



European
Commission



Social policy innovation

Meeting the social needs of citizens

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Directorate-General for Employment, Social Affairs and Inclusion

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1. Introduction

European welfare systems play a major role in improving citizens' well-being, for example through the provision of affordable and good-quality childcare, (preventive) health services, job search assistance, lifelong learning opportunities and benefits in old age.

With European societies facing important challenges such as ageing, high levels of unemployment and increasing inequalities, urgent action is needed. At the same time social protection budgets are under pressure. Therefore, the modernisation of social protection systems is an important focus of the European Commission, as part of progress towards achieving the targets set out in the Europe 2020 strategy for smart, inclusive and sustainable growth.

The social investment package (SIP, 2013) has emphasised how well-designed social protection systems, combining a strong investment dimension with the other two functions of protection and stabilisation, can increase their effectiveness and efficiency, whilst ensuring support for fairer and more inclusive societies. The SIP has also demonstrated that there is an added value in focusing on innovative social policies and embedding innovation in evidence-based policy-making. This leaflet sets out the European Commission's ideas on how public authorities, in close cooperation with public and private stakeholders, can better make use of this social policy innovation.

2. Why social policy innovation is important

Member States are facing the need to re-engineer their welfare systems to provide adequate support to citizens while being financially sustainable in ways that effectively cope with demographic and other social challenges. Social policy innovation helps to identify and promote new approaches. These should be based on evidence-based policies including looking at their impact in terms of social and economic returns. We also have to analyse better those policies that deliver best and foster knowledge transfer in order to apply the range of lessons learned in practice more widely.

There are some inspiring examples of the relevance of social policy innovation. The Scottish national telecare development programme is an example of social policy innovation enabled through ICT and involves a public-private partnership (see box).

Social policy innovation can also be of great use in designing social policy reforms. The **Social Protection Committee** (SPC) has conducted an ex ante evaluation of Member States' social policy reforms. Some recent reforms include innovative elements (see box on page 4).

TCP — National telecare development programme (Scotland, 2006–11)

The Scottish telecare development programme (TDP) was launched in August 2006 as part of the national telecare development programme, with the following aim: 'to help more elderly people in Scotland live at home and longer, with safety and security, by promoting the use of telecare through the provision of a development fund and associated support'.

As well as increasing independence for elderly people, the TDP generated significant cost savings for the social and healthcare budget: around EUR 91 million for the period 2006–11. Nearly half of these savings arose from reducing care home admissions. Another 44% derived from a reduction in hospital admissions.

Innovative social policy reforms in Member States

Cyprus will introduce, as part of a new integrated welfare system, a guaranteed minimum income scheme (GMI) based on reference budgets that ensure adequate livelihoods.

Slovenia has designed an innovative and integrated reform package in the field of long-term care, putting several existing mechanisms together in a more consistent way.

Italy is putting in place a package of active inclusion measures aimed at improving the efficiency and

effectiveness of social benefits, combining monetary support with activation policies and social services, on the basis of stricter means-tested criteria and prioritising households that require income support or other services.

Greece has launched a pilot income support scheme targeting households with children, similar in design and aims to the Italian reform plans.

3. Who uses social policy innovation and how?

Greater involvement of public authorities is key to achieving sustained outcomes from social policy innovation. Promoting broader partnerships with the private sector, civil society organisations and stakeholders operating in the social economy is also essential. Social enterprises and entrepreneurship are pivotal for catalysing innovative ideas and should complement public efforts in pursuing social policy objectives. The EU Annual Growth Survey 2015 stressed that efforts to strengthen the business environment, to make it more

investment-friendly are key to attracting private investment, in particular in Member States with limited fiscal capacity for public investment. The European Commission will also support bringing together social enterprises and leading businesses that represent the most significant spending areas for low-income households, such as housing, nutrition, transport and health. Concrete actions aimed at preventing and reducing poverty can be designed within these platforms. The box below outlines some relevant experiences.

Involving social entrepreneurs and the private sector

Realis (Languedoc-Roussillon, France) is the first regional innovation pole devoted to enterprises from the social and solidarity economy.

Denokinn (Basque country, Spain) brings together social enterprises, public authorities and the private sector to scale up successful innovations.

Wallet of the Poor initiatives are stepping up partnerships for better social outcomes involving the business community in Belgium, France and Portugal.

Ashoka supports local social entrepreneurs and promotes attractive ecosystems (health, inclusion, education, environment and citizen and urban engagement).

I-Propeller (Brussels, Belgium) comprises innovation by social entrepreneurs that helps organisations with the design of innovative solutions and services that are both social and profitable.

Banco de Inovacao Social (Portugal) is a platform that gathers 27 public, private and social institutions to promote social innovation and entrepreneurship.

4. How does the EU support and promote social policy innovation?

The European Commission provides targeted support to test the design and potential for the scaling up of innovative structural reforms in welfare systems policies through the programme for employment and social innovation (EaSI), with an initial focus on reforms of social services in the first call for proposals 2014⁽¹⁾ (see box below).

EaSI: Call for proposals on social policy innovation supporting reforms in social services for 2014 (total amount EUR 9.2 million)

This was open to consortiums of stakeholders active in the field of social services planning and/or delivery.

The focus is on reforms in social services, including:

- one stop-shop approaches;
- personalised approaches to social services;
- innovative strengthened partnerships between public, private and civil society sectors.

Social services are a fundamental element of social protection systems as they provide support to mitigate different risks that an individual can face during his/her lifetime. Services that are enabling and integrated are essential for promoting a social investment approach and to reduce the risk of poverty and exclusion. Access to quality services is an essential pillar of strategies to enable individuals to successfully reintegrate into the labour market and society. Some of the [national experiences presented at a recent conference on social policy innovation](#) illustrate this.

Examples of innovative experiences in social services integration

South Karelia district (Finland) provides an innovative and closely integrated model for social and health services.

Barcelona (Spain) displays innovation in the organisation of social services (including a social supermarket and a new credit card for benefit recipients).

The Solidarity Now Centre (Thessaloniki, Greece) provides integrated social services for citizens with the greatest social and economic needs.

The Leap Project (Malta) is a network of family resource centres providing support and prevention services in the community.

The integrated provision of social services, through one-stop shops and with individualised approaches, improves the cost efficiency and effectiveness of the services. It also has a positive effect on their capacity to tackle complex and multiple problems while ensuring increased take-up and coverage. Social services also have a considerable potential for job creation, given the increase in demand for them due to demographic developments and changing social needs. Even during the crisis, social and health services have grown, generating one in three new jobs in 2000–11. For these reasons social services were targeted in the 2014 call for proposals (see box on EaSI).

In addition, the Commission will continue to develop policy guidance to help Member States provide better-quality, accessible and individualised services, delivered in an integrated way, so as to maximise their efficiency and effectiveness.

(1) <http://ec.europa.eu/social/main.jsp?catId=629&langId=en&callId=408&furtherCalls=yes>

Since the adoption of the social investment package in 2013, the European Commission, together with Member States and relevant organisations, has been looking at how social policy innovation can be used systematically to improve and test social policy reforms. Some important findings were presented at a High level Conference on Social Policy Innovation organised by the European Commission on 19 and 20 May 2014 in Brussels. The main messages coming out of the conference are the need to:

- strengthen the role of social policy innovation at the national and EU levels, in particular in the context of the Europe 2020 strategy;
- provide the necessary guidance and capacity building for the allocation and use of EU funding for social policy innovation, in particular through the employment and social innovation programme (EaSI);
- ensure that Member States promote the use of social policy innovation in the programming and implementation of the European Social Fund (ESF) for the period 2014–20;
- pursue broader partnerships between public authorities and the private sector, including social entrepreneurs and civil society organisations, to deliver better outcomes.

The European Commission has also launched research activities together with knowledge institutions to address evidence and knowledge gaps, in particular on mapping social policy innovation and social outcomes in Member States and on better measuring the social returns of social policy investments. All this work will contribute to building a knowledge bank on social policy in the future.

The ESF has also supported social innovation activities in recent years. A multiregional programme against discrimination in Spain is a good example (see box below).

For the 2014-2020 programming period, social innovation can be supported in all areas falling under the scope of the ESF, including the aim of testing and scaling up innovative solutions. Under the current regulation (Article 9.2), Member States are further required to identify the themes for social innovation when formulating their operational programmes, or during their implementation.

ESF multiregional programme against discrimination in Spain

This is an innovative combination of public administration bodies (at the national level) and social organisations with experience in employability and social exclusion, coming together as implementing bodies in the operational programme.

Personal itineraries include 'social accompanying support', which entails making social organisations work together.

A total of EUR 40 million was invested per year between 2006 and 2011; EUR 56 million was estimated to be generated each year by increased family consumption, the creation of 20 000 new full-time job contracts and a boost to tax revenues.

Production increased by EUR 1.38 for each euro invested.

5. The way forward: meeting social outcomes

As part of the 2014 'Agenda for jobs, growth, fairness and democratic change' presented by the President of the European Commission, Jean-Claude Juncker, the modernisation of social protection systems will be an important focus of the activities of the new Commission in the field of employment and social affairs. The European Semester should be the vehicle for pursuing this modernisation, and there will be a focus on maximising the performance of EU programmes, including by supporting forms of social innovation.

The 2015 mid-term review of the Europe 2020 strategy should contribute to forging a long-term vision for growth and reforms, steering Member States' social policies towards effective investment in and protection of human capital.

The 2013 social investment package highlights that we need to step up our social investments in human capital.

And it highlights that people need to be enabled to confront life's risks, rather than simply repairing the consequences. In all of this there is a key role for social policy innovation.

The Member States whose social welfare systems invest in people at all stages of life are those that have the most successful and competitive economies. They are the ones that have resisted the crisis best. Nonetheless, population ageing is putting the financing of social protection systems under high pressure. In everything we do, we must pay attention to quality and fairness. We must consolidate and improve the effectiveness of social protection, and step up the struggle against poverty.

Marianne Thyssen, Commissioner for Employment, Social Affairs, Skills and Labour Mobility, speech at the Annual Convention of the European Platform against Poverty and Social Exclusion, Brussels, 20 November 2014

Further information

Conference on social policy innovation	http://ec.europa.eu/social/main.jsp?langId=en&catId=88&eventsId=981&furtherEvents=yes
EaSI - General information	http://ec.europa.eu/social/main.jsp?catId=1081
EaSI: Call for proposals for social policy innovation supporting reforms in social services	http://ec.europa.eu/social/main.jsp?catId=629&langId=en&callId=408&furtherCalls=yes
DG Employment, Social Affairs and Inclusion, Social investment package	http://ec.europa.eu/social/main.jsp?catId=1044&langId=en
Social Innovation Europe	https://webgate.ec.europa.eu/socialinnovationeurope/home
Social Innovation – A decade of Changes	http://europa.eu/espas/orbis/document/social-innovation-decade-changes
Innovation Union	http://ec.europa.eu/research/innovation-union/index_en.cfm
Social Business Initiative (Strasbourg event on social entrepreneurship — 16 and 17 January 2014)	http://ec.europa.eu/internal_market/social_business/index_en.htm
Horizon 2020	http://ec.europa.eu/programmes/horizon2020
Guide for policymakers and social services providers on social policy innovation	https://webgate.ec.europa.eu/socialinnovationeurope/node/4694

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This document looks at the vital role of welfare systems in improving citizen well-being and looks at what needs to be done to address related challenges, including modernisation of systems. It answers the questions of why social innovation policy is important, who is involved in the process and the EU's role.

This publication is available in electronic format in English, French and German.

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