and stabilisation, increase the effectiveness and efficiency of social policies whilst ensuring support for fairer and inclusive societies".*



The Social Investment Package: An EU-level response

- Social protection systems that **prevent** against risks, **respond as early as possible** and respond **to people's needs throughout their lives**
- **Activating and enabling benefits and services** to support people's inclusion in society and the labour market
- More **effective and efficient** spending to ensure adequate and sustainable social protection



SIP : Focus on Social Policy Innovation

The Social Investment Package has clearly emphasized that there is an **added value** in :

*focussing on **social policy innovation***

embedding innovation in evidence-based policy making

and supporting and creating an enabling environment

for innovators and social entrepreneurs

With the adoption of SIP, an important policy and operational realignment of our work on social innovation have taken place



Focussing on Social Policy Innovation

Brings a specific perspective at the core of DG EMPL activities. A perspective that;

- connects social innovation to recent strategic policy packages, such as the Social Investment Package (SIP).*
- mainstreams social innovation in the implementation of Member States reforms supporting social investment in social welfare systems*
- emphasizes the added value of innovation as a key tool for achieving the expected impact on social protection systems and services*



Lessons learnt from previous work on social innovation

Greater involvement of public authorities for effective follow-up and sustainability is needed.

Connect more innovation supporting social investment and policy-making.

Focus on a more systemic level.

Developed broader partnerships (civil society organisations, private sector,...)

Adjust methodologies for measuring social outcomes



SIP links more social economy issues to policy priorities

Social enterprises of the social economy are well placed to play a supportive role in the promotion and piloting of social investment.

They can complement and provide leverage to public sector efforts to implement the needed reforms in social policies.



Social enterprises acting in the social economy provide social and economic impact.

They tend to

- involve a plurality of actors working together,*
- adopt participatory democratic forms of governance,*
- help to increase social capital*
- contribute to widening the supply of social goods and services, creating inclusive new employment and growth*



The Social Investment Package urges also MS to support social entrepreneurs,

by providing incentives for start-ups, and their further development, by expanding their knowledge and networks and providing them with an enabling regulatory environment in line with the Social Business Initiative and the 2020 Entrepreneurship action Plan".



Supporting Social economy and social entrepreneurs

ESF : New investment priority

EaSI (Entrepreneurship axe): funding for helping the creation and scaling-up of social enterprises.

EaSI (social innovation axe): social innovation and social policy experimentation connected to social policy reforms supporting social investment.



Need to improve visibility of innovative successful social policy investments

Investments that provide social and economic returns.

Investments that bring evidence-based knowledge.

In particular, those involving social enterprises of the social economy



Conference on Social Policy Innovation (Brussels, 19th – 20th May).

How social policy innovation can contribute to implement efficient and effective structural reforms in social systems based on a social investment perspective?

Around 400 participants

25 show-casing sessions on policy experiences

The outcomes of the Conference will feed into the way forward in this area of policy work for the next Commission.

<http://ec.europa.eu/social/main.jsp?langId=en&catId=88&eventsId=981&furtherEvents=yes>



It is time for structural reforms supporting social investment

Reforms at different levels are already there and innovation play an important role in them

Introduction of a new guaranteed minimum income (Cyprus)

Support for Active Inclusion , SIA (Italy) integration of income support services and activation.

Long-term integrated care reforms (Slovenia).

Integration of services in many cities and at local levels.



Conference on social policy innovation:

Pursue broader partnerships between public authorities, private sector, including social entrepreneurs, and civil society to deliver better social outcomes.

More involvement from the business community in improving social outcomes. Companies as agents for social policy innovation



Conference on social policy innovation: Involving the private sector

The Commission is considering the possibility to support multi-stakeholder national and European platforms to provide a space for businesses in new partnerships to support innovative social policy investment involving the public and private sectors



Social Innovation Guide

Jointly created by DG EMPL and DG REGIO

- **How can public authorities foster social innovation?**
- **Catalogue of examples**
- **Guidance on programming social innovation in the structural Funds**

http://ec.europa.eu/regional_policy/sources/docgener/presenta/social_innovation/social_innovation_2013.pdf



New programme EaSI (2014-2020)

The overall **budget** in current prices for 7 years is € **919.469** million.

Allocation of funds (indicative) between the axis of EaSI is:

- **PROGRESS 61 %**
(15%-20% Social Innovation)
- **EURES 18%**
- **MF/SE 21%**



EaSI: Social Policy Innovation

- Stronger connection to Europe 2020 and the integrated policy guidelines for the modernisation of social policies provided by the Social Investment Package.
- Funding allocated in the new programme for social innovation has increased in relation to PROGRESS (10 to 14 million euros a year).
- Further synergies with ESF activities on social innovation will be built



EaSI: Testing and supporting innovation in social policies

Testing social policy innovations and supporting authorities and relevant stakeholders in building capacities to design and implement them.

Supporting Member States by promoting better instruments and social impact methodologies which provide evidence-based knowledge for reforms that will improve efficiency and effectiveness of social protection systems and services.



EaSI: First Call for Proposals **Social policy innovations supporting reforms in social services,**



Two objectives:

Using social policy innovations for undertaking structural reforms in the context of Europe 2020 and the Social Investment Package

Strengthening partnerships between public, private and civil society sector

Focus areas:

- *One-stop-shop approaches*
- *Personalised approaches to social services*
- *Innovative partnerships*



Call for proposals for social policy innovations supporting reforms in social services

- *VP/2014/008, amount of €9.2 million. EU financing a max of 80% of total eligible costs.*
- *Open to consortiums of stakeholders (public, private and civil society) active in the field of social services planning and-or delivery*
- *Lead applicant: a public authority or a public body at national, regional or local level having a role to play in the setting or delivery of social services.*
- *<http://ec.europa.eu/social/main.jsp?langId=en&catId=629>*



EaSI: Supporting Member States Social policy innovation

EaSI will support also MS activities on innovation :

- Training
- Capacity building
- Tailored Advice services.



EaSI: Supporting social economy and social entrepreneurs

EaSI (Entrepreneurship axe): funding for helping the creation and scaling-up of social enterprises (not direct finance, entrepreneurs or social enterprises are final beneficiaries)..

86 million € to stimulate, broaden and speed up the development of social finance markets across Europe (2014 – 2020).

Similar amount to microfinance and institutional capacity building for microfinance providers



ESF and Social Innovation

*With the new programming period, there is **much more scope** to use the ESF in support of social policy innovation (ESF shall promote social innovation).*

***Member States are required to identify the themes** for social innovation corresponding to their specific needs in their Operational Programmes and/or during implementation (art 9 ESF regulation).*

*Possibilities of a **priority axis** devoted to social innovation and of an **increasing of 10% in the co-financing rate.***



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What can ESF do for Social Innovation?

- *Social innovation as a horizontal tool to be applied to policy themes identified by MS;*
- *All policy areas covered by ESF are possible themes for social innovation;*
- *Importance of better mainstreaming innovative actions into policies and*
- *Better exploiting the systemic potential of social innovation (experimentation)*



New way forward

- *Make sure social policy innovation is part of the reforms made by Member states in line with the Social investment package*
- *Help Member states through guidance and capacity building to use funds for social policy innovation reforms*
- *Pursue broad partnerships between public authorities, the private sector and civil society to deliver better results*



Future issues at stake regarding the social economy, social enterprises and innovation

An adaptive eco-system for social enterprises versus a legal, operation and financial framework that include better non-profit organisations

Measuring social impact of social entrepreneurs

New financing long-term instruments

Connecting social innovation and social enterprises policies

More involvement of service providers on relevant social innovation programmes

A commitment to unleash the job potential of social and health services

Effective implementation of the Public Procurement Directive

Integrated approach in the European Commission



Find out more at:

<http://ec.europa.eu/social/easi>

THANKS