

# EUROPEAN POLICY BRIEF

## SOCIAL INNOVATION IN EMPLOYMENT



This policy brief on Social Innovation of Employment informs on an inventory of challenges and practice fields based on the Policy Field Report Employment and on policy foresight and recommendations based on the first round of Policy Foresight Workshops, one of them was held in the domain of Employment.

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### INTRODUCTION

Unemployment (1) remains the main **challenge** in the Employment domain at European and Global level. In Europe, especially the unemployment of youth and NEETS, long term unemployed, and vulnerable groups such as disabled, immigrants and low skilled represent a major issue. **Practice fields** of social innovation to combat these unemployment challenges are job search support and job matching, training and education, social entrepreneurship, and improving working conditions and working environments. Other European employment challenges are (2) to enhance labour force participation of the elderly, women and disabled persons, (3) to modernize and improve the performance of public employment services, (4) to enhance the quality of work and innovation capacity, and, (5) to limit gender inequality.

Practice fields of social innovation to stimulate employment by combating these challenges are to **improve working conditions and environment** (for challenge 2 and 5), **social entrepreneurship** (2 and 4), **job search support and matching** (2) and **workplace innovation** (3 and 4). At the **global level** the unemployment rates are higher outside the Western world. There is a more severe mismatch of skills on non-Westerns labour markets, which are transforming from agricultural to industrial economies. In these countries an overabundance of low-skilled workers is present. Unemployment challenges in these parts of the world are associated with low income and poverty. A final challenge to mention is the relatively high rates of informal employment in Eastern/Southern Europe, Central America, and in South and South-East Asia.

In relation to the challenges **the EU** has a relatively high unemployment rate (i.e. compared to G20 countries), a small informal sector, the quality of work is relatively high (regarding the ILO indicators of working poor, people in vulnerable employment and labour productivity), and a relatively high educated labour force. This is reflected in the relevant practice fields. At the global level we studied China, Russia and Turkey. China and Turkey focus on the education of the large

numbers of low skilled and unskilled workers, whereas in the EU fighting youth unemployment is the main challenge. Employing vulnerable groups, stimulating (social) entrepreneurship, and women participation is a practice field in the EU as well as in Turkey, China and Russia, even though the size of the challenges differs.

Apart from the challenges and practice fields there is a **general challenge** as well concerning social innovation itself. In the field of employment, namely, the term social innovation is not regularly applied. Employment is a policy topic that is being dealt with by the 'usual suspects' to a large extent: politicians, policy makers, employers' organisations, unions, dedicated governmental organisations, educational and social insurance institutions, etc. Seeing social innovation, in SI-Drive, as largely a bottom up movement that inspires communities and organisations to help solving social issues, it can be observed that the term is hardly used in this policy domain. The extra challenge, thus, is to push social innovation forward as a means to improve employment issues in addition to what the usual suspects are doing already, and to make this visible.

## EVIDENCE AND ANALYSIS

A first round of '**policy foresight workshops**' have been held on the social innovation policy domains of SI-DRIVE. For the policy domain of employment this had led to a number of inspiring results. In this workshop, drivers, ambitions and barriers related to social innovation in employment were discussed.

In a **first step** the **most important drivers** were captured and discussions held on how these might change over time. The economy, and in relation to that, technology are the most important drivers of change. Obviously, economic growth or economic decline determines a lot to what extent employment is problematic or not. For technology it is not so obvious, as technology can both kill jobs and create new work. Jobless growth is a viable option for economies, but less for its lower skilled working populations.

The future of work will nonetheless be more digital. **Digitalisation, robotics and increasing automation** require digital skills, cognitive competences (abstract thinking) and being able to use and communicate via social media. These technologies cross the boundaries of time and between work and private life. This demands flexibility. At the same time the global workplace changes rapidly. Activities and capital shifts across continents. This requires resilience and lifelong learning of employees or communities being affected by such developments, in particular. New trends affecting work and employment are manifold. Two are to be mentioned here: first, the 'maker movement' that focuses on 'repairing', fixing and re-using products. Second, the **emergence of 'small economies'** and bottom-up D.I.Y. producer-consumer communities. These developments will create new markets with new jobs, tasks and exchange of services. We can see these developments both in advanced and in less thriving economies, where it helps to realize social activation and relieving social needs (e.g. in Greece as a whole, but also in many urban areas). In a **second step** the workshop captured (alternative) ambitions with regard to **the role and future of social innovation** in employment. Of the mentioned identified five practice fields (in the Policy Report Employment) the most important are expected to be 'job search support and matching' (focusing on youth employment, elderly, lower educated and migrants), and 'social entrepreneurship' because these will affect target groups that have the severest task to be employed. Besides these two, it is expected that 'workplace innovation' will gain relevance, because how companies organize work and technology will affect the number and type of jobs to a very large extent.

Less important practice fields will be 'working conditions and work environment' (which will be given less attention than employment because of a lower urgency). This is however especially the case in richer economies where these conditions are relatively good already. But in less developed economies there is still much to win in these practice fields. 'Training and Education' will remain an important practice field, because the economy changes continuously and knowledge and skills are a key to competition economic survival and welfare.

With regard to ambitions of social innovation in employment it was discussed **what kind of social innovations are likely to prevail in the practice fields**. It seems that employment, as a topic, is and will largely remain to be government-led, because the government is the main actor who

purposefully acts to enhance citizens' participation in general. Further, social partners will play a dominant role as well, resulting in the fact that employment policy is being led by both government and social partners. Several other actors may play important roles but limit themselves to specific target groups that they are representing (political parties, unions, sectoral organisations, interest group organisations, etc.). An overlooked issue is that employment concerns (other issues than unemployment) are 'solved' by actors who take an entrepreneurial role. Today we face the emergence of many start-ups and self-employed workers (especially in the Netherlands) who are non-related to 'social innovation in employment', because they take own initiative and, in doing so, prevent social problems (i.e. being unemployed). We expect a growth of such do-it-yourself 'entrepreneurialism'. This will reduce the inactivity and unemployment of a large number of persons.

The workshop also discussed **how the practices of social innovation applied could change these practice fields**. Assuming that the role of government will be reduced (due to decentralization and austerity measures), there might be a shift to individualisation (do-it-yourself initiatives), community initiatives (interest groups organizing themselves), and social entrepreneurship / charity / voluntary work. This could stimulate the growth of a certain type of jobs, namely, those that are not full time, more flexible, and with variable pay. It could, from a positive perspective, also imply more 'freedom' and job crafting for workers, resulting in a stronger focus on societal participation next to labour participation.

Employment issues are expected to vary across EU regions, but a common aspect is that labour must help companies to be more or to remain competitive: in West and North Europe labour participation will depend highly on high skills / innovativeness and intrapreneurship; in East Europe, Balkans and Baltics labour participation depends on cheap labour and high skills / craftsmanship; in South of Europe labour participation depends on high skills, flexibility and lowering costs.

A third issue discussed during the workshop was **what future barriers to social innovation can be expected, and what are potential enabling factors**. Future barriers are mostly related to legal restrictions which are hampering flexibility ('bureaucracy'). A second factor is the diminishing means to invest in skills and in innovation. Governments have to cut expenditures and this affects such investments. Third, there are always non-planned developments, so called externalities. One of those externalities is the present refugee crisis. This crisis requires huge investments (housing, care, education etc.) which cannot be spend in alternative ways, and thus possibly affects social innovation in all domains. Mirroring the barriers, one could state that enabling factors are of an opposite stance, namely taking away rules and regulations and make the political choice to subsidize social innovation initiatives.

## POLICY IMPLICATIONS AND RECOMMENDATIONS

A major issue for policy should be the question about **scaling of social innovation**, either as scaling up or as scaling out. Scaling could have advantages as well as disadvantages. Positive effects of scaling up or scaling out could be that social innovations can get 'contagious', which means that they will be copied if they are working well. Apart from the fact that social innovations can be copied, they can also have side-effects related to other policy domains. Becoming employed / preventing unemployment, for example, has positive effects on other domains, such as poverty, education, housing, economic consumer behaviour, etc. Social activation gets a head start and social cohesion will improve by such social innovations. In short, there will be less societal costs, and more public and social revenues. No negative effects of upscaling are foreseen, although the possible growth of the informal economy, for example, may act as a double-sided sword. On the one hand a growing informal economy helps persons to earn money for subsistence and it, perhaps, reduces the stress on social security costs. It is an important part of any economic system. But on the other hand the informal economy may bear social risks as well. Apart from crime, one can think of growing socio-economic inequality, human exploitation and missing tax incomes for the state (to innovate, for example).

A political issue is what **policy options may foster social innovation and avoid its marginalization**. Earlier studies on social innovation report that social innovations (in general) are

frugal, non-sustainable, and highly dependent on good organizing and leadership. What this social innovation brittleness asks for is professionalization of innovators and societal embeddedness of developed social innovations in order to avoid incidental successes. There is a need to lay a foundation for sustainable social innovation. Institutionalisation could be such a way.

### **Policy recommendations**

Some of the drivers for social innovation could be addressed to policy makers, such as facilitate innovators instead of making bureaucratic regulations against such initiatives, create smart financing, taxes or subsidies to give innovators a jump start and offer means and a platform to apply technologies that connect people, projects and organisations.

What social innovators themselves can do (better) is to ensure that the people involved are owners of their problems and solutions, and that they work on evidence-based results as this is more sustainable.

But the most important recommendation is to make a stronger case for social innovation in this policy domain. There are almost only the usual suspects (i.e. government, social partners) doing their usual thing (labour market related policies, social security back-ups and educational training schemes, and so on). What is needed is to get out-of-the-box: for example, by involving starting entrepreneurs, by co-innovating crossovers with other policy domains (like education or smart cities), or by not focusing on unemployment but on employment and entrepreneurship.

### **Conclusions**

Social innovation of employment is still “too much employment policy” instead of bottom up, sector-crossing and community driven initiatives that create jobs and work. Maybe social innovation in employment is too much a limitation related to paid work, instead of crossing-over to other policy domains that together stimulate social cohesion and participation. It is also an indication that we need to clearer assess what social innovation is and what it is not in this field.

For the upcoming round of the policy workshop we may want to reverse the assignment/question: design social innovations that have high chances for success and sustainability. Important drivers are likely institutional embeddedness, openness to change and renewal, resilient capabilities to effectively deal with change, setbacks, and unexpected turns and pursue and maintain a holistic view on social participation to make employment innovations useful and meaningful.

From a policy perspective social innovation is paradoxical. First, policy makers want to know how to get a grip on social innovation, but social innovation is at the same time unplannable (e.g. bottom up initiatives that are initiated by non-policy agents). Second, social innovations may help to solve social issues by social means, but successful and sustainable social innovations seem to be in need of subsidy-providers, institutions, and policy-support to get scaled up or out. Producing a policy brief about a subject that seems to inherently oppose policymaking, governance and institutions is awkward. What kind of innovation are we dealing with? The conclusion is: we do not understand it yet.

Strangely, in the field of employment the most influential drivers are economic and technological, causing much dynamics and change, and, consequently, the need of employees and unemployed to optimize their resilience in order to successfully cope with these dynamics. Social innovation practices could help in this regard, or even stronger, they are badly needed. But to institutionalize social innovations as sustainable social change seems even more paradoxical than align social innovation with policy briefing. The main target for social innovation of employment might eventually be to enhance the resilience capabilities without shifting social risks to individuals solely, because that would be in contradiction with the European Social Model. In short, the task is ours to manage seemingly contradictory situations.

## **RESEARCH PARAMETERS**

**Social Innovation – Driving Force of Social Change**”, in short **SI-DRIVE**, is a research project aimed at extending knowledge about social innovation (SI) in three major directions:

- Integrating theories and research methodologies to advance understanding of social innovation leading to a comprehensive new paradigm of innovation.

- Undertaking European and global mapping of social innovation, thereby addressing different social, economic, cultural, historical and religious contexts in eight major world regions.
- Ensuring relevance for policy makers and practitioners through in-depth analyses and case studies in seven policy fields, with cross European and world region comparisons, foresight and policy round tables.

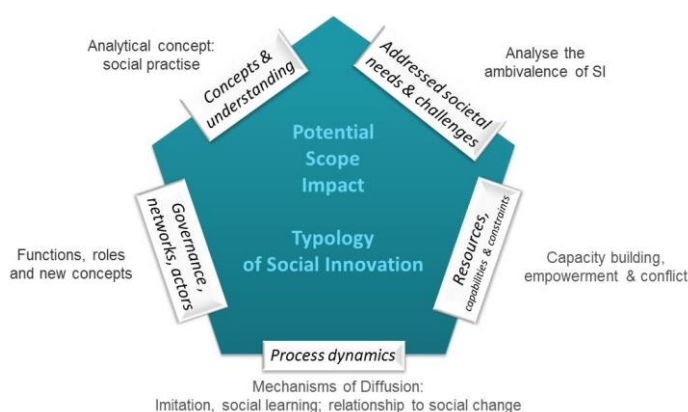
SI-DRIVE involves 15 partners from 12 EU Member States and 10 partners from all continents, accompanied by 13 advisory board members, all in all covering 30 countries all over the world.

Research is dedicated to seven major policy fields: (1) Education (2) Employment (3) Environment and climate change (4) Energy (5) Transport and mobility (6) Health and social care (7) Poverty reduction and sustainable development.

The approach adopted ensures cyclical iteration between theory development, methodological improvements, and policy recommendations. Two mapping exercises at the European and the global level are carried out in the frame of SI-DRIVE: Initial mapping captures basic information of about 1000+ actual social innovations from a wide variety of sources worldwide, leading to a typology of social innovation. Subsequent mapping will use the typology to focus on well documented social innovation, leading to the selection of 70 cases for in-depth analysis in the seven SI-DRIVE policy areas. These case studies will be further analysed, used in stakeholder dialogues in seven policy field platforms and in analysis of cross-cutting dimensions (e.g. gender, diversity, ICT), carefully taking into account cross-sector relevance (private, public, civil sectors), and future impact.

Up to now five key dimensions (summarised in the following figure) are mainly structuring the theoretical and empirical work:

The outcomes of SI-DRIVE will cover a broad range of research dimensions, impacting particularly in terms of changing society and empowerment, and contributing to the objectives of the Europe 2020 Strategy.



## PROJECT IDENTITY

<b>PROJECT NAME</b>	SI-DRIVE - Social Innovation: Driving Force of Social Change.
<b>COORDINATOR</b>	Antonius Schröder, Jürgen Howaldt, Technische Universität Dortmund, Germany schroeder@sfs-dortmund.de
<b>CONSORTIUM</b>	Technische Universität Dortmund – Sozialforschungsstelle (Social Research Centre) - TUDO -, Dortmund, Germany (Coordinator) Applied Research and Communications Fund – ARCF -, Sofia, Bulgaria Australian Centre for Innovation - ACIIC -, Sydney, Australia Austrian Institute of Technology – AIT -, Vienna, Austria Bertha Centre for Social Innovation and Entrepreneurship, University of Cape Town – UCT-, Rondebosch Cape Town, South Africa Brunel University – UBRUN -, London, United Kingdom Centre de recherche sur l'innovation sociale, Center for research on social innovation University of Quebec - CRISES -, Montreal, Canada Corporation Somos Más - SOMOSMAS -, Bogota, Colombia Heliopolis University - HU -, Cairo, Egypt Istanbul Teknik Universitesi - ITU –, Istanbul, Turkey Institut Arbeit und Technik / Institute for Work and Technology, Westfälische Fachhochschule Gelsenkirchen – IAT -, Gelsenkirchen, Germany

Institute of Socio-Economic Development of Territories of the Russian Academy of Sciences - ISEDT RAS -, Vologda, Russian Federation  
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LABORATORIJ ZA DRUSTVENE INOVACIJE UDRUGE, social innovation lab - SIL -, Zagreb, Croatia  
Lama Development and Cooperation Agency - LAMA -, Florence, Italy  
Netherlands Organisation for Applied Scientific Research – TNO -, Leiden, The Netherlands  
Ryerson University - RU -, Toronto, Canada  
Tata Institute of Social Sciences - TISS -, Mumbai, India  
The Young Foundation – YF -, London, United Kingdom  
United Nations Economic Commission for Latin America and the Caribbean - ECLAC -, Santiago de Chile, Chile  
Universidad de la Iglesia de Deusto / University of Deusto - UDEUSTO –, Bilbao, Spain  
University Danubius Galati - UDG -, Galati, Romania  
Zentrum für Soziale Innovation / Centre for Social Innovation Vienna – ZSI -, Vienna, Austria  
Zhejiang University Hangzhou - ZJU -, Hangzhou, China (People's Republic of)

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#### FUNDING SCHEME

FP7 Programme for Research of the European Union – Collaborative project Socio-economic Sciences and Humanities SSH.2013.3.2-1 Social Innovation – empowering people, changing societies?

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#### DURATION

January 2014 – December 2017 (48 months).

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#### BUDGET

EU contribution: 4 888 551.20 €.

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#### WEBSITE

[www.si-drive.eu](http://www.si-drive.eu).

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#### FOR MORE INFORMATION

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Contact Policy Field Employment: Peter Oeij

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#### FURTHER READING

SI-DRIVE Policy Briefs on Social Innovation in Employment, Environment, Energy Supply, Transport and Mobility, Health and Social Care, and Poverty Reduction and Sustainable Development <http://www.si-drive.eu/?p=1934>  
Scoppetta, Anette: Compilation of State of the Art Reports on Policy Fields, SI-DRIVE Deliverable 3.4 ([http://www.si-drive.eu/wp-content/uploads/2015/06/D3.4\\_Compilation-report\\_policy-fields\\_30062015.pdf](http://www.si-drive.eu/wp-content/uploads/2015/06/D3.4_Compilation-report_policy-fields_30062015.pdf))  
SI-DRIVE Newsletter ([http://www.si-drive.eu/?page\\_id=333](http://www.si-drive.eu/?page_id=333))