



**Skåne**  
European  
Office

## **Seminar on the Social Economy and Innovation**

**10 April 2013**  
**Meeting report**

Region Skåne together with the Social Economic Network in Skåne organised a seminar on the social economy and innovation on 10 April 2013. Over 60 participants joined the event which was held at the Swedish Permanent Representation to the EU. The aim of the morning seminar was to present the agreement on civic participation between Region Skåne and the third sector and to explore how different forms of cooperation between public authorities and civil society can support and foster social innovation. Other important objectives were to gain an understanding of the European Commission initiatives in the field of social innovation, learn about financial instruments and funding opportunities and networking. The seminar was divided into three parts with three speakers per block.

**Ariane Rodert** member of the European Economic and Social Committee moderated the seminar and gave an introduction to the policy area. She stressed the importance to link social innovation, social economy enterprises and cooperation agreements between public, private and civil society sectors. Awareness building at EU level of challenges facing the social economy but also of opportunities presented by the sector is important.

The agreement on cooperation between Region Skåne and the third sector in Skåne along with an introduction of Skåne and the Social Economic Network was presented by the first three speakers; **Pontus Lindberg**, Chair of the committee on regional growth, **Mats Werne**, coordinator Social Economic Network and **Birgitta Södertun**, Chair of the subcommittee on public health.

This was followed by a panel discussion linking the regional experience of Skåne to the European policy framework and initiatives with **Agnes Hubert**, Bureau of European Policy Advisers, **Aurelio Fernandez Lopez**, DG Employment, Social Affairs and Inclusion and **Peter Baeck**, NESTA a UK based independent charity with a mission to help organisations bring ideas to life.

Lastly three models in support of social entrepreneurship and innovation were presented. **Beñat Egaña** presented the German incubator IQ Consult. **Ines Belus**, Head of the EU office of Languedoc-Roussillon introduced the work of her region in this field and **Dominique Verté**, adviser to the Flemish Minister for Innovation, Public Investment, Media and Poverty Reduction explained the Flemish approach to a social innovation policy.

Buzz words and key concepts from the day included the need for an attitude change within all sectors of society to facilitate the uptake of social innovation. A systemic change was requested where all the partners should be involved including the public and private sector as well as the civil society. Lack of financing and public procurement, calling for more flexible models were some of the challenges mentioned. Public contracts are usually not accessible to the civil society today. The organisations within the civil society are usually too small to react to public procurement.

Lindberg explained the functions of Region Skåne and the committee on regional growth. Skåne, the southernmost cultural and administrative region of Sweden, is located east of Copenhagen across the Öresund strait. Politically, Region Skåne is one of 20 first-level administrative divisions of Sweden. It has the right to collect income tax (10,39% flat rate) from the citizens of Skåne. The first-level administrative divisions of Sweden administrate public health care and public transport, but along with a number of other regions of Sweden, Region Skåne is also responsible for regional development. It decides on strategy for regional development and growth and allocates funds from the European and national level.

The structure of Skåne's civil society was described by Werne. More than 50% of Skåne's population is involved in the third sector, in activities such as culture, sports, politics, outdoor activities, etc.

21000 associations, foundations and cooperatives form what is Skåne's civil society, out of which the majority (14000) are voluntary associations.

The term *Social Economy* refers to organised activities that have a primarily societal purpose and builds on democratic structures and values, organisationally independent of the public sector. Their activities are primarily of benefit to their members or society and not primarily profit-driven.

The Social Economic Network in Skåne (*Nätverket Social Ekonomi*) is a trade association for a number of regional and local non-profit organisations. It is active in lobbying, intelligence work, knowledge development and monitoring the development of the third sector.

In 2010, the chairmen of Skåne's Regional Executive Committee and the Social Economic Network in Skåne signed an agreement, which was also confirmed by the Region's highest decision-making body the Regional Assembly, into action. Its *purpose* is to create a long-term sustainable Skåne by strengthening the interaction between the public sector and the third sector – and through that also strengthen democracy, increase participation and reduce isolation. Södertun spoke about Region Skåne's experiences from the agreement and discussed the goals and reasons for signing the agreement. The main *aims* of the agreement are to strengthen the third sector's independent and autonomous role as opinion-former and to develop its scope as an important player within welfare development. The inspiration to create the agreement came from a public sector-third sector agreement signed at the national level of Sweden. Facing a number of challenges such as youth unemployment, deteriorating school performance, integration of immigrants, low tax revenues/declining public resources and public health problems such as health inequity and a worrying rate of bad mental health among young people, it was a natural to seek new solutions and new ways to take on the problems.

For a long period of time the Triple Helix of the public, private and academic sector as the adequate method to achieve growth and prosperity has been stressed. However, more and more scholars and other agents are no longer considering the Triple Helix to be the only solution to society's problems. The model of the Penta Helix, including both the third sector and the individual social entrepreneur, is gaining influence as a method to obtain sustainable development and a more resilient society.

The vision of the agreement is that the civil society of Skåne should be a powerful natural actor that contributes to the overall public welfare on equal terms along with society's other actors in a vigorous Skåne characterised by growth, power of attraction, balance and buoyancy.

When it comes to starting and developing a public sector-third sector agreement, Södertun's main advice to the participants at the seminar, was to let it take its time. Developing an agreement takes a long time. The developing process is as important as the agreement itself. In Skåne, the work was started in June 2009 and the agreement was not signed until a year later.

When signing an agreement it is important to design the framework to work within. The agreement is based upon a series of fundamental values, formulated in six principles: Autonomy and independence, dialogue, quality, continuity, transparency and diversity. Cooperation between Region Skåne and the third Sector in Skåne is characterised by respect for the Third Sector's important role in society. The third Sector helps to give people knowledge, self-confidence and power to influence both society and their own lives. A good working relationship between the public sector and the third Sector can contribute to increased public health, welfare, employment, new entrepreneurs and innovations and is of central importance to a sustainable regional development. It is important to stress that the main purpose of the agreement is to open up for increased participation and decreased isolation – *NOT* to reduce costs or save money for the public sector.

An action plan consisting of nine concrete actions has been formulated: Support for local agreements, initiatives relating to development and social enterprises, support structures for social entrepreneurship, develop forms of voluntary work, increase knowledge regarding public procurement, develop models for strengthened teamwork and early consultation, develop cooperation on integration, support knowledge development and research and arranging an annual regional forum primarily focusing on one of the eight previously mentioned actions.

The actions are carried out through a structure with a working group consisting of five members from the Region Skåne bureaucracy and five members from the third sector. It has the commission to carry out the planned actions and at regular intervals report to the steering committee. It is important to mention that there is no budget or resources linked to each action – instead every action carried out must find its own money from different sources, depending on the focus of each action. This means that sometimes the co-operation can connect to already existing initiatives on the national or the regional level, and for other actions start from scratch with a brand new project. The only resources that exists in the starting phase are resources needed for running the administration, contributed by Region Skåne.

Hubert mentioned two recent publications that show how important social innovation is among EU policy makers. Firstly, the Social Business Initiative, a package of measures introduced by the Commission in October 2011, which aims to support social entrepreneurship and responsible business by creating a favourable climate for these enterprises, key stakeholders in the social economy and innovation. Secondly the report entitled “Empowering people, driving change: Social innovation in the European Union” was published by BEPA in 2010 in light of Europe 2020, the growth strategy of the EU. These findings were also used in the preparation of the Social Business Initiative. There is an increased awareness at the EU level that more attention to the social economy can help steer Europe out of the current economic crisis.

Hubert explained that social innovation can be defined into three broad categories. The first one responds to pressing social needs not addressed by the market and usually directed towards vulnerable groups in society. The second category refers to the addressing of societal needs, a broader level of concern which is directed towards society as a whole. Thirdly is the systemic level which refers to changes in attitudes and values, organisational structures and processes or methods.

Baeck from NESTA was asked to give his impression of the Skåne model and responded that they work a lot on this in the UK. There are many untapped resources of knowledge and assets in the third sector but one of the main challenges is the size of the organisations. There are many people active in the third sector but usually in very small organisations. He gave three examples of areas which need to change:

1. Change in mind set: In order for civil society organisations to be able to provide services and participate in public procurement there is a need for a change in the general mind set.
2. Clear business models: The third sector must work on presenting more clear-cut and distinguishable business models on the one hand and public authorities must show an attitude change on the other hand.
3. Work force culture: A joint understanding between differences in work force culture should be promoted.

Fernandez Lopez presented the work in this area from the perspective of DG Employment. Similarly to Hubert he mentioned the Social Business Initiative and added the two main stumbling blocks of procurement and finance. He continued to explain the Commission proposal for an EU Programme for

Social Change and Innovation (PSCI). It is an instrument to be managed directly by the Commission, in support of employment and social policies across the EU. It is part of the Commission's proposal for the EU regional, employment and social policy for 2014-2020. The PSCI will integrate three existing programmes: Progress (Programme for Employment and Social Solidarity), EURES (European Employment Services) and the European Progress Microfinance Facility and extends their coverage, especially microfinance for social entrepreneurship. He added that this will lead to more synergies and better correlation between the different programs.

Fernandez Lopez also made some advertisement for a conference taking place in Strasbourg 16 and 17 January 2014 with the title: [Social entrepreneurs: have your say! – Empowering social entrepreneurs for innovation, inclusive growth and jobs](#). The objective is to take stock of the implementation of the Social Business Initiative.

He further spoke about the objectives of the recently published Social Investment Package which gives guidance to Member States on more efficient and effective social policies in response to the significant challenges they currently face. It is an integrated policy framework which takes account of the social, economic and budgetary divergences between Member States. It focusses on:

- Ensuring that social protection systems respond to people's needs at critical moments throughout their lives. More needs to be done to reduce the risk of social breakdown and so avoid higher social spending in the future.
- Simplified and better targeted social policies, to provide adequate and sustainable social protection systems. Some countries have better social outcomes than others despite having similar or lower budgets, demonstrating that there is room for more efficient social policy spending.

One of the objectives of the social investment package is to enable and broaden the partnership between public authorities, the private and third sector.

In the context of the European Commission's annual growth survey and the European Semester, member states have been asked to report on social innovation implementation policies which show a new awareness of this policy area both at the national and EU level. Social innovation has also been recognised in the main financing instruments like Horizon 2020 and the Structural Funds. It is important and relevant at this time to ensure that programming reflect this new awareness. The EU has identified some opportunities and it is now a challenge for the member states to bring these back home Fernandez Lopez added.

In answering the question what is needed in terms of EU institutions support Baeck responded political space. Organisations must be given the chance to grow and incubators are good instruments. He also gave the example of social impact bonds, developed in the UK, as a successful innovative financial tool. Rodert stated that there is a political momentum now with social innovation being on the EU agenda facilitating an ecosystem across Europe. It is important to seize the momentum.

The open panel debate was followed by three speakers presenting different models in support of entrepreneurship and innovation. Benat Egana presented IQ Consult based in Berlin with offices in Hamburg and Munich. It was founded in 1994 and it works as an agency for social innovation developing projects in the range of start-up advice, social entrepreneurship, regional development and cultural consulting. Egana explained the concept of inclusive entrepreneurship where, everyone, even those living under disadvantaged circumstances should have the opportunity to consider starting their

own business. Therefore, IQ Consult works with models or target group specific support systems. Within the field of business start-up advice, IQ consult has developed the following projects for special target groups: enterprise (start-up advice for young unemployed people), enterability (helping people with disabilities to become self-employed) and a project on start-up advice for migrants. Social entrepreneurship can be defined as a specific form of entrepreneurship, which is directed towards developing innovative solutions for social problems. The social entrepreneurs are not driven by the market and expected returns, but by tackling social problems. IQ Consult works on improving the general conditions for and the dissemination of Social Entrepreneurship with their projects.

Ines Belus presented the work being done in the French region of Languedoc-Roussillon in the area of social innovation. A social economic strategy was developed in 2004 which includes support in the form of:

1. Support to creation of enterprises and development through direct aid (grants) and indirect aid (loans, guarantees) to facilitate access to investment and the recruitment of executives.
2. Social economic networks structuring focusing on capacity building in terms of economic development.
3. Creation of a set of facilities fostering social innovation: the social innovation chain REALIS.

REALIS is an active network for social innovation which includes the incubator Alter 'Incub. 75 jobs will have been created by June 2013 along with 130 business plans and 14 enterprises. REPLIC is a cooperative society of collective interest which includes 9 cooperatives. COEPTIS is a business school for social entrepreneurs. COVENTIS is a fair with the next one taking place in May which aims to develop markets through inter-commercial agreements with enterprises. REALIS is a business incubator and the key structure linking all the parts of the social innovation chain. It is located near Montpellier and houses both office space and regional business support network. Investments have been made both through funding from the ERDF and from the Region.

Dominique Verté presented Innovation Centre Flanders, a policy introduced by the Flemish Government in the field of social innovation. He said that it is important that innovation is challenge driven in order to tackle the great social and economic challenges we are currently facing. A systemic change is needed. Six multidisciplinary innovation hubs or flagships have been created:

Transformation through innovation (industrial innovation)  
Eco-innovation  
Green mobility  
Green energy  
Healthcare innovation  
Social innovation

The operational definition of social innovation is every innovation that is structurally focused on the completion of a social need and that introduces a new or significant better product, service, process, marketing method or organisation model.

A project call was recently published for a seedbed for social innovation in Flanders in order to prepare for the Social Innovation Factory. The Social Innovation Factory is a non-profit organisation funded by the government agency for Innovation by Science and Technology (IWT) with a budget of 12 million Euro for a three year period. The Social Innovation Factory will be launched in June 2013. The main purpose is to support social entrepreneurs and social innovation in finding new solutions for

major societal challenges in Flanders. The target group includes civil society organisations, social entrepreneurs and associations incorporating shared social values, with the support of knowledge institutions and the government. The board of directors is composed of 1/3rd entrepreneurs; 1/3rd civic society organisations; 1/3rd government. The call is now closed and 166 bids were received. The call aims at a broad scope of supportive social innovation, with a focus on social and economic challenges and community driven projects. Projects that prove to be feasible and sustainable can receive further support and can be continued in the Social Innovation Factory, but they must be sustainable without public financing in the end.

To close the seminar the speakers were asked to give a concluding remark summing up their impressions from the morning. Pontus Lindberg commented on how important it is to think outside the box and that the morning introduced him to interesting solutions across Europe. Birgitta Södertun mentioned that one of the challenges public authorities face is the restriction of an annual budget cycle and that it is imperative to look at alternative funding solutions. Dominique Verté commented that it is not enough putting a policy framework in place but that action in the field is necessary. Ines Belus mentioned the word cooperation as the single most important aspect of social innovation. Benat Egana said that IQ Consult is doing actions but more cooperation is indeed needed. Mats Werne summarised that the morning gave a picture of what is being done but that it is now important to bring home what Skåne can learn. He concluded by commenting “What happens next?”. Peter Baeck said that social innovations in Europe should reach out and Ariane Rodert gave the recommendation to capture solutions.