

EUROPEAN UNION



Committee of the Regions



The EU's Assembly of Regional and
Local Representatives



Subsidiarity Monitoring
Network

SUBSIDIARITY MONITORING NETWORK ACTION PLAN

Working group "Social Innovation"

Background note

June 2010

1. Objectives and organisation of the working group

The purpose of the working group on "Innovation" – organised within the framework of the 1st Action Plan of the CoR Subsidiarity Monitoring Network – is to foster a dialogue between the group's participants on the best ways to implement EU policies aiming at promoting social innovation at local and regional level. Difficulties in decision-making, institutional and structural bottlenecks and limitations, and issues pertaining to funding of initiatives can be the topics of discussion. Ultimately, the goal of this dialogue would be to identify and highlight possible examples of best practices which can be showcased within the CoR Subsidiarity Monitoring Network and be of use to politicians, policy makers and practitioners in Europe.

Regarding the group's organisation, the leading partner will coordinate its work and will be responsible for the production and drafting of the final report. This will include setting a schedule for its activities which is acceptable to all parties; organising/hosting any meetings with the rest of the partners, if need be; submitting the final outcome of the working group in the form of an analysis report; and presenting the analysis report during a forthcoming subsidiarity conference.

The work of the working group will include a preliminary exchange of information between the partners and the leading partner regarding the state of play of the subject matter; the identification of case studies for best practices; the description and presentation of the case studies among the partners; drawing conclusions from the case studies presented in order to assess the possibilities for social innovation in the EU and to make policy suggestions.

Finally, the conclusions of the working group will take the form of an **analysis report** that will **describe the state of play** of social innovation regarding the implementation of future EU legislation and proposed new policy initiatives; **analyse the subject matter in terms of subsidiarity** and multilevel governance; present a range of **best practices**; draw **conclusions** from the case studies presented and suggest possible **policy actions**.

The CoR Subsidiarity Unit will act as a secretariat for the working group, especially by supporting it in its work and by providing it with the relevant information. The CoR is also willing to host any further meetings of the group.

2. Social Innovation

As stated during the BEPA workshop held in January 2009¹, "social innovation is about new and effective solutions to pressing social needs, created by individuals or organisations with a social, and not necessarily a commercial, imperative. Social innovators are prepared to try something different, to provide an effective solution and leave behind new and sustainable capabilities, assets or opportunities for wider social change. It is an asset in responding to the large and complex social challenges that we need to deal with: global warming; sustainable cities; lifting people out of poverty; improving education and health systems; new models of social care for ageing populations.

Social innovation can concern conceptual, process- or product-related change, organisational change or changes in financing, and can deal with new relationships with stakeholders and regions. It seeks new answers to social problems by: identifying and delivering new services that improve the quality of life of individuals and communities; identifying and implementing new labour market integration processes, new competencies, new jobs and new forms of participation, as diverse elements that each help improve the position of individuals in the workforce.

Social innovations can therefore be seen as dealing with the welfare of individuals and communities, both as consumers and producers. The elements of this welfare are linked with their quality of life and activity. Wherever social innovations appear, they always bring about new references or processes. Social innovation aims to improve the welfare of individuals and communities through employment, consumption or participation, its expressed purpose being therefore to provide solutions for individual and community problems.

There are several concepts that can be included and studied in the framework of social innovation, for instance:

- Corporate Social Responsibility
- Corporate Social Innovation
- Public innovation
- Springboard innovation
- Social entrepreneurship

¹

http://ec.europa.eu/dgs/policy_advisers/activities/conferences_workshops/socinnov_jan-2009_en.htm

- Social intrapreneurship

Owing to its very nature, social innovation is a policy domain where the subsidiarity principle is especially relevant. In fact, as we have already mentioned, social innovation can involve a very wide range of areas where competences are shared between different tiers of administration and these must dovetail neatly if the projects are to be successful.

Due to the novelty of the concept, subsidiarity considerations are even more important in an EU context, since the new proposals by the European Commission will have to comply with this principle in the near future. This can be seen as an opportunity to reflect on and define a common basis for the application of the subsidiarity principle in this policy domain.

3. Legal and political context at EU level

The Renewed Social Agenda, adopted by the European Commission in June 2008, created an opportunity to include social innovation as a way to generate new solutions, to connect with citizens and to promote a better quality of life.

As underlined by the Lisbon Agenda, Europe's success will depend on its ability to innovate on many fronts, including services, the public and non-profit sectors; small entrepreneurial organisations; and through new forms of organisations tackling social issues.

Some of the most important sectors for growth and social issues are those that straddle the public and private sectors and therefore require very different models of industry and technology policy. We can cite for instance the health sector, or education. In both sectors boosting productivity and keeping up with public expectations appear to be crucial, while social innovation can be a valid response to the challenges ahead.

It remains to be seen how Europe 2020 develops social innovation and if it is able to go beyond its third priority "inclusive growth" and also consider social innovation under its priority "smart growth". It is also interesting to underline the importance of multilevel governance and the role of local and regional authorities within this policy domain, where they are an essential element in ensuring the coordination and full implementation of all European initiatives to be undertaken in the future.

In conclusion, this is an excellent juncture to reflect on the possibilities that social innovation offers Europe as a way of exiting the economic crisis while improving social welfare.

4. Some questions to prepare the kick-off meeting in Bilbao

Finally, we would like to present some questions in order to better prepare the working group's kick-off meeting. These questions have been kindly provided by the leading partner and could help to focus the debate and the work of the working group. They mostly refer to Corporate Social Responsibility (CSR), one of the main aspects of social innovation. CSR is concerned with ensuring that companies conduct their business in a way that is ethical. This

means taking account of their social, economic and environmental impact, and considering human rights. It can involve a range of activities such as:

- Working in partnership with local communities
- Socially responsible investment (SRI)
- Developing relationships with employees and customers
- Environmental protection and sustainability

Proposed questions to focus the debate during the round table:

- Does the region have established targets for promoting Corporate Social Responsibility in the medium and long-term?
- Are there parliamentary or government-inspired objectives on developing and implementing CSR policies?
- Is there any body in the region to coordinate and align all CSR initiatives?
- Are there any studies covering the potential and opportunities of the new sustainable and ethical business models?
- Are there any measures, activities or campaigns focusing on raising corporate awareness of CSR? Are there any measures focusing on raising awareness among consumers?
- Is there any CSR indicator system in the region to evaluate the assessment and the development of its implementation?
- Is there any system to control and evaluate CSR at regional level?