Leveraging Digital Social Innovation Perspectives from the IESI Knowledge Map

In this issue

This issue of the 'JRC Insights' discusses how ICT-enabled social innovation initiatives that promote social investment through integrated approaches to social services delivery can contribute to the policy objectives of the EU Social Investment Package.

Digitally-enhanced social service delivery can promote social investment. ICTs often play a game-changing role in the development of platforms that support innovative partnerships. Here, social challenges can be addressed by focusing on two objectives: (i) the modernisation of social protection systems in the EU Member States and, (ii) promoting experimental approaches to innovation-driven social investments.

Modernisation and experimentation in social protection systems has been revived by the emergence of a new type of business, private or not for profit, in the field of social services. These businesses explore or even co-create innovative financial instruments.

In particular, evidence gathered shows that ICT-enabled social innovation initiatives respond to the social needs of society or specific groups in society by facilitating co-creation and co-production processes. These processes enrich policy design with stakeholders' specific knowledge and competencies.

ICT-enabled social innovation initiatives have the capacity to identify emerging or unmet needs, engage stakeholders and turn their governance models into sustainable production processes. This aspect makes their contributions to social investment approaches particularly apt.

Highlights

- The evidence shows that ICTs have a strong potential for enabling integration across sectors and supporting public value creation.

- In most cases, the third sector, together with the beneficiaries of an initiative, lead the process of service integration through cross-sectoral collaboration.

- There is evidence that the roles of stakeholders which operate in social services provision are changing.

- There are new initiatives in which democratic citizenship and, more generally, active citizenship, are part of their value proposition and actual implementation

- Any redesign of social policy in Member States depends on active citizenship, which is seen as a pre-requisite for calibrating welfare provision mechanisms.

- ICT-based multi-partnerships and open collaborative processes may serve as tools to attract private investment through new inter-sectoral governance models.

- Initiatives involving various stakeholders in new service delivery mechanisms allow public resources to be used more efficiently.

- The emergence of new business models enabled by ICTs makes it important to study how the European Fund for Strategic Investment could be used to unleash social policy innovation for systemic reforms.

1. Policy context and background

The Social Investment Package (SIP), launched by the European Commission in February 2013, seeks to address the huge economic and societal challenges faced by EU Member States. It emphasises the importance of investing in *people* and designing social protection and welfare policies in a way that improves people's current and future skills and capabilities, and supports them throughout their lives so that they can participate fully in employment and society. At the same time, the SIP aims to guide EU countries in *modernising their social protection systems* and *improving their long-term sustainability*.

To support the implementation of the SIP, the Joint Research Centre, in partnership with the Directorate General for Employment, Social Affairs and Inclusion, engaged in a multi-year research project on "*ICT-enabled Social Innovation to support the Implementation of the Social Investment Package*" (IESI).

This issue of the 'JRC Insights' builds on the results of the analysis of the consolidated (2014-2016) mapping of ICT-enabled social innovation initiatives.

This enriches the picture provided by the existing knowledge base and the analysis presents evidence of how ICT-enabled social innovation initiatives that promote social investment through integrated approaches to social services delivery can contribute to the policy objectives of the EU Social Investment Package.

2. Mapping ICT-enabled Social Innovation Initiatives across Europe

2.1. Building the IESI Knowledge base

The consolidated IESI Mapping analyses 300 initiatives selected from a total Inventory of 613 initiatives. These were gathered over the course of the three- year project, and 565 of them operated in the EU.

In the consolidated IESI Inventory, almost 20% of the initiatives relate to social inclusion and participation, 16% to education and 13% to training and civic engagement. Initiatives involved in various areas of active and healthy ageing and long-term care make up 18.5% of the total, and initiatives addressing employability and employment 15%. Social assistance and social care represent less than 10% of all cases.

Considering the different welfare systems that prevail in different regions of Europe, most of the ICT-enabled social innovation initiatives in the Inventory operate in the larger clusters of

European countries, i.e. in Central and Eastern Europe (27%) and in Continental Europe (23%), followed by the Mediterranean area, the Anglo-Saxon System and the Nordic countries.
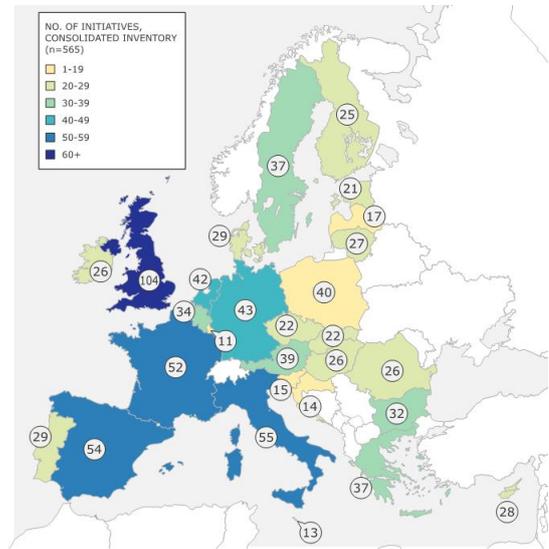

Figure 1 – Consolidated Inventory, 2014 to 2016 (n=565)

However, this ranking differs greatly in the IESI Mapping, where the Anglo-Saxon system is most represented (26%) followed by continental Europe (24%). The Nordic countries' system also has a higher share of initiatives in the Mapping than in the Inventory. In fact, the first 10 countries with the largest share of cases are all from Continental Europe and Nordic country systems.
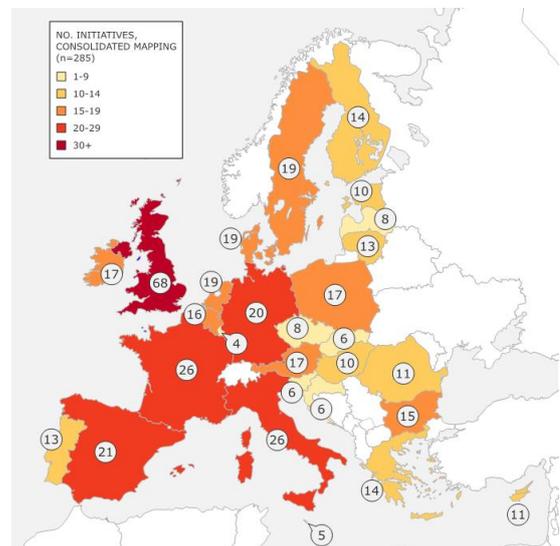

Figure 2 – Consolidated Mapping, 2014 to 2016 (n=285)

This shows that though more initiatives in Central and Eastern Europe were identified, they did not qualify for the Mapping in the same numbers as other areas.

This is directly related to the research design and the selection criteria adopted to promote the

2

initiatives from the Inventory to the Mapping stage, see the 'Methodological Note' below.

Therefore, the increased weight of Anglo-Saxon and Nordic welfare systems in the Mapping suggests that the evidence is stronger in those welfare systems which were identified as having a longer tradition of collaboration between the public sector and the third sector in the provision of social services and/or a more established culture of evidence measurement.

Taking a closer look at the analysis of the consolidated IESI Mapping, we note that the great majority of cases are about services - 76% - while systems and policies make up only 15% and 4% of initiatives respectively.

The predominance of services may mean that there is a gap between the implementation/action-oriented focus of third sector organisations, in particular social enterprises and private ventures, which altogether represent the largest part of the database, and the policy-oriented approach of public institutions.

The initiatives were classified according to the four dimensions of the IESI conceptual framework, which we refer to as the IESI Knowledge Map.

The IESI Knowledge Map analysis shows that ICTs seem to have considerable potential for enabling integration across sectors and supporting public value creation. It also shows that the most disruptive innovations are inter-sectoral and led mostly by third sector organisations. This confirms stakeholders' roles in this field are changing.

2.2. The Consolidated IESI Knowledge Map

✓ *Social innovation elements and ICT-enabled innovation potential*

An important dimension of the IESI conceptual framework is the one dealing with the *elements of social innovation*. According to these as defined in

the IESI research (Misuraca et al. 2015), the majority of initiatives are needs-driven and outcomes-oriented and the innovation process is open and oriented towards collaborative innovation networks.

The initiatives respond to the social needs of society or specific groups in society and engage the stakeholders directly, thus enabling them to participate in the co-creation and co-production process.

Moreover, in the case of social innovations which pursue public values, the involvement of the stakeholders represents a specific feature and an important strength. They focus on making an innovation appropriate, for instance by ensuring that it adds to the value of democratic citizenship, or addresses the multi-faceted needs of citizens.

Most of the initiatives use ICTs to initiate new services or improve existing ones, or create new mechanisms for service delivery which would be impossible without ICT, resulting in product or service innovation.

Also, a significant number of initiatives use ICTs to support, facilitate or complement existing efforts and processes to improve organisational mechanisms of services provision.

The introduction of this kind of innovation implies change at organisational, managerial, or governance/institutional level. The ICT innovation potential of the initiatives included in the knowledge map is therefore mainly disruptive or sustained.

✓ *Type of service integration and levels of governance of service integration*

In relation to the level of governance of service integration, the characteristics of social innovation initiatives are implemented mainly through inter-sectoral arrangements. In other words, service integration is organised as collaboration between stakeholders belonging to different sectors, led by the third sector and involving, in most cases, the beneficiaries.

This seems to confirm that the role of the stakeholders operating in the field is changing. It also points to the emergence of a large share of initiatives where public and third sector organisations collaborate in a consolidated manner through shared service delivery mechanisms and innovative partnerships models.

These initiatives make use of ICTs as the main tool for activating a network of partners and reaching out to their beneficiaries.

ICTs can sustain organisational reengineering and partnerships in service delivery, and also support disruptive and – albeit to a more limited extent – radical innovation. In this context, it seems that ICTs can achieve their full potential as game changers

The innovation potential of these initiatives is mainly disruptive. ICTs become increasingly embedded in the conception and innovation process of the services to the point that, in most cases, without technological integration, the provision of services would not be possible.

The analysis of the Knowledge Map shows the great variety of initiatives in terms of sectors of engagement, the ways in which they approach their respective remits and the use they make of ICTs. These initiatives display however a preferred mode of operation, which is clustered around inter-sectoral integration. Due to their social nature, the initiatives progress towards service integration by involving stakeholders, especially in service delivery.
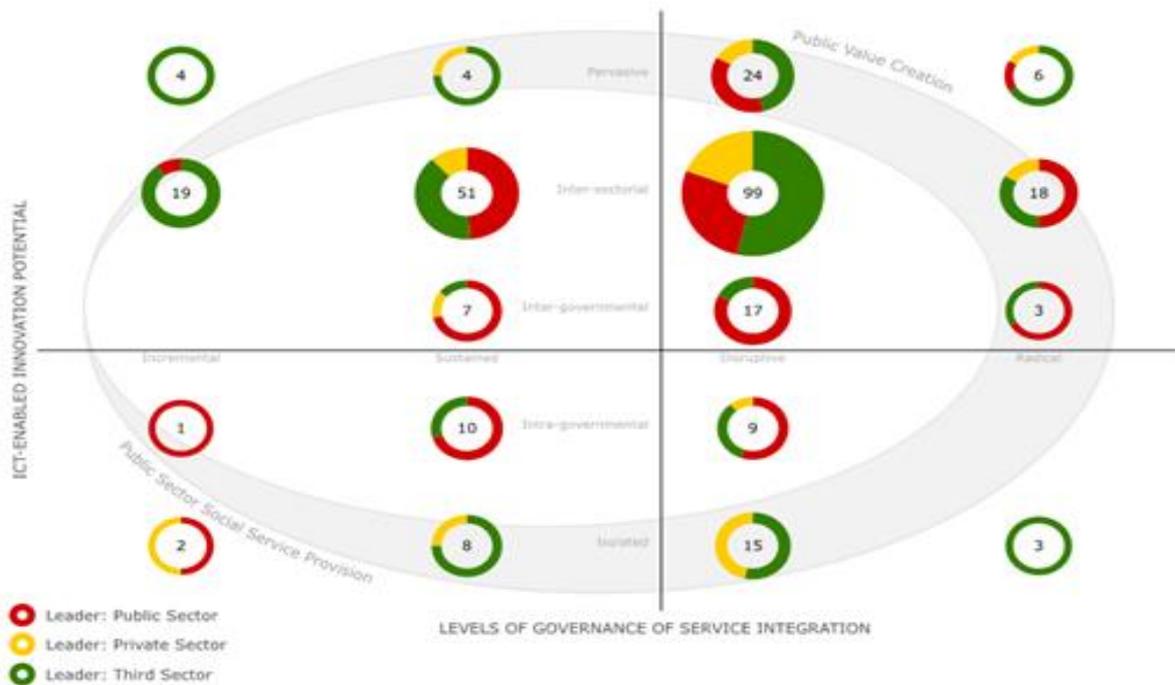
The analysis of ICT-enabled innovation potential and the level of governance of service integration provides indications of the strong potential that ICTs seem to have for enabling integration across sectors and supporting public value creation

Figure 3 – IESI Knowledge Map 2016 (n=300)

2.3. ICT-enabled Social Innovation initiatives and the Social Investment Package

In relation to the SIP objectives, 73% of the initiatives analysed in the mapping deal with active inclusion (investing in people's skills and capacities), 53% with investing in people throughout their lives, and 42% with social protection modernization.

Generally, third sector organisations lead the initiatives, followed by public institutions and private actors. Only 6% of the initiatives are not based on partnerships, and do not involve multi-stakeholders.

ICTs are being used primarily for social and active participation, networking and engagement in the local community. It is no surprise therefore that social networking technologies are the most used,

(followed by information and training platforms and e-services) and that ICTs are mostly used for interacting with users rather than for back-office management or case management.

The variety of services provided by the initiatives can be also appreciated when we look at the fact that many initiatives are designed to deliver more than one service, which can be considered a proxy for service integration.

The dynamism of this sector is indicated by the fact that a significant number of initiatives are not only active in more than one field but are also extending their remit to further target groups, geographical areas or even different sectors. This is helped, in some cases, by the initiatives' organisational models, which start small and are easily replicated in other contexts, capitalising on economies of scale and/or scope.

However, most of this dynamism is perhaps due to the relative youth of many of these initiatives (about half of them established after 2010). They are trying to make an impact and explore new areas of intervention or testing operative possibilities.

> *The innovation model followed is mainly based on the principles of open / democratised innovation, in which an important role is played by the third sector*

Perhaps the most important aspect is the role of the third sector, which adopts a user-centric perspective. The service provided not only aims to satisfy the needs of the beneficiaries but also involves the beneficiaries in the creation and development of the services.

Therefore, the variety of services and their degree of innovativeness, the diverse role of ICTs in the design and delivery of services and the complexity of governance in the integration of social services of general interest all need to be considered carefully in order to assess the impact of these interventions.

This is necessary to better understand the growing phenomenon of ICT-enabled social innovation, which has attracted the interest of a dynamic community of practitioners, experts, researchers and not least policy makers in recent years.

3. Updating the policymaker's toolbox for social change

The IESI research project was conceived precisely to contribute to the current debate on the modernisation of European social protection systems, by identifying, selecting and documenting promising or successful initiatives which could be scaled-up, replicated or transferred across the EU.

Modernising EU welfare systems to make them more sustainable, and investing in people's capacities throughout their lives while maintaining adequate levels of social protection is fundamental to achieving the ambitious social targets set by the Europe 2020 Strategy and stimulating long-term growth in Europe.

> *While there seems to be clarity on 'where to go', evidence gathered through the IESI research shows that what seems to be missing is rather 'how' to get there: social protection and social investment policies have not been able to counterbalance rising inequality so far*

Increased social investment, and better coordination and integration of economic and social policies among and across Member States is called for.

From this perspective, ICT-enabled social innovation can be seen as an opportunity to promote social investment through integrated approaches to social services delivery. ICTs often play a game-changing role in the development of platforms that support innovative partnerships.

ICT-enabled social innovation initiatives can support two objectives:

   1. The modernisation of social protection systems in EU Member States, which is a key priority on the EU agenda in order to achieve the targets set out in the Europe 2020 strategy.

   2. The promotion of experimental approaches / policies to facilitate effective implementation of innovation-driven social investment.

An important ally in achieving these objectives could be a new type of business that has emerged recently. These private or not-for-profit businesses are delivering social services and exploiting, or even co-creating innovative financial instruments. A general rethink of the relationships between this world and the banking sector is needed.

> *There is a need to explore how financial instruments can be co-funded by the European Social Fund to support the investment priorities outlined in the ESF Operational Programmes of Member States*

5

In addition, the rise of this new business model clearly highlights the need to consider how the new European Fund for Strategic Investment (EFSI) could be used when there is no market failure or no market at all.

In fact, the 'social economy' market is characterised by micro-social-enterprises or not-for-profit organisations that have no access to traditional financial mechanisms, or cannot guarantee investments beyond what is required for their day-to-day operations.

A combination of EFSI with ESF is required in order to support new business models in the social field, reaching out to target groups in need while respecting competition rules and leveraging private capital through innovative Public Private Partnerships

The intrinsic characteristics of ICT-enabled social innovation (multi-partnerships and the underlying open collaborative process) may make it a powerful catalyst for the modernisation of social protection systems.

It can serve as an instrument to attract private investment into welfare services through the establishment of new inter-sectoral governance models. It can also be a way of using available public resources more efficiently through the involvement of various stakeholders in innovative service delivery mechanisms, and of renewing social policy design and implementation.

At the same time, initiatives have emerged that consider democratic citizenship and more generally, active citizenship, a foundational value of European society. Active citizenship is seen as a pre-requisite for debating the needed redesign of social policies in Member States. This is especially important in the context of the debate on the European Pillar of Social Rights. Here, difficulties

may arise in re-orienting the policy arena in light of the institutional path-dependency and the complexity that prevails in this field.

European welfare systems are confronted with the challenging issue of calibrating the past and the future, or in other words, 'juggling' already acquired rights and supporting innovation in the welfare systems that would provide a fairer 'intergenerational divide'.

The well-known resistance to most of the re-calibration attempts in EU Member States confirms the need to support the trend toward 'opening up' access to finance for micro-social enterprises and third sector organisations. This is a crucial aspect of emerging social impact investment. Innovative financial instruments could be integrated into the portfolio of EU cohesion policy for regional and territorial development.

Future research will need to target further initiatives at the regional and local level, especially at city level or neighbourhoods within cities. A local focus of this kind would allow us to study 'local ICT-enabled social innovation ecosystems' to understand the dynamics across sectors, and identify the factors which enable innovation and social change.

6

Read more

Misuraca G., Kucsera C., Pasi, G., Gagliardi, D., Abadie, F., *Mapping and Analysis of ICT-enabled Social Innovation initiatives promoting social investment across the EU: IESI Knowledge Map 2016*.

Misuraca G., Colombo C., *ICT-Enabled Social Innovation in Support of Public Sector Reform: the Potential of Integrated Approaches to Social Services Delivery to Promote Social Investment Policies in Europe*. ICEGOV 2016: 163-172

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