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08 October 2026

Innovative Social Investment: Strengthening communities in Europe

InnoSI Working Papers

The Role of Social Economy in Three Social Investment Policy Fields

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Introduction

The main aim of this Report is to give an overview of the role Social Economy organizations in supporting, reinforcing, implementing, social innovations initiatives (projects, programs, pilot, etc.) at the local and /or regional level (micro and meso) in the context of welfare reforms aimed to implement the "social investment approach". More specifically, this report investigates the role of social economy in three main social investment policy fields: a) support for early childhood development, b) support for parents' labour market participation, c) policy measures to address social and labour market exclusion.

We consider the ten European countries that are in the InnoSI project. For each country and policy field, we analyze and discuss the main strengths, weaknesses, opportunities and threats of both Social Economy and Social Innovation.

Section 1 is dedicated to analyze and understand the evolution of the meaning (economic, politic, social and cultural dimensions) of the term "Social Economy" following the processes of change that the institutions of the European Union faced in the last two decades. We analyze different narratives, moving from "social economy" to "social enterprise" to "social business", with a progressive trend towards the use of more "business or market-like" terminology (means) to the detriment of the collective dimension (ends) of this kind of organizations and initiatives.

In Section 2, we investigate the role of social economy in the three abovementioned social investment policy fields and we further analyze and discuss the main strengths, weaknesses, opportunities and threats (SWOT analysis) of Social Economy and Social Innovation for each country and (when possible) for each policy field.

In Section 3, we propose a preliminary classification of the InnoSi countries on the basis of the degree of social innovation and the level of recognition of social economy organizations, and we provide some concluding remarks. We explain the methodology used to collect the information in the ten European countries under consideration in the Annex 4.

1. Social Economy framework in ten EU countries

1.1 From "welfare state" to "social investment state"

The so called "Social Investment Package" consist of two main documents of the European Commission (and a series of Staff Working Documents[1]):

a) a Communication "*Towards Social Investment for Growth and Cohesion",* COM (2013) 83[2];
b) a Recommendation "*Investing in Children: breaking the cycle of disadvantage*", C(2013) 778[3]

and it provides a policy framework for redirecting Member States' policies towards social investment throughout life.
Together with the European Parliament resolution on *Social Investment Pact* (20 November 2012)[4] it encourages the Member States to pursue the modernisation of their social protection systems, ensuring their effectiveness, adequacy and sustainability.

In this institutional framework a central role is assigned to actors outside the public sector. As it is stated in the following sentence:

> "Private and third sector resources to complement public efforts.
> Resources for social policies are not limited to those from the public sector. A non-negligible part comes from people and families. In addition, non-profit organisations provide social services on a substantial scale. These range from homeless shelters, support for the elderly, people with disabilities, to advice centres on social benefits in general. Social enterprises can complement public sector efforts, and be pioneers in developing new markets, but they need more support than they are receiving now. The for-profit parts of the private sector would need to be further encouraged to use the potential of social investment through, for instance, a healthy and secure social and working environment. This is not limited to Corporate Social Responsibility alone and includes for example on the job training, in-house childcare facilities, health promotion and accessible and family-friendly workplaces." (COM (2013) 83, p. 5)

Later on the Communication propose a definition of Social Economy and Social enterprises:

> "The **social economy**, also referred to as the 'third sector', refers to non-government actors such as community organisations, voluntary organisations, and social enterprises that undertake activities for social benefit.
> **Social enterprises** are businesses with primarily social objectives, and where surpluses are usually reinvested into the business or in the community, rather than maximising profit for owners and shareholders." (COM (2013) 83, p. 5)

[1] From SWD (2013) 38 – to SWD (2013) 44.
[2] European Commission, "*Towards Social Investment for Growth and Cohesion* – including implementing the European Social Fund 2014-2020", COM (2013) 83 Final, Brussels, 20.03.2013
[3] European Commission, "*Investing in children: breaking the cycle of disadvantage*", C(2013) 778 final, Brussels, 20.02.2013
[4] European Parliament resolution of 20 November 2012 on *Social Investment Pact – as a response to the crisis* (2012/2003(INI)

Another very important driver for the modernization of the welfare systems of the Member States and toward the adoption of a "social investment" approach in their social policies is the **Social Innovation**. As stated in the following sentence:

> "Enabling individuals to live up to their full potential to take part in social and economic life in society entails supporting people at critical junctions in their lives. This starts with investing in children and youth, and continues thereafter. Social innovation must be an integral part of necessary adjustments by testing new policy approaches and selecting the most effective ones." (COM (2013) 83, p. 8)

Moreover the Communication recognizes and underlines the interlocking relationship between social economy, social enterprises and social innovation:

> "Innovation is an essential element of social investment policy since social policies require constant adaptation to new challenges. This means developing and implementing new products, services and models, testing them, and favouring the most efficient and effective.
> Social policy innovators need an enabling framework for testing and promoting new finance mechanisms, for instance, and measuring and evaluating the impact of their activities.
> Social policy innovation needs to be upscaled, embedded into policy making, and connected to priorities such as the implementation of Country Specific Recommendations, including through the use of the ESF.
> Social enterprises together with the third sector can complement public sector efforts, and be pioneers in developing new services and markets for the citizens and public administrations, but they need skilling and support. It is important for Member States to provide social entrepreneurs with support schemes, incentives for start-ups and put in place an enabling regulatory environment." (COM (2013) 83, p. 11)

This key role of civil society actors in implementing social investment policies is officially affirmed in the following recommendation:

> "The Commission urges Member States to:
> - Develop concrete strategies for social innovation, such as public-private-third sector partnerships, ensure adequate and predictable financial support, including microfinance, and provide for training, networking and mentoring in order to support evidence-based policies. Fully take advantage of ESF, ERDF, EAFRD, EIF and PSCI funding opportunities to do this and to scale up successful projects. Prioritise social policy innovation in the implementation of relevant CSRs and report this through the NRPs;
> - Support social entrepreneurs by providing incentives for start-ups, and their further development, by expanding their knowledge and networks and providing them with an enabling regulatory environment in line with the *Social Business Initiative* and the Entrepreneurship 2020 Action Plan;
> - Explore and develop innovative ways of securing additional private financing for social investment, for instance through public private partnerships." (COM (2013) 83, p. 12)

Given the above mentioned regulatory eco-system at the European level concerning social economy, social enterprises and social innovation, in this section we would like to analyze and illustrate the evolution of the meanings and of the political attitudes towards the first two terms. This evolution that follows the

enlargement of the European Union[5] from the EEC (Rome treaty 1957; in effect on 1st January 1958) through the EC (Maastricht treaty 1992, in effect on 1st November 1993) to the EU (Lisbon treaty 2007; in effect on 1st December 2009). The topic of social innovation will be the argument of the next section of the Deliverable.

1.2 From "Economie Sociale" to "Social Economy"

"*Social Economy*" is the English version of the French phrase "*Economie Sociale*", the label was used in France from the half of the 1800 century in order to indicate a group of collective actors whose aim is to pursue the interest of their members and in so doing to contribute to the achievement of the general interest of the society as a whole. The term has witnessed a diffusion in the French speaking area of Canada (Quebec) and in South America, due to the activity of several cooperative leaders, religious organizations and also to the influence of some French scholars and intellectuals.

Traditional French social economy is composed by four families of actors: cooperatives, associations, mutual societies and (later on) foundations.

Recently, in France, the label has been modify in "économie sociale et solidaire" (Social and Solidarity Economy), with the intention of enlarging the traditional social economy type of actors in order to include more innovative and "bottom up" (informal) type of initiatives and forms of activities, for instance work integration social enterprises (WISE) and proximity service delivering organizations. The European definition of social economy is based on the French traditional concept.

In May 2002, the European umbrella for the four main social economy categories of actors: CEP-CMAF (European Standing Conference of Cooperatives, Mutual Societies, Associations and Foundations), during a meeting in Salamanca approved the so called *European Chart of the Social Economy*[6]. The Chart states:

> "The organisations of the social economy are economic and social actors active in all sectors.
> They are characterised principally by their aims and by their distinctive form of entrepreneurship.
> The social economy includes organisations such as cooperatives, mutual societies, associations and foundations.
> These enterprises are particularly active in certain fields such as social protection, social services, health, banking, insurance, agricultural production, consumer affairs, associative work, craft trades, housing, supply, neighbourhood services, education and training, and the area of culture, sport and leisure activities" (European Chart, 2002)

[5] The European Union was born the 1st November **1993** with 12 Member States. Their number rose today to 28 through a series of subsequent accessions:
EU-12 (Nov. 1, 1993 - December 31 1994): Belgium (BE), Denmark (DK), France (FR), Germany (DE), Greece (EL), Ireland (IE), Italy (IT), Luxembourg (LU), Netherlands (NL), Portugal (PT), Spain (ES) and the United Kingdom (UK);
EU-15 (1 January 1995 - 30 April 2004): EU-12 + Austria (AT), Finland (FI) and Sweden (SE);
EU-25 (May 1, 2004 - December 31 2006): EU-15 + Cyprus (CY), Czech Republic (CZ), Estonia (EE), Hungary (HU), Latvia (LV), Lithuania (LT), Malta (MT), Poland (PL), Slovakia (SK) and Slovenia (SI);
EU-27 (1 January 2007 - 30 June 2013): EU-25 + Bulgaria (BG) and Romania (RO);
EU-28 (July 1, 2013): EU-27 + Croatia (HR).
The six founding countries of the European Community, which preceded the formation of the Union, established by the Treaty of Rome in 1957 were: Belgium, France, Italy, Luxembourg, the Netherlands and the Federal Republic of Germany (West Germany). In 1973 Denmark, Ireland and the United Kingdom joined the Community leading to 9 Member States. The accession of Greece in 1981 has brought to 10 the number of members, that number rose to 12 in 1986 also when Spain and Portugal joined the Community. In 1990 the reunification of Germany also led the former Democratic Republic of Germany (East Germany) joined the Community.

[6] http://www.cresspaca.org/upload/contenu/ess/charte-europeenne-de-l-economie-sociale.pdf

"These companies are distinguished from the private for profit corporations by their specificities related to common characteristics, including:

• the primacy of the person and the social objective over capital
• voluntary and open membership;
• democratic control by members;
• the conjunction of the interests of users, members and the general interest;
• defense and implementation of principles of solidarity and responsibility;
• management autonomy and independence from government;
• the bulk of the surplus is to the pursuit of sustainable development goals, of services to members and of the general interest." (European Chart, 2002)

"The social economy:

- Is based on the principle of solidarity and the commitment of people in a process of active citizenship;
- Generates quality jobs and a better quality of life and provides a framework adapted to new forms of business and work;
- Plays an important role in local development and social cohesion;
- Is socially responsible;
- Is a factor of democracy;
- Contributes to the stability and pluralism of economic markets;
- Responds to strategic priorities and objectives of the European Union: social cohesion, full employment and the fight against poverty, participatory democracy, better governance, sustainability..." (European Chart, 2002)

Furthermore, according to CEP-CMAF, the success of enterprises in the social economy cannot be measured solely in terms of economic performance, which is nonetheless necessary to the achievement of their goals in terms of mutualism and solidarity, but must above all be gauged by their contributions in terms of solidarity, social cohesion and social capital.

In the last 30 years the social economy sector has entered a phase of institutionalisation and public recognition within the EU. On the other hand, in recent years this trend has been in some way slowed down, and currently the sector is facing several difficulties in getting due recognition and support (Noya and Clarence 2007). This situation challenges the possibility of expansion of the sector and its capacity to overcome the obstacles limiting its growth.

In 1989 the Commission published its first Communication to the Council on "Social economy enterprises", which recognises the specificity of social economy enterprises and their role in the internal market.

In order to foster the development of the sector, in the same year, a Social economy unit was created (Unit 4) within **DGXXIII (Directorate General for Small and Medium Enterprises**). In this period several European conferences of social economy were periodically organized, patronized by the European Commission. They represent an important occasion for meeting and raising awareness on the sector. In the following year the activities of the Social Economy Unit adapted to the changing priorities of the Community.

In 2000, following the reform of the Commission, DGXXIII became part of the bigger DG Enterprises (GROWTH - http://ec.europa.eu/growth/index_en.htm) and Social economy was taken over by the Unit E3

(Crafts, Small Enterprises, Cooperatives and Mutual Societies). The Unit is focused principally on the "enterprise aspects" of cooperatives, mutuals, associations and foundations.

The main tasks of the Unit are the following: to promote the knowledge and visibility of the sector and to develop links with public officials responsible for the regulation and development of the social economy in the Member States. The Unit acts in consultation with the representative organisations of cooperatives, mutuals, associations and foundations.

The umbrella organization representing the social economy at the European level (former CEP-CMAF) is now called **Social Economy Europe** (http://www.socialeconomy.eu.org).

Moreover, since Social economy, and especially social enterprises, is a major actor of employment and social inclusion policies, also the DG (EMPL) *Employment and Social Affairs* (http://ec.europa.eu/social/home.jsp?langId=en) is directly involved.

The visibility and the recognition of the Social and Solidarity Economy has also been supported by the theoretical work of several scientific associations and international research networks such as CIRIEC, EMES and ISTR[7]. Each of them has a different and original approach to the social economy and Third Sector organizations, nevertheless in recent years the opportunity of fruitful exchange and confrontation between them have increased greatly.

1.3 From Social Economy to Social Enterprise[8]

The first half of the 2000's, under the European Commission Presidency of Romano Prodi (September 1999 - November 2004) was a very tough but exciting period. Three main political and economic events occurred, worth mentioning:

a) The adoption of the common currency[9];
b) The enlargement of the Union to ten Eastern European Countries[10];
c) A wide and deep reform of the European governance (Constitution for Europe)[11], both from a political and administrative point of view.

[7] CIRIEC: International Center of Research and Information on the Public, Social and Cooperative Economy, www.ulg.ac.be/ciriec ;
EMES: Research programme on the emergence of social enterprises in Europe, www.emes.net ;
ISTR: International Society for Third Sector Research, www.istr.org .

[8] The term Social Enterprise was introduced in the public debate in Italy at the end of the 1980s by the so called "social and solidarity cooperative" movement. The main national umbrella organization of these peculiar type of cooperatives (inspired by a "solidarity principle" and not by the "mutual principle" as the traditional cooperatives) Federsolidarietà, through its national Consortium CGM, starts to publish a journal named "Impresa sociale" (Social enterprise, indeed). Nowadays the journal is online http://www.rivistaimpresasociale.it/ .

[9] The euro (EUR or €) is the common currency of the European Union official (as a whole). Currently it is adopted by 19 of the 28 EU Member States participating in the *Economic and Monetary Union* of the European Union (EMU), namely: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.
The official birth of the single European currency took place on 1 January 1998, with a statement of the Council of European Ministers. The debut of the euro on financial markets dates back to 1999, while the circulation of money had actually start on 1 January 2002 in the twelve EU countries that first adopted the new currency.

[10] EU enlargement in 2004 was the biggest enlargement of the EU in one fell swoop both in terms of area and population, but not as an increase of gross domestic product. Acceptances simultaneous involved the following ten countries: Cyprus (CY), Czech Republic (CZ), Estonia (EE), Hungary (HU), Latvia (LV), Lithuania (LT), Malta (MT), Poland (PL), Slovakia (SK) and Slovenia (SI); Bulgaria and Romania fail to meet the criteria imposed by the European Commission in 2004 and subsequently joined the EU in 2007. Brussels also considers these two countries part of the fifth enlargement.

[11] On 29 October 2004 took place in Rome the ceremony (broadcast live throughout Europe) of the signature of the Treaty establishing a Constitution for Europe. They have signed the Constitution the Heads of State, or Government, of the 25 European Union countries and their foreign ministers. The European Constitution formally "Treaty establishing a

As far as the "Social Economy" narrative and key words, this period was characterized by the emergence and the progressive diffusion of the term "Social Enterprise". Due also to the influence that several publications[12] of the European Research Network EMES had in these years.

In February 2009 the European Parliament approved the "Resolution on Social Economy" - the so called "Toya Report" (from the name of the Italian MP Patrizia Toya who present it)[13].
The Resolution is structured in a Preamble and 7 Section (48 articles/paragraphs).

Preamble (contains 12 points = Letter A-L);
Section 1 – General Remarks (contains 5 paragraphs = 1-5);
Section 2 – Recognising the concept of the social economy (contains 4 paragraphs = 6-9);
Section 3 – Legal Recognition: European statutes for associations, foundations and mutual societies (contains 5 paragraphs = 10-14);
Section 4 – Statistical Recognition (contains 2 paragraphs = 15-16);
Section 5 – Recognition as Social Partner (contains 1 paragraph = 17);
Section 6 – The Social Economy as a key operator for fulfilling the Lisbon Strategy objectives (contains 16 paragraphs = 18-33);
Section 7 – Resources needed to achieve the objectives (contains 15 paragraphs = 34-48);

Following we present some extracts from the Resolution that we think can give the reader a quite clear overview of the approach underlined and the general philosophy adopted by the European Parliament voting the Resolution.

See Annex 1

It is clear from the above articles that the Resolution is referring to a conceptual framework and is adopting a political language that was still inside the so called "Social Market European Model" of relationship of the main actors of the economic, political and civil arena: private enterprises, public authorities and social economy organizations. It was adopted the last year of the first mandate of José Manuel Barroso presidency (2004-2009). But the general mood had already changed, the new-liberal economic thought was the mainstream now, a new wind was blowing across Europe, as we will see in the next paragraphs, and the attitude of the European institution toward the social economy changed dramatically during the second Barroso term (2009-2014).

1.4 From Social Enterprise to Social Business Initiative

Indeed in October 2011 The European Commission adopt the Communication 682, so called "Social Business Initiative" [14]. Let us analyse some extracts Form the Communication in order to understand the key principles of the new approach.

See Annex 2

Constitution for Europe" was a draft revision of the Treaties founding the European Union, drawn up by the European Convention in 2003 and finally abandoned in 2009 following the ratification of the stop imposed by "no" to referendum in France and the Netherlands. Several innovations included in the Constitution have been adopted by the "Treaty of Lisbon", which entered into force on 1 December 2009.

[12] Borzaga C. and Defourny J. (2001) (edited by), *The Emergence of Social Enterprise*, Routledge, London and New York. And few years later: Nyssens M. (2006) (Edited by), *Social Enterprise. At the crossroads of market, public policies and civil society*, Routledge, London and New York.

[13] http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P6-TA-2009-0062+0+DOC+PDF+V0//EN

[14] European Commission, "*Social Business Initiative - Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation*" COM (2011) 682 Final, Brussels, 25.10.2011

In the final part of the Communication the Commission proposes an action plan to support **social entrepreneurship** and **social innovation** in Europe. The action plan consist of eleven key actions articulated in three main chapters: 1. Improving access to funding (key actions 1 to 4); 2. Increasing the visibility of social entrepreneurship (key actions 5 to 8); 3. Improving the legal environment (key actions 9 to 11).

As we can easily realize the language is completely different from the one used in the Resolution analysed in the previous paragraph. The key terms now are: "promote a highly competitive social market economy"; "social enterprises"; "social innovation"; "new solutions to societal problems"; "provide innovative responses"; "social impact"; "entrepreneurial and innovative fashion"; "managed in a responsible manner"; "commercial activities".

But the truly real innovation was the introduction ("invention"?) of the term "social business" never used before in an official document by European institutions. For the present study, of particular interest is the three fold typology of "social enterprises/social businesses" stated by the Communication.

Respect to the longstanding tradition of the social economy sector the most problematic one is the first typology: "those [businesses] for which the social or societal objective of the common good is the reason for the commercial activity, often in the form of a high level of social innovation"; because in this definition there is no reference neither to the limited distribution of profit nor to the democratic structure of the ownership. The latter being the two pillars of the traditional social economy organizations (together with the social aim).

	Social Economy	Nonprofit sector	Third Sector	Social Enterprises
Cooperatives	√			√
Social Cooperatives	√		√	√
Mutuals	√			√
Associations	√	√	√	
Foundations	√	√	√	√
Private for profit corporations with a social aim				√

Tab. 1.1 – Typology of organizations by legal status in the different narratives (approaches)

We are facing here a blurring of the boundaries between actors (see Table 1) that historically have played a quite different role for the society as a whole: the private business initiatives (corporations, firms) whose main aim was to create economic wealth and the social economy organizations (associations and cooperatives), whose aim was, and has always be, to produce "relational" or "merits" good, to generate social capital in the community and to reinforce the democratic fabric of the society throughout the participation of the most vulnerable people.

1.5 Back to the Future?

The year 2014 can be considered as a landmark for the EU attitude toward Social Economy. Indeed during this year two huge (and somehow quite opposite) events took place. The first one can be considered as the last initiative undertaken under the José Manuel Barroso presidency of the European Commission (2004-2009; 2009-2014) whereas the second one represents the first public event on the topic under the new presidency of Jean-Claude Juncker (November 2014 onwards).

We are referring to the event "Empowering Social Entrepreneurs for Innovation, Inclusive Growth and Jobs" held in Strasbourg on 16th and 17th January 2014 and to the Conference organized under the Italian semester of presidency of the EU "Unlocking the Potential of the Social Economy for EU Growth", held in Rome on 17th and 18th November 2014.

Both of them have draft a Declaration known respectively as the "Strasbourg Declaration"[15] and the "Rome Strategy"[16], which represent two quite different views of the role, function, tasks, duties and rights of the Social Economy in the EU.

The Strasbourg Meeting represents, so to say, the "end of a cycle". As it is clear from the extract below the language of the "Declaration" is still in the new-liberal mainstream, and the key words are patently "business-like" or "market-like" terms.

> "**Social enterprises** are recognised as a vehicle for social and economic cohesion across Europe as they help build a pluralistic and resilient social market economy. Building on the strengths of a long social economy tradition, **social entrepreneurs** are also drivers of change, creating innovative solutions to the big challenges that face us today. Acting in the general interest, they create jobs, provide innovative products and services, and promote a more sustainable economy. They are based on values of solidarity and empowerment; they create opportunities and hope for the future.
>
> Social enterprises come in many shapes and sizes and take different legal forms across Europe. As stated in the Commission's Social Business Initiative(SBI1), they have the following common characteristics:
>
> - Earning income by trading;
> - Having a social or societal objective of the common good as the reason for their economic activity, often in the form of a high level of social innovation;
> - Profits being mainly reinvested with a view to achieving this social objective;
> - A method of organisation or ownership system reflecting their mission, using democratic governance or participatory principles or focusing on social justice.
>
> Social enterprises offer a model for 21st century business that balances financial, social, cultural and environmental needs. Social entrepreneurs are agents of change, as individuals and groups who are passionate about improving the lives of people and communities."

In this document the main actor is the "*social entrepreneur*" who act as an "agent of change"; and the narrative is one defined by the terms:, "resilient economy", "drivers of change", "innovative solutions", "social innovation", "empowerment", "opportunities" "passionate".

The cultural and political dimension of the traditional social economy discourse disappeared, there is only a very soft reference in the preamble: "Building on the strengths of a long social economy tradition…" .

Moreover social entrepreneurs are individuals (even if the document states that they can be also "groups") described as "passionate about improving the lives of people" and able to "create opportunities and hope for the future". Whereas the subject of the social economy was a "collective actor", meaning a group of people gathering together for the pursue of a "collective interest" (and, as byproduct, the amelioration of the "general interest") and the basic principle (logic) of action was the mutual collaboration of the organization's members (usually in the form of "association"); here the protagonist is an individual (social entrepreneur), or

[15] http://ec.europa.eu/internal_market/conferences/2014/0116-social-entrepreneurs/docs/strasbourg-declaration_en.pdf .
[16] http://www.lavoro.gov.it/Priorita/Documents/Rome%20strategy_EN.pdf .

a very small group of people (social enterprise), who starts an economic activity ("earning income by trading") the only reference to the "social" is given by the "social or societal objective of the common good as the reason for their economic activity", that is a quite generic statement.

Any reference to a "different model of production" of goods and services (in comparison to the capitalistic one) is lost, and the same happened to any emancipation yearning.

But again the picture was changing suddenly and the era of the neo-liberal thought was coming to an end, even if it will take several years before this awareness will became common in the majority of the economic, political, social and cultural actors of the society.

The Rome conference, on the other side, can be considered as the beginning of a "new cycle".
Since the vocabulary "Rome Declaration" adopts is a completely different point of view compared to the "Strasbourg Declaration".

> "On the occasion of its Presidency of the EU Council, the Italian government took the opportunity to promote a dialogue between **social economy organisations**, national and local governments, and European institutions – a dialogue that in recent years has seen a plurality of actors working to define and promote the role of the **Social Economy** for European growth.
>
> The conference "**Unlocking the Potential of the Social Economy for EU Growth**", held in Rome on the 17th and 18th of November 2014, seized the opportunity provided by the beginning of the new European Parliament's and European Commission's mandate in order to identify the areas of intervention deemed necessary by the varied actors who have worked to promote the spread and strengthening of the Social Economy as a key driver of economic and social development in Europe.
>
> This was done by building on the momentum of the Strasbourg Conference held in January 2014, on the Social Business Initiative published by the European Commission in 2011, on the European Parliament's Resolution on the Social Economy of 2009 and the work of the European Parliament's Social Economy Intergroup, on the comprehensive work carried out by the European Economic and Social Committee over the past 10 years, and on the activities of working groups like the GECES and the G7 Task Force on Social Impact Investing.
>
> This was of course also made possible by the irreplaceable efforts of the social economy actors themselves, their representative organisations, and by the research centres and networks that study this specific area of socio-economic life."

The language utilizes the typical jargon of the longstanding history of the social economy movement: in the five page document (even the length is significant, and style of writing is more argumentative and not "bullet point" style as the previous one) the term "social entrepreneur" is never mentioned, and the term "social enterprise" is mentioned only once in a 1600 words document!

In the Preamble the political and institutional dimension of the social economy organizations are strongly underlined and several references to political institutions are mentioned. Specifically the role of the "European Parliament" (and it is expressly cited the "Social Economy Intergroup" that bring together more the 200 MPs from all the political positions) and of the "European Economic and Social Committee" is stressed.

Among the official documents voted by the European Institutions on the topic, it is worth noting that it is quoted the European Parliament's Resolution on the Social Economy of 2009 (the so called "Toya Report"), reference that disappeared in the more recent declarations.

We would like to conclude this paragraph with another quotation from the "Rome Declaration" from which it is clear that the plurality of forms and legal status that characterizes the organizations belonging to

the Social Economy sector share a common feature, meaning the fact that they are: "organisations based on the primacy of people over capital"; element that was definitely not clear in the "social entrepreneur" / "social entrepreneurship" conceptual frame.

Moreover the main families of the social economy movement are mentioned again in a very clear and sharp way: "this universe includes organisational forms like cooperatives, mutuals, foundations and associations"; whereas the reference to the "social enterprise" form is only secondary: "as well as newer forms like social enterprises".

> "The discussion that took place at the Conference highlighted in particular the extent to which the Social Economy, despite being composed of a plurality of organisational forms each with their own history and specificities based on the diverse national and historical contexts, is indeed an area with clear common characteristics, brought together by the goals it pursues. Indeed, the term "Social Economy" refers to a universe of organisations based on the primacy of people over capital. Their aim is providing goods, services or jobs to their members or to the community at large with a long-term perspective, with the participation of members-stakeholders in the governance of the organisation, and through the reinvestment of profits in their mission. This universe includes organisational forms like cooperatives, mutuals, foundations and associations, as well as newer forms like social enterprises, in the various meanings that this term takes on in different cultural and geographic contexts.
>
> "Social Economy" is thus an expression that unites a large and rich variety of entities that contribute to pluralism in markets around the world and underlines the particular attention that these organisations pay to the economic and social dimension of their activities. In fact, social economy organisations generally adopt working methods based on cooperation and reciprocity, and as such they are characterised by democratic governance and transparent models that are able to guarantee the participation of a wide array of key stakeholders in society (producers, consumers, users of services, workers, communities, parents, account holders, etc.). Their governance structure generates trust in those that participate in their activities - a fundamental condition for the survival and future development of the European social model."

After this historical excursus concerning the process of institutionalization of the Social Economy sector at European level, In the next paragraph we will illustrate the definition of Social Economy organizations that we will adopt in the INNOSI project.

1.6 In quest of a Definition: blurred boundaries and overlapping

As it emerges from the analysis of the official documents of the EU concerning the Social Economy sector, and with reference to the most up-to-date literature in social sciences, there are several labels and terms in order to define the sphere of society composed by a typology of organizations that share three main characteristics: they are private, (from the point of view of the ownership, (vs. public); they have a social mission/purpose (vs. commercial); and, finally, they are nonprofit, meaning profits and resources are reinvested for the benefit of the member/users/clients (vs. for profit corporations). These terms and definitions have specific distinctive features but the present several points in common and overlapping (**see Annex 3**).

In conclusion, in our opinion "social economy" as a concept evolved - during the 1990s and the first half of the 2000s -from one where the emphasis was on the *social* (social outcomes and collective action) to a neo-liberal one with more emphasis on the *economic* and individual actors (social entrepreneurs). Nowadays we are facing a transition period nevertheless in the recent developments of the policy orientation at European level, there are some slight but significant clues of a move back towards a more 'social' concept.

During the INNOSI Project we will assume as operating definition of Social Economy the one elaborated by CIRIEC and adopted as reference by the European Economic and Social Commitee.

> *The set of private, formally-organised enterprises, with autonomy of decision and freedom of membership, created to meet their members' needs through the market by producing goods and providing services, insurance and finance, where decision-making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote, or at all events take place through democratic and participative decision-making processes.*
> *The social economy also includes private, formally organised organisations with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them* (CIRIEC, 2012, p. 22).

they are *organisations of people who conduct an activity with the main purpose of meeting the needs of people rather than remunerating capitalist investors*. (CIRIEC, 2012, p. 23)

"According to the above definition, the *shared features* of these two sub-sectors of the SE are:

1) They are **private**, in other words, they are not part of or controlled by the public sector;
2) They are **formally-organised**, that is to say that they usually have legal identity;
3) They have **autonomy of decision**, meaning that they have full capacity to choose and dismiss their governing bodies and to control and organise all their activities;
4) They have **freedom of membership**. In other words, it is not obligatory to join them;
5) Any **distribution of profits or surpluses** among the user members, should it arise, is not proportional to the capital or to the fees contributed by the members but to their activities or transactions with the organisation.
6) They pursue an **economic activity** in its own right, to meet the needs of persons, households or families. For this reason, SE organisations are said to be *organizations of people, not of capital.* They work *with* capital and other non-monetary resources, but *not for capital*.
7) They are **democratic organisations**. Except for some voluntary organisations that provide non-market services to households, SE primary level or first-tier organisations usually apply the principle of "one person, one vote" in their decision making processes, irrespective of the capital or fees contributed by the members. At all events, they always employ democratic and participative decision-making processes. Organisations at other levels are also organised democratically. The members have majority or exclusive control of the decision-making power in the organisation."

(CIRIEC, 2012, p. 23)

If we look at the national accounts systems, the Social Economy organizations (units) are included in two major sub-sectors: a) the market or business sub-sector; b) the non-market producer sub-sector.
This classification is very useful in order to elaborate reliable statistics and analysing economic activity on the basis of the National Accounting Systems currently utilized.

Market sub-sector of Social economy	Non-Market sub-sector of Social economy
a) Cooperatives	a) Associations
b) Mutual societies	b) Foundations
c) Social economy business groups	c) Other private non-market producers
d) Social enterprises	
e) Other social economy companies	
f) Non-profit institutions serving social economy entities	

Tab. 1.2 – Social Economy sub-dimensions
Source: Elaboration of Andrea Bassi from Ciriec 2012.

1.7 Level of recognition of the Social Economy in the countries sample

In this paragraph we will investigate the "level of recognition" that the term/concept of Social Economy has in the ten European Countries under study. We will do this analysis through the examination of what emerged from the answer to Question **A4** of the Template (see Introduction of this Deliverable) given by the Academic Partners of the InnoSi Project.

A4) Is the concept of social economy developed by CIRIEC generally recognized in your country, particularly in the context of the social investment debate? If it is not, please write down the concept or the definition that is most broadly used for the mix of actors.

Finland

During the rapid expansion of the welfare state in the 1960s, 1970s and 1980s, the Finnish debate on welfare issues can be interpreted through social investment lenses. Many significant welfare initiatives were introduced and/or expanded (e.g. pension scheme, comprehensive school, child welfare clinic system). However, after the financial crisis in the beginning of 1990s (Finnish GDP decreased over 10 % between 1991 and 1993), the debate has changed. Although welfare investments have been and are still in relatively high level, welfare payments and services are seen more as costs rather than investments. In the past few years, a concept of "welfare economy" has been emerged to the Finnish debate. Welfare economy shares many features of social investment, however, in the Finnish context the role of public sector is more crucial compared to the definition provided by CIRIEC. Societal entrepreneurship, for example, is in its infancy when compared to UK.
Things may also change. Nowadays there are some signs of increasing interest on the role of private capital in welfare delivery. As an example, SITRA (the Finnish Innovation Fund) has invited various stakeholders on debate of how to promote private investments in welfare (Social Impact Bond, SIB, see: http://www.sitra.fi/en/economy/impact-investing).

Germany

The concept of social economy developed by CIRIEC is not broadly recognized in Germany. The German government uses the term social economy for all non-profit institutions and organizations, essentially the six big welfare associations. Research in different German states (Saxonia, Bavaria, Saxonia-Anhalt) focused on task fields instead of organizational characteristics, where private companies are integrated. In the social

sciences a structural approach with different frames at the intersections of private ownership, social objectives, origins of funding and non-profit orientation dependent on the research question has been developed.

Greece

To our knowledge the concept of social economy developed by CIRIEC is not fully recognized in Greece. The concept of social economy was introduced very recently through the Act 4019/2011 on "Social Economy and Social Entrepreneurship" which identifies Social Economy as "the sum of economic, entrepreneurial, productive and social activities, undertaken by juridical entities or associations whose statutory aim is the pursue of collective benefit and the service of wider social interests".[17] Despite the fact that the concept of social economy is widely accepted by the academia but also by the public sector (The Social Economy in the EU, 2012, p.39), the current law has been widely criticized (Nasioulas, 2011, pp.7-13) and not yet actually implemented.

Hungary

After the change of the political regime, the idea of social market economy had been present for many parliamentary cycles. In 1987, the Civil Code[18] legalized the legal institution of the foundations. The Law on the Right of Association[19] was passed in January 1989 by the Hungarian Parliament and it allowed the establishment of non profit enterprises. The next step was the law on public benefit organisations[20] in 1997, which declared the public benefit status of non-profit organisations. The CXLIV/1997 law declared a particular economic company form among the forms of economic companies, the 'public benefit corporation'. This is the legal background of the 'third economy in' Hungary.
The first projects have been launched with the support of the OFA[21], as a transit program for the non-profit organisations, and employed long term unemployed people outside the mainstream of labour market. From 2004 – after the entry into the EU –it was the OFA again that was present in the support programmes (HEFOP[22]) financed by the Structural Funds of the EU. OFA funded the scientifically research of social economy and development network for developing the organisations of social economy.[23] [24]
But it cannot be said that the development of social economy would have been notable till 2010.[25]
In 2011, the social economy got greater emphasis by the Hungarian government which adopted Hungarian Work Plan Program. In a TAMOP 2.4.3. B) program, 2,3 billion HUF was provided for 57 social co-operatives in order to employ unemployed people or support them to become self-employed.
Today we have jungle of definitions for social economy. Usually we use social economy in Hungary as a collective term in which we include all the social enterprises and cooperatives. This economy is between the

[17] See: http://www.keko.gr/el/Pages/page2.aspx.
[18] Civil Code of Hungary (PTK) (The foundations were regulated in the modification of IV/1959.law)
7 II/1989 (2/1989) Law on Association
[19] II/1989(2/1989) law on association
[20] CLVI/1997(156/1997) LAW
[21] OFA: National Employment Foundation of Hungary, was established in 1992 as a coordinator of pilot programs of labour market policy and financed from the Labour Market Fund.
[22] Humán Erőforrás Operatív Program – HEFOP (Human Resource Development Operative Programme)
[23] See the home page the network: http://archiv.szocialisgazdasag.hu/node/593.html
[24] Between2007-2013 the title "Social Economy Development" has been allocated HUF 15billion (TAMOP 2.4.3. D), which is also the start of social development and employment and sustainable co-operation of business support to members of disadvantaged workers. The source financed approximately 3,500 employees.
[25] Horváth, O (2010): Social Economy in Hungary National Report For the ISEDE-NET Project www.southeast-europe.net/document.cmt?id=192

state and the market in order to fulfill its social mission, it performs business activity, and it is self-financing.[26]
Social Economy, in a broader sense, means all different kinds of organisations that have a social mission and are self-financing on a long-term basis.[27]

Italy

The concept of "social economy" (from the French *Economie Social*) is not fully recognized in Italy. In order to identify the organizations of civil society the term most commonly used is "third sector" (Terzo settore). On the other side, the official statistics utilized the definition of Nonprofit Institutions (ISTAT, Italian statistical institute). Nevertheless among the leaders and the top management of the third sector organizations, in the policy debate, and among the social and economic actors the concept of Social Economy is known and understood properly.

Recently, on the occasion of its Presidency of the EU Council, the Italian government took the opportunity to promote a dialogue between social economy organisations, national and local governments, and European institutions – a dialogue that in recent years has seen a plurality of actors working to define and promote the role of the Social Economy for European growth. The conference "*Unlocking the Potential of the Social Economy for EU Growth*", held in Rome on the 17th and 18th of November 2014, has seized the opportunity provided by the beginning of the new European Parliament's and European Commission's mandate in order to identify the areas of intervention deemed necessary by the varied actors who have worked to promote the spread and strengthening of the Social Economy as a key driver of economic and social development in Europe.

The Conference was preceded by a public consultation, which gathered contributions from a wide range of European organisations, and organised ten working groups on specific topics, attended by over 600 people from all over Europe, including practitioners, policy-makers, and experts. Through this bottom up approach, the Rome Conference did not only summarise the results achieved to date, but it also looked to the future challenges that the various decision-makers and actors responsible for the management and promotion of the Social Economy are called to address, either individually or, more often, collectively.

The final document produced during the Conference (known as the "Rome Strategy on Social Economy") highlighted in particular that: "the term "Social Economy" refers to a universe of organisations based on the primacy of people over capital. Their aim is providing goods, services or jobs to their members or to the community at large with a long-term perspective, with the participation of members-stakeholders in the governance of the organisation, and through the reinvestment of profits in their mission. This universe includes organisational forms like cooperatives, mutuals, foundations and associations, as well as newer forms like social enterprises, in the various meanings that this term takes on in different cultural and geographic contexts." p. 2.
and moreover: "(…) the Social Economy, despite being composed of a plurality of organisational forms each with their own history and specificities based on the diverse national and historical contexts, is indeed an area with clear common characteristics, brought together by the goals it pursues." p.2.

In Italy the main difference between the concept of social economy and the concept of third sector is based on the fact that the former includes the cooperatives while the latter doesn't (except for the cluster of the so called "social cooperatives"). For the Third Sector definition regards four main typology of organizations: a) organizations of volunteers (*Volontariato*); b) associations with a social aims (*Associazionismo pro-sociale*); c) social cooperatives (*Cooperative Sociali*) and d) Foundations (*Fondazioni*: civic or social foundations in order to be distinguished by the Bank Foundations, that are a specificity of the

[26]Lásd Csoba et al. (2007): The Social Economy Handbook OFA, Budapest
http://archiv.szocialisgazdasag.hu/kiadvany_socialeconomyhandbook.html
[27]http://archiv.szocialisgazdasag.hu/kiadvanyok.html

Italian context). The first three of these types of organizations are regulated by a special (*ad hoc*) law: Volontariato Law 266/1991; Associazionismo pro-sociale Law 383/2000; Cooperative Sociali Law 381/1991; whereas the Fondazioni are regulated only by the norms of the Civic Code.

The Third Sector in Italy does not include, the following organizations: political parties; churches and religion congregations; work unions; trade unions; professional associations (of lawyers, architects, etc.) and the clubs and other type of organizations that discriminate the access by census (monetary threshold).

In 2006 has been introduced the Law on Social Enterprise (*Impresa sociale*): Legislative decree n. 155/2006 enlarges the juridical forms allowed to a private non-profit company in order to pursue social goals, but the new legislation has not been very successful (nowadays there are only about 700 registered Social Enterprises in Italy).

The National Institute of Statistics (Istat) in 2011 has carried out a Census on Nonprofit Institutions. From this data it emerges that in Italy there are **301.191** Nonprofit Institutions (active, operating); 201.004 Associations without juridical personality (unlimited liability) (66.7%); 68.349 Associations with juridical personality (limited liability) (22.7%); 11.264 Social Cooperatives (3.7%); 6.220 Foundations (2.0%); 6.583 Religious organizations (2.2%); 996 Mutuals (0.3%); and 6.775 others nonprofit organizations (2.2 %).They involve: 4,7 millions of volunteers, 681thousand full time paid staff, 271thousand people working with external contracts, and 5thousand temporary workers. They mobilize an annual monetary turnover of 63.9 billions Euros. In conclusion if we would like to have an estimate of the overall size of the Social Economy in Italy we should add to the **301.191** Nonprofit institutions the **50.134** Cooperatives (active, operating in the year 2011), for a total of **351.325** organizations.

The demonstration that the term commonly used in Italy is Third Sector is supported by the fact that, at the national level, the main umbrella organization which represents the four main organizational typologies of Italian civil society organizations in the dialogue with the Government and other social actors, is named *Forum Nazionale del Terzo Settore* (Third Sector National Forum, born in 1997).

Netherlands

The concept of social economy is not used in national and governmental policy in the Netherlands. However, social entrepreneurship, social business are entering the political debate. In April 2015, the Dutch Social Economic Council (SER), published a report on Social Entrepreneurship. The definition of social business in this report is: "Social businesses have at least in common that they are all independent enterprises, that deliver products and services and primarily and explicitly strive for a social purpose. The advice of the Social Economic Council is intended to with regard to the development of social businesses: 1) invest in common impact measurement; 2) reinforce cooperation between social businesses; 2) increase knowledge on social business; 3) research possibilities for the adoption of a public label for social business; 4) improve climate for financing; 5) create possibilities for social businesses with regard to procurement of services by (local and national) government. The Social and Economic Council gives herewith an incentive for the development of Social Businesses within the wider field of the labour market.
Social entrepreneurship (see also: www.socialenterprise.nl) is also encouraged on the local level, as cities such as Rotterdam, Utrecht and Amsterdam have made Social Impact Bonds, with a couple of social and CSR businesses and local governments/ municipalities. However, decentralization reforms and the impact bonds concluded are only implemented since January 2015. The impact of these measures and new alliances is not clear yet.

Poland

The concept of social economy, as developed in Poland, is entirely convergent with the definition adopted by the CIRIEC network. Social economy entities include foundations, associations, co-operatives (including

social co-operatives, worker co-operatives, co-operatives for disabled people), social integration centres, vocational centres and mutual insurance societies. 2014 saw the adoption of the National Programme for the Development of Social Economy, which specifies crucial directions for public intervention, with the goal of creating conditions conducive to the growth of social economy and social enterprises in Poland. Goals contained in the Programme were shaped based on an in-depth analysis of the social economy sector. They take account of the current political, social and economic context, both in Poland and the entire EU.

Spain

The concept of social economy described by CIRIEC is in line with that adopted by institutions in Spain, perhaps not surprisingly bearing in mind the fact that CIRIEC's headquarters is at the University of Valencia. Spanish social economy is framed with the Law of 29th March 2011 (Ley5/2011), a law that represents a turning point in the recognition and visibility of the sector.

This Law states that the Social economy is a set of economic and business activities in the private sector carried out by institutions who, in accordance with the following principles, pursue public economic or social interest or both.

These principles are:

- People and the social aim take precedence over capital, manifested in autonomous and transparent, democratic and participative management, which leads to the prioritization in decision-making based more on people and their contributions in work and services offered to the organization or on the social objective and on contributions to social capital.
- Application of the results obtained from economic activity mainly from the work and service contributed or activity carried out by members, where applicable, to the social aim of the organization.
- Promotion of internal solidarity and with society that favours commitment to local development, equal opportunities between men and women, social cohesion, insertion of people at risk of social exclusion, the generation of stable, quality employment, conciliation between personal, family and work life and sustainability.
- Independence with regard to public powers.

The Law recognizes the following types of institution as part of the social economy:

- Cooperatives (with a special mention of traditional fishing cooperatives)
- Workforce-owned limited companies
- Mutual societies
- Specialist employment centres
- Associations
- Foundations
- Labour market insertion companies

Sweden

The concept social economy is not very widely used in Sweden although the country has a long tradition of social engagement and third sector involvement in social services and educatory activities. Concepts "social economy" and "social enterprise" are relatively new in Sweden (but not the activities) and are used alongside more traditional terminology such as cooperatives, not-for-profit or voluntary organisations and civil society organisations. Swedish government treats as social enterprises a variety of organising forms: work integration social enterprises (WISE), economic associations, non-profit organisations, foundations or

limited companies.[28] Especially WISE have received increasing government attention and for investing in marginalised people.[29]

UK

The CIRIEC definition of 'social economy' looks like the definition of co-operative or mutual, which in the UK is regulated as an 'industrial and provident society'. This is both too narrow a definition for what we call 'social economy' in the UK, and also can include some organisations that might not be considered part of the social economy. 'Social economy' is used interchangeably with 'third sector' and 'community and voluntary sector' and is easier set out as what it is not, i.e. state sector or 'profit-making' sector. That said, all have to make a profit or go bust eventually, and the Community Interest Company model allows for limited profits to shareholders. *The Co-op* is perhaps too big to part of the social economy, and some private clubs for the elite could be included in the CIRIEC definition.

At the end of this section it is possible to collocate each Country under scrutiny according to the level/degree of recognition/institutionalization of the term/concept of Social Economy.

LEVEL OF RECOGNITION of the Social Economy concept	COUNTRIES
LOW	Finland, Netherlands, Sweden, United Kingdom.
MEDIUM	Italy, Germany, Greece; Hungary.
HIGH	France, Poland, Spain.

Tab. 1.3 – EU Countries by level of recognition of the Social Economy concept

Our classification is slightly different from the one proposed in the ITSSOIN European project (Anheier et al. 2014) for several reason.

First of all we utilize a three level categorization (low, medium, high) whereas they use a two level taxonomy (low and high). This allow us to differentiate the countries under scrutiny in a more accurate way.

Secondly, we adopt as basis of the classification the criteria of "level of recognition" of the sub-set of organizations that can be gathered under the label "social economy", whereas they use as criteria the size of the (Third) Sector in the countries studied. Our is a more *qualitative criteria* in the sense that it refers to the "level of understanding and visibility of the concept of Social Economy" (perception) among the main collective actors of the society: politicians, top public management, scholars and researchers, practitioners, and public opinion. In the Itssoin project it is used a more *quantitative criteria*, meaning the scope of the (Third) Sector in term of: a) the share of state expenditures on core welfare state activities that flows into the third sector (%); b) the third sector share of paid workforce (as % of total national workforce); c) the third sector share of GDP (%). As will be better explained on Section 3, this criteria shows a low inner coherence because the first measure refers to "welfare state activities" whereas the other two are concerning the third sector as a whole.

In Section 3 in proposing other tentative classifications of the countries under study we will always refer to the role, function and size of Social Economy (organizations) strictly in the policy areas analyzed: B1 -

[28] Bolagsverket. https://www.verksamt.se/fundera/socialt-foretagande. Accessed at 2015 08 22.

[29] Näringsdepartementet N2010/1894/ENT/ 2010-04-22. *Handlingsplan för arbetsintegrerande sociala företag*. The Swedish Alliance government in its strategy for work integration social enterprises (WISE) from 2010 has stressed the focus on the role of social entrepreneurship in labour market integration as a bridge-builder between public, private and third sector, if not an alternative to those.

Support for early childhood development; B2 - Support for parents' labour market participation; B3 - Policy measures to address social and labour market exclusion.

2. Role of Social Economy in three Social Investment Policy Fields

In this section we will investigate the role of social economy in the following three social investment policy fields: support for early childhood development; support for parents' labour market participation; policy measures to address social and labour market exclusion. These policy fields include the following areas: support for early childhood development (Early childhood education and care; Family benefits; Parenting services); Support for parents' labour market participation (Enabling parents' labour market participation through care provision for dependents and parental leave; Long-term care; Maternal/paternal/parental leave schemes); Policy measures to address social and labour market exclusion (Unemployment benefits; Minimum income; Active labour market policies; Social Services for the persons seeking employment (e.g. social housing, mental health provision, disability support); Old age, disability and survivor).

We will do this analysis by reporting and rephrasing the answers to specific questions of a Template given by the Academic Partners of the Innosi Project and listed below:

Q4. List the predominant actors by differentiating between governmental, private-commercial and nonprofit-actors and give a short description of their interaction. Please use the categories regulation, financing and implementation for your description.

Q5. Describe the quantitative relevance (when available from National Statistical Institute) and the role of the social economy organizations (as defined in the attachment n.1) and private (for profit) corporate organizations for a) regulation, b) financing and c) implementation of social investments in the policy field by filling in the table below (600 words).

For each country, we further analyzed and discussed the answers to Question B10 (listed below), as provided by the Academic Partners of the Innosi Project.

Q10. Please complete the following SWOT Analysis charts. Indicate for each of the following themes (Social Economy and Social Innovation) the main Strengths / Weaknesses and Opportunities / Threats present in your Country as summary for the above policy areas.

2.1 Finland

Social investments in Finland are mainly regulated nationally by the government and are financed by the public sector. Governments can initiate regional – or even municipal – experiments and support them by loosening regulations. The two biggest (for profit) organizations in the field are Veikkaus (Finnish Lottery) and RAY (Finland's Slot Machine Association). Veikkaus contributes annually about EUR 500 million to the Finnish Ministry of Education and Culture, which distributes them further to Finnish arts, sports, science, and youth work. **RAY grants funding annually about EUR 300 million for the basic operations, investments, and projects of health and social welfare organisations. Also some foundations provide grants for social innovation projects. Private companies are not yet big players in financing social investments.** Social investments are implemented either by public organisations (municipalities) or by third sector organisations (NGOs, associations, trusts, foundations). Private companies can participate to the projects but they seldom act as project leaders.

In the following, we will analyze in details the predominant actors in the three policy fields, as well as the role of the social economy organizations and private for profit corporate organizations for regulation, financing and implementation of social investments.

2.1.1 Support for early childhood development

Starting from early childhood education and care, in Finland there is a subjective right to day care for each child, and municipalities are obliged to offer it. Pre-primary education is a legislated duty for municipalities and is free of charge. Municipal day care is the most popular form of care. Indeed, its share has increased from 61% in 2000 to 76% in 2012 and municipalities produce 90 % of all day care by themselves.[30] Moreover, there is a growing number of private service providers offering child care (even if it is not significant yet). The share of private care has been rather constant and hovered around 8% (2000-2012).[31] There is a special private day care allowance for families that do not use the public day care. Some municipalities pay municipal-specific extra compensation to the families using private care providers, while others offer "service coupons" that families can use to buy early childhood care and education services. Let us now provide some information on the interaction of the actors. Home care allowance, municipal day care and private day care allowance are alternative options. Due to the home care allowance, the number of children aged 1 to 6 enrolled in day care is low as compared with other European countries, particularly if compared to the other Nordic countries (about 62% of that age group is in some form of day care and the rest 38%, is cared for at home). There exists a huge geographical variation between counties in the utilization of day care services.[32]

Family benefits are paid by the Social Insurance Institution of Finland (*Kela*), whereas municipalities are responsible for providing parental services according to their needs. A minimum level of services is regulated by the law and municipalities are obliged to provide it. Associations offer complementary services based mainly on voluntary work. For example, associations like Mannerheim League for Child Welfare[33] offer support and services for families (it has 91 000 members and 558 local associations throughout the country).

2.1.2 Support for parents' labour market participation

As regards to parents' labour market participation, municipalities play a central role in providing child care and long-term care. For the latter, municipalities can choose how to provide services. Parental leaves are regulated by the law and financed by the central government and employers. Nonprofit actors have a marginal importance in long-term care, but are very important in activating people and offering social activity. On the other side, private-commercial actors are experiencing a growing importance in providing services, since wealthier people are able to select the service providers. Also the amount of municipalities offering service coupons for the customers are increasing. As regards to parental leave schemes, the Social Insurance Institution of Finland (*Kela*) pays the maternity allowance, parental leave allowance, home care allowance, etc., although it is not regulated by the law that the employer must pay the salary during the maternity leave. In many cases, the Social Insurance Institution of Finland (*Kela*) and employers share the costs. Nonprofit organizations like Mannerheim League and church offer activities and peer groups for mothers, but these are just voluntary and extra services.

2.1.3 Policy measures to address social and labour market exclusion

The predominant actors in providing unemployment benefits are the Ministry of Social Affairs and Health, that is responsible for the legislation related to unemployment benefits; the Social Insurance Institution of Finland (*Kela*); unemployment funds as well as municipalities.

As regards to minimum income, the Ministry of Social Affairs and Health is responsible for planning and developing the legislation related to minimum income. The Social Insurance Institution of Finland (*Kela*) and municipalities can be considered as predominant governmental actors in this area. It is worth noting that responsibility is generally shared between The Social Insurance Institution of Finland and

[30] See the ESPN Thematic Report on Social Investment in Finland.
[31] See the ESPN Thematic Report on Social Investment in Finland.
[32] See the ESPN Thematic Report on Social Investment in Finland
[33] See http://www.mll.fi/en/.

municipalities, but the responsibility of social assistance has been planned to be moved from municipalities to The Social Insurance Institution of Finland. Only discretionary assistance remains a responsibility of the municipality. In consequence the data management will be easier, but on the other hand the interaction between social worker and client disappears. Nonprofit actors have not an official role in this matter, but there are several associations providing complementary services like giving food aid.

As regards to active labour market policies, the Ministry of Employment and the Economy is responsible for planning, developing and implementing the employment services. The services are implemented by the local Employment and Economic Development Offices as well as municipalities. As for minimum income, also in this case nonprofit actors have not an official role, but there are several associations of the unemployed which are providing complementary services like information events, clubs, inexpensive meals and peer group support for the unemployed. Private-commercial actors have a limited role at the moment, but are probably rising when employment services are opened up to private companies. Responsibility is shared between the government and municipalities and this leads to the situation where the customer (unemployed) is bounced between officials. Responsibility of employment activities is partially moved from the central government to municipalities and incentives to local authorities are intensified in order to get them to take more responsibility of the employment.

The Ministry of Social Affairs and Health is responsible for the legislation of social services for the persons seeking employment, for old age, disability and survivors. Nonprofit actors have a minor importance in proving the services regulated by the law. Several associations like Finnish Red Cross are proving leisure time activities (clubs, sport, culture) and organising voluntary help and company and they have important role in complementing the services provided by public actors. Also churches organize leisure time activities and home help like cleaning, as well as private companies providing sheltered housing for old people and people with disabilities and other services like nursing and cleaning.

As a final note on the interaction between different actors, municipalities are responsible for services, they can either organize them by themselves or buy them from private of third sector service providers. Many municipalities give service coupons with which clients can choose where to get the service they need. There are pilots in order to inform the clients on different services and service providers. For example, SITRA (the Finnish Innovation Fund) is financing the pilot for developing “Service market places” in bigger cities. From these service market places, old people can get information on different services and receive help.

2.1.4 S.W.O.T. Analysis

To conclude, it is possible to say that Social Economy in Finland present a fairly equal working life as main point of strength, and a multiplicity of norms and regulations as the main weaknesses in all the policy areas considered. The main threat for Social Economy in Finland is related to the combination of splintered municipal field with municipal autonomy that potentially leads to economically inefficient production of services. On the other side, the opportunities relies upon the strong tradition of associations and voluntary work, on new opportunities for startup entrepreneurs in welfare services. This holds true for all the policy areas considered. More specifically for the policy field of support social and labour market exclusion, a potential opportunity is represented by the Prime Minister Juha Sipilä’s Government’s plans to strengthen the role of private companies in employment services. In all the policy fields considered, the main strength of social innovation is the flexibility of Finnish organizations in promoting new experimental initiatives, and the constant investment in innovation policies. However, as for Social Economy, also for Social Innovation legislations and regulations complicate the establishment of private and third sector services. Moreover, the expected small profits due to the small size of the municipalities prevent companies to invest in research and development (eg. in ICT systems). On the other hand, the municipalities are too small to undertake projects that are potentially highly risky, slowing the development of new social innovations. There are, however, some opportunities to balance the current main weaknesses: the Prime Minister Juha Sipilä’s Government aims at cutting back on norms, which may foster several experiments and innovations. There are currently no initiative to engage and benefit from the participation of immigrants, that represent one of the main threats for social innovation in Finland.

2.2 Germany

2.2.1 Support for early childhood development

This Section describes how social investments in supporting early childhood development are regulated, financed, and implemented in Germany, and provides the list of the predominant actors in this field. Apart from some think tanks like Bertelsmann Foundation, or the so-called political foundations, which are contributing with expertise and recommendations to the decision-making process, social economy organizations do not play a significant role in the regulation of social investments in Germany. The same holds true for corporate organizations. There is no official data available whether and to what extend social economy organizations and corporate organizations have done social investments in Germany in recent years in the field of child care provision. Nevertheless, in comparison to the public share, the contribution of private actors is probably marginal. However, the reconciliation of family and working life is an important issue of human resource development in many companies and non-profit organizations as well and a number of companies have introduced child care facilities for their employees. According to the National Statistical Institute, the number of child care facilities run as a company kindergarten has increased from 107 (with 526 children) in 2010 to 153 (with 7,540 children) in 2014. At the same time the number of children in public or publicly funded child care facilities almost doubled from 1,170,919 children in 2010 to 2,456,675 children in 2014.[34] Since the school system is almost completely operated by the state it is very likely that most of the investments in all-day-schools have been done by the municipalities.

As regards to the implementation of social investments, as already mentioned above, profit corporate organizations play a marginal role in the field of child care in Germany. However, social economy plays a crucial role in this sector. Traditionally, the church related welfare organisations, namely *Caritas* and *Diakonie* (and to a lesser extent, the other welfare associations *Arbeiterwohlfahrt*, German Red Cross, and Parity) are playing an important role since they are operating child care facilities on behalf of the municipalities. Usually, public subsidies and parental contributions contribute to almost 99 percent of the operating expenses, and the welfare associations just act as the non-profit-operation company. From 2010 to 2015, the number of children visiting a child care facility of a non-profit organization increased from 786,258 to 1,697,652. This means that almost 99 percent of all new childcare places have been created in childcare facilities operated by a non-profit. The share of children visiting municipal childcare facilities decreased from 384,666 in 2010 to 359,787 in 2014. In 2014, merely 3 % of the childcare facilities (1,480) are run by private-commercial organizations.

As regards to the support of early childhood development, labour market participation through care provision for dependents and parental leave, the predominant governmental actors are the Federal Ministry of Women, Families, Youth and Senior; the States Ministries of Social Affairs and the Municipalities. The predominant nonprofit actors are Welfare Organizations, like *Caritas*; *Diakonie*; *German Red Cross*; *Arbeiterwohlfahrt*; *Parity Welfare Association*; *Bertelsmann Foundation* (Expertise); *Family Associations*; labour unions and employer associations. As for the private-commercial actors, private companies are arising, but still of marginal importance. As regards to the interaction of actors, States are self-governed and have to provide central services. Following the principle of subsidiary, States deliver social services if there is no private or not-for-profit organization providing the service. Not-for-profit and private organizations provide the predominant part of parenting services, and there is a great heterogeneity of services between regions and municipalities. Municipalities act as coordinator of different actors, whereas family associations, labour unions, employer association as well as welfare organisations give advice to politics through position papers and statements.

The following part describes the policy areas of family benefits and parenting services in Germany. As regards the implementation of social investments in these fields, the youth work in the German child and youth welfare system has a complex structure of non-profit welfare organizations, associations, religious groups and for-profit companies. The children and youth statistics provide information on the numbers for

[34] Statistisches Bundesamt (2014).

children and youth free time organizations such as youth hostels, art schools, family vacation, playgrounds with pedagogues. The 50% of these organizations are social economy organizations (in the German definition) and 15% are private-commercial organizations. An even higher percentage have third sector and for-profit organizations occurs in the field of parenting service: 65% welfare associations, youth groups or other religious groups and 25% companies, co-operations and other legal entities provide the service.[35] In the area of family benefits, the predominant governmental actors are the Federal Ministry of Labour and Social Affairs; Federal Ministry of Women, Families, Senior and Youth; Family Offices at the Federal Employment Agency; Federal Ministry of Finance; Federal Tax Office; and Municipalities. In the area of parenting services, the predominant governmental actors are the Federal Ministry of Women, Families, Senior and Youth; State and municipal Youth Offices; Family Courts; as well as Municipalities. The predominant private-commercial actors are Children and Youth homes; Youth social work; Family counselling and parenting counselling.

2.2.2 Support for parents' labour market participation

As regards to long-term care, similar to the field of child care facilities, the implementation of social investments is predominantly done by the large welfare associations German Red Cross, Diakonie, Caritas, Arbeiterwohlfahrt and Parity which are playing a very important role in person-based services in Germany. Although the number of care places provided by non-profit companies in homes for the elderly and the share of profit oriented providers in ambulant care have significantly increased, the share of the social economy remains constant. In 2011, 56 percent of all places in homes for the elderly have been operated by non-profit organizations (6 percent public homes and 37 percent private companies). In 2013, 4,422 outpatient nursing service organizations were private-commercial providers, 4,047 were nonprofit providers and 183 municipal. However, there is no data available about the number of employees working for the organizations. According to the Association of Free Care, most private outpatient nursing service organizations employ less than 10 employees while the non-profit providers are usually much larger. In the field of long term care, the predominant governmental actors are the Federal Ministry of Health; States Ministries of Social Affairs and Health; and Municipalities. The other predominant actors are the same as for early childhood development.

2.2.3 Policy measures to address social and labour market exclusion

By considering the policy measures related to unemployment benefits, minimum income, active labour market, persons seeking employment (e.g. social housing, mental health provision, disability support), social investments are regulated as follows. Employer's organizations and labour unions are representatives in the consortium of the social security, that is a public corporation under the legal supervision of the federal state, but self-governed. The Administrative Council regulates the social insurance and decides about the allocation of the social security fund.

The big welfare associations are organized in a lobby representation called *LIGA der freien Wohlfahrtspflege* that publishes statements to reforms in the labour market policy. The private commercial employment agencies are also represented in associations that support their interests in public. However, the regulation lies in the hand of the FMLSA as well as the states.

The expenditure for employment services is refunded by the FEA or the municipality/the state. The employment provision instruments of the FEA are complemented by social services of the community, social organisations and private providers. Job placement agencies that are members of the Federal organisation of recruitment agencies have been 700 in total in 2010, Organised Temporary Work Agencies have been 1850 with increasing tendency.

In the policy areas of unemployment benefits, minimum income, active labour market, persons seeking employment, the predominant governmental actors are the Federal Ministry for Labour and Social Affairs (FMLSA); Federal Employment Agency (FEA); States Ministries for Labour and Social Affairs; as well as

[35]For the children and youth statistics, see Statistisches Bundesamt (2012), Statistiken der Kinder- und Jugendhilfe. Einrichtungen und tätige Personen (ohne Tageseinrichtungen Kinder) 2010. Wiesbaden.

Municipalities. The predominant state-non-profit actors are occupational public bodies (chamber for industry and trade and the chamber of handcraft); labour unions; and employers organisations. Welfare organisations are the predominant nonprofit-actors, whereas the predominant private-commercial actors are Headhunter/Personnel Consulting; Recruitment Agencies; Temporary Work Agencies; and private educational institutions. As regards to the interaction of these actors, employers organisations and labour unions are responsible to negotiate wage agreements in companies and branches, because of the collective bargaining law. Employers organisations and labour unions are representatives in the consortium of the social security. Private organisations and nonprofit organisations can offer social services for unemployed and get paid from the FEA, e.g. with a placement voucher. Following the principle of subsidiary, municipalities deliver social services, if these are not provided by other private or not-for-profit organization. There exists a great heterogeneity of services between regions and municipalities, where Municipalities act as coordinator of different actors. The chamber for industry and trade and the chamber of handcraft as employers organisations are public corporations, that offer consulting, (vocational) training and qualification for unemployed persons.

By considering old age, disability and survivor, private insurance companies provide services for old age provision, which is paid by the contributions of the assured, partly by subsidies of the state or supported by governmental tax reductions. Employers offer pension schemes for their employees and thus get a discount from the insurance companies and financial support from the government. About 58% of all employees in Germany have an additional occupational pension insurance and about 40% contribute to the Riester Pension insurance as private pension scheme. The predominant governmental actors in this policy area are the Federal Ministry of Women, Families, Youth and Senior; States Ministries; Federal and state pension insurance organisations. The predominant nonprofit actors are Labour unions and Employer representation, whereas the predominant private-commercial actors are private insurances.

2.2.4 S.W.O.T. Analysis

As a final concluding note on Social Innovation and Social Economy in Germany, it is possible to identify the strengths, weaknesses, opportunities and threats for all the policy areas considered in this report. As regards early childhood education and development, there are currently a lot of social experiences in this sector, and social ambitions are considered as more important than economic advantages. However, there is an overall lack of coordination between the different service providers, a general networking problem, and a non-structured financing system, that represent the main weaknesses for Social Economy in Germany. On the other side, there are different opportunities for social economy in this policy field, represented by investments in innovative projects to find effective solutions for parenting services and the creation of central contact institutions, besides the youth offices, that are responsible for the child custody. Remaining in the policy area of early childhood education and development, Social Innovation is not yet implemented and promoted as paradigm, but it presents several points of strengths as interdisciplinary co-operations (e.g. early education and science) and effectiveness of parenting services. As regards to long-term care, Social Economy in this policy area offer most of the elderly care and disabled care facilities and services. However, new public management structure in health system and high competition represent the main weaknesses as target agreements between facility and state level, causing static financing. Investments in preventive health programs and in cared flat sharing communities for elderly people and disabled are the main opportunities for Social Economy in this policy area, whereas the difficulties in funding care services could lead to decline of social economy organisations. Experiments with new possibilities of care and a self-determined life are the main opportunities of Social Innovation for long-term care. As regards the policy field of support for social and labour market exclusion, Social Economy presents several strengths but at the same time various threats: the social economy organisations can offer programmes tailored to regional problems, and social economy organisations find innovative solutions for old and new problems. However, new regulations that open up the funding of social services for social and private investors could lead to a retreat of public funds and to a neglect of groups which are not profitable, because an integration success is not probable. Moreover, to integrate more and more non-profit-, private or social economy organizations makes the co-operation and networking complex at regional level, and investments in small regional initiatives could lead to an unequal distribution of social services, inefficient funding and less control. Social Innovation in this policy field presents as main weaknesses the fact of having the character of projects not becoming steady, and of being

strictly dependent on the economic situation of a country and the political agenda. The new opportunities for Social Innovations in this are the following: a social innovation agenda proportional to the physical science could lead to more targeted, tailored and therefore more effective and efficient investments in the society.

2.3 Greece

2.3.1 Support for early childhood development

It is necessary to point out that Greece lacks a specific policy aimed explicitly at supporting early childhood development. Thus, social investments to support childhood development continue to be an issue that has not thus far been given a high priority for actions on the political agenda. On the contrary, the measures on fiscal consolidation after the outbreak of the economic crisis– and in particular the budgetary cuts in public social spending during the last 5 years– have had an adverse impact on investment in children and families (ESPN Thematic Report on Social Investment Greece, 2015, p.8). The predominant governmental actors in this policy area (and also in the field of enabling parents, labour market participation through care provision for dependents and parental leave) are the Ministry of Internal Affairs; Central Union of Municipalities of Greece; Central Union of Regions of Greece; Hellenic Agency for Local Development and Local Government (EETAA)[36]. The predominant private-commercial actors are private nursery schools that participate to the programme "Reconciliation of Family and Professional Life", and are financed by EU funds through the Municipalities. As regards to the interaction between actors, Municipalities act as coordinators between the EU, the Ministry and the public and private nursery schools. Information about the regulation, financing and implementation of social investments is not available.

As regards to family benefits, the predominant governmental actors are the Ministry of Labour, Social Insurance and Social Solidarity; and the Ministry of Culture, Education and Religion. The predominant nonprofit actors are Stavros Niarchos Foundation; Bodossaki Foundation; Grace Foundation; John S. Latsis Public Benefit Foundation; Welfare Foundation for Social and Cultural Affairs. The predominant private-commercial actors are Public Gas Corporation of Greece and Johnson & Johnson Corporate Citizenship Trust. As for early childhood development. Information about the regulation, financing and implementation of social investments in the policy area of family benefit is not available.

By considering the field of parenting services, to date there has been no government effort to design and implement any kind of comprehensive policy/intervention in this policy area. Indeed, this remains a neglected public policy field (ESPN Report on Social Investment Greece, 2015, p.10).

[36] For more information on EETAA, see http://web1.eetaa.gr/eetaa_en/index_en.html.

2.3.2 Support for parents' labour market participation

As regards to long-term care, the predominant governmental actors are the Ministry of Internal Affairs, the Ministry of Health; the Ministry of Labour, Social Insurance and Social Solidarity; the Social Security Institute (IKA-ETAM); the Central Union of Municipalities of Greece; the Central Union of Regions of Greece; and the Hellenic Agency for Local Development and Local Government (EETAA).

2.3.3 Policy measures to address social and labour market exclusion

The predominant governmental actors in the policy fields of minimum income, active labour market policies, as well as parental leave schemes are the Ministry of Labour, Social Insurance and Social Solidarity, and the Manpower Employment Organisation (OAED). The predominant governmental actor in the field of Social Services for the persons seeking employment (e.g. social housing, mental health provision, disability support) is the Ministry of Health, whereas the predominant nonprofit-actors are the following: Association for Regional Development and Mental Health (EPAPSY); Association for the Psychosocial Health of Children and Adolescents (APHCA); Pan-Hellenic Union for the Psychosocial Rehabilitation and Professional Reintegration (PEPSAEE); Pan-Hellenic Association of Families for Mental Health (SOPSY); "Klimaka"; Association of Social Psychiatry and Mental Health; Municipalities (many of them offer services of mental health and psychosocial support). Non-profit actors and municipalities act as facilitators: they formulate an informal network in providing mental health services, and function in cooperation with the Ministry of Health, in accordance with EU and national legislative framework. They also establish co-operations with other EU non-profit actors and organizations in the field.

2.3.4 S.W.O.T. Analysis

To conclude the analysis for Greece, it is possible to say that the low implementation of the existing law on social economy represents one of the major weakness point for Social Economy in the policy field of support for early childhood development. For all the policy areas considered, the unstable financial and political framework creates obstacles to any initiatives from the private sector, and the increase of social problems during the last 5 years are the main threats for Social Economy in this policy field. As regards Social Innovation, the economic crisis represents the main threat and obstacle for a national policy, and the financial problems of the country prevent the implementation of new social innovation policies.

2.4 Hungary

2.4.1 Support for early childhood development

In Hungary, the predominant actors in the policy field for the support for early childhood development (Early childhood education and care, family benefits, parenting services) are the following: the Ministry of Human Resources, Municipalities, Associations of Municipalities, Multipurpose Associations of municipalities are the predominant governmental actors; the predominant nonprofit actors are Churches, NGOs, Foundations, Public Foundation. Minor municipalities frequently cooperate on micro-regional level to organize ECEC services: associations of local governments or multi-purpose sub-regional associations. As regards to the financing of social investments, in 2013, 92 out of 724 nurseries were maintained by associations of local governments and multipurpose sub-regional associations, 48 by foundations, associations, public foundations and non-profit enterprises, 15 by churches, and only 3 by for-profit corporations.

2.4.1 Support for parents' labour market participation

As regards to the policy field of the support for parents labour market participation (enabling parents, labour market participation through care provision for dependents and parental leave; long-term care; maternal/paternal/parental leave schemes), overall the Ministry of National Economy is responsible for employment policies (the Ministry of Interior is responsible for the public employment programme), the Ministry of Human Capacities is responsible for the social benefits system and family issues (including the regulation of parental leave and child care institutions).[37] The system of monetary and non-monetary social benefits has been reshaped since 1 March 2015, and the tasks of the state and the local governments related to the benefits system have been distinctly separated. The benefits formerly being under state authority have been put under district government offices' authority, while those formerly being under local governments' authority have been put under the authority of the Body of Representatives. Local governments have an increasing responsibility for improving local communities' social security and for providing social benefits.[38] Around 8% of social, child welfare and child protection tasks are performed by state-funded institutions, while 58% of them are performed by municipalities or partnerships of sub-regions or local governments. Municipalities are responsible for establishing and running the local system of child protection as well as organising the catering for local by state-funded institutions, while 58% of them are performed by municipalities or partnerships of sub-regions or local governments. Municipalities are responsible for establishing and running the local system of child protection as well as organising the catering for local children's needs (e.g. those municipalities who have more than ten thousand residents are obliged to run a local crèche.)[39]. Running long-term residential institutions was formerly the responsibility of county governments, but the government acquired the right to run these institutions on 1 January 2012 and it also established the county-level institutional background of it. As regards to the predominant nonprofit-actors, social, child welfare, child protection institutions and services are run by civil society organisations (associations, foundations and non-profit organisations) – in the case of 17.5% of all institutions; religious denominations and religious organisations in the case of 11.7% of all institutions. The bulk of long-term care activities are left to households or an informal market. Empirical evidence shows that familial relations play a particularly important role in the well-being of the elderly in Hungary.[40] The bulk of long-term care activities are left to households or an informal market. Empirical evidence shows that familial relations play a particularly important role in the well-being of the elderly in Hungary.[41] Private companies are arising, but still of marginal importance. As regards to the interaction of actors, services are centralized by governmental institutions, and most of the services run by the NGO's and churches are financed by the governmental resources.

The definition of social economy's legal boundaries is heterogeneous. Social economy is usually being confused with social cooperatives, which have been around since 2006.[42] Social cooperatives, however, do not typically engage in child welfare services and social services. From 1 July 2007, non-profit organisations started to operate, emerging from former public benefit organisations that did not cater for public needs in a profit-oriented way. Their significance generally fell behind that of social cooperatives in recent years.

Non-profit organisations play a significant role in child welfare and social tasks only in running family day care institutions. The percentage of social, child welfare and child protection institutions and services that are run by sole proprietors or businesses is very low (2.1%). Sole proprietors and businesses play a more significant role only in running family day care institutions; in 2011, 11.6% of family child care institutions

[37] See also European Commission, 2015, Commission Staff Working Document, country report of 2015 – Hungary's detailed analysis on preventing and fixing macroeconomic imbalances, Brussels, 26/2/2015, available at the following link: http://ec.europa.eu/europe2020/pdf/csr2015/cr2015_hungary_hu.pdf.
[38] See also the report by the Government of Hungary, 2015, Hungary's Convergence Program 2015-2018, , available at the following link: http://ec.europa.eu/europe2020/pdf/csr2015/cp2015_hungary_hu.pdf.
[39] Law XXXI of 1997 on child protection and managing legal guardianship, see http://www.njt.hu/.
[40] Albert,Fruzsina and Gal, Robert I. (2015): ESPN Thematic Report Social Investment, Hungary, European Commission.
[41] Albert,Fruzsina and Gal, Robert I. (2015): ESPN Thematic Report Social Investment, Hungary, European Commission.
[42] Law X. of 2006 on cooperatives, point 3 on social cooperatives and employment cooperatives, see http://www.njt.hu/.

were run by sole proprietors or businesses.[43] Due to the lack of financially sound demand, at the moment profit-oriented services are not present.

As regards to the financing of social investments, the margin required for operating the child protection system and social services is provided by the central budget and the local government's contribution with the additional allowances and care costs paid by the applicant. Although social cooperatives can undertake basic child welfare and basic social services, they are not eligible to receive state funds (because of the activity they are engaged in). Religious denominations and non-state entities who run a public social, child welfare or child protection institution are also eligible to receive central budget funds of the same amount and under the same conditions as municipalities.[44,45] Besides the educational, healthcare, charity, social, family, child or youth protection activities of the religious legal person being financed from the central budget under the same terms and at the same rate as state and local governmental institutions, the official religious denomination is eligible for further benefits (additional benefits).[46] In 2015, religious legal persons who run a social, child welfare or child protection institution can receive the benefit's 71.4% as additional benefits.[47]

In order to assist sustainable and quality employment, as well as labour mobility (EU thematic objective), the upgrade of child care capacities for example is being funded from ESZA and ERFA resources to improve the employability of those with children. An area that requires special integration and that began to be noticeable at the beginning of the 2014-20 term is the upgrading of nursery schools and crèches that assist local employment and other areas of alternative child care, which take place as part of the child care infrastructure and human resources upgrade of the Territorial and Settlement Development Operative Programme. Since 2012, the European Social Fund is being used to promote flexible employment and flexible types of work with endorsing flexible methods of work organisation and the introduction of human resource policies at corporations that respect responsibilities of private life.[48] As regards to profit organization, the business or sole proprietor who runs a public social, child welfare or child protection institution or service that provides personal care is eligible to receive benefits that are equal to 30% of the benefits that state or local governmental institutions receive.[49] In 2011, 21.8% of family child care institutions were run by non-profit organisations or public benefit organisations.[50]This rate increased to 29,3% by 2013.[51]

2.4.3 Policy measures to address social and labour market exclusion

As regards to the policy measures to address social and labour market exclusion (Unemployment benefits; Minimum income; Active labour market policies; Social Services for the persons seeking employment e.g. social housing, mental health provision, disability support; Old age, disability and survivor), the Hungarian governmental actors for social and labour market exclusion are the Ministry of Human Resources (for regulation and financing); National Employment Service (for implementation); the Municipalities (for regulation, implementation and financing). Hungarian examples for social and labour market exclusion services are Welfare Organisations, like Caritas, Hungarian Interchurch Aid[52], Hungarian Anti-Poverty Foundation[53], Child Nutrition Foundation[54], and National Employment Coordination Agency(OFA)[55]. Private companies are arising, but still of marginal importance.

[43]See the report by the Central Bureau of Statistics, 2012, Day care of young children, available at the following link: http://www.ksh.hu/docs/hun/xftp/idoszaki/pdf/kisgyermnapkozbeni.pdf.
[44]Law XXXI of 1997 on child protection and managing legal guardianship; Law C. of 2014 on Hungary's central budget for 2015, see http://www.njt.hu/.
[45] Law C. of 2014 on Hungary's central budget for 2015, http://www.njt.hu/.
[46] Law CXXIV. of 1997 on the financial conditions of churches' religious and public activities, http://www.njt.hu/.
[47] Law C. of 2014 on Hungary's central budget for 2015, http://www.njt.hu/.
[48] See Hungary's Government (2012), The Next Step, Kálmán Széll Plan 2.0, available at the following link: http://index.hu/assets/documents/belfold/szkt_2_0.pdf.
[49] Law C. of 2014 on Hungary's central budget for 2015, http://www.njt.hu/
[50]See the report by the Central Bureau of Statistics (2012), Day care of young children, available at the following link: http://www.ksh.hu/docs/hun/xftp/idoszaki/pdf/kisgyermnapkozbeni.pdf.
[51] Central Bureau of Statistics: 2013, Hungarian Central Statistical Office, Budapest.
[52] See http://www.segelyszervezet.hu/en.
[53] See http://www.mszeh.hu/en.

As regards to the regulation of social investments, the definition of the legal foundations of social economy is heterogeneous.[56] There are cooperatives for employment or production,[57] farming cooperatives, there are private and community farmer's markets as well as non-profit organisations. Social economy is usually associated with the idea of social cooperatives[58] that exist since 2006.[59] From 1 June 2007, so-called non-profit community organisations[60] were also established from former public benefit organisations that catered for public needs in a non-profit way.[61] The importance of these non-profit community organisations has decreased compared to the rise of social cooperatives in the last few years. For profit organizations, social economy excludes the presence of profit-oriented participants. Market organisations usually work as profit-oriented labour recruitment and labour leasing organisations. Private labour recruitment is regulated by government decree 118/2001 (VI. 30.)[62]. In other areas of social investment, profit-oriented services are not present because of the lack of financially sound demand. As regards to the financing of social investments, social cooperatives have been funded within financing programmes in Hungary since 2008.[63] Around 945 million forints were spent on funding social cooperatives in 2008, and 3 thousand million forints were spent in 2014. These resources are mainly being used to fund social cooperatives within the public employment sector.[64] There are also smaller-scale grants available for a wider range of people. For example, in 2015, the programme called Sui Generis II which allocated 150 million forints from the National Employment Fund[65]. For profit organizations, market organisations can provide alternative employment market services as described in GM decree 30/2000. (IX. 15.)[66]. This decree also determines the amount of funds for each and every service.

2.4.4 S.W.O.T. Analysis

To conclude the analysis on Hungary, as regards Social Economy in the policy area of support for early childhood development, one of the major points of strengths is the fact that the system is open; sector-independent and non-profit organizations or associations of municipalities can create kindergartens or family day care homes or alternative day care services. The main weakness is related to the high operational costs, due to the current strict regulations. Non-profit organizations and associations have the potential to create services in those micro regions where there is a lack of nurseries, or in this developed regions, where there is a market for day care services. Social Innovation in this policy field presents several points of strengths: Sure Start Children Houses offer complex services, and various service development services can be created on local level with the support of the Operative Programmes. However, because of the lack of such resources, a comprehensive system cannot be established, thus it remains fragmented and projects become unsustainable after their execution period with little expected permanent results. As regards to the policy field of support parents' labour market participation, Social Economy presents several points of strength: services are sector independent (churches, NGOs, etc.), service forms are flexible (family day care, children house, etc..), institution and service development has been a policy of special interest in the last 2 years. There is a chance for decreasing socialization disadvantages, and increasing the reintegration of female employees. Low

[54] See http://www.gyea.hu.
[55] See http://ofa.hu.
[56] See András, Kelen, 2012, Recent developments of social economy in today's rural Hungary, "Magyar Tudomány" 2012/12, http://www.matud.iif.hu/2012/12/08.htm.
[57] Social cooperatives can be established in Hungary since 2006. Funding them began in 2008 with the framework of the National Employment Foundation, which provided a total of 945 million forints for 36 cooperatives. In June 2015, there were 2,656 registered social cooperatives. See http://www.szoszov.hu/allasfoglalas-az-eu-szocialis-gazdasag-fejlesztesere-adott-forrasainak-magyarorszagi.
[58] See http://www.szoszov.hu/sites/default/files/letoltheto/deakdaniaelszocszov.pdf.
[59] Law X of 2006 on associations, point 3: on social cooperatives and employment cooperatives.
[60] These were originally regulated by Law IV of 2006 (Gt.) on business associations. Now they are regulated by Law V of 2013 (Ptk.) and Law V of 2006 (Ctv.) § 9/F. on business publicity, court procedures on businesses and cessation.
[61] http://www.nonprofit.hu/tudastar/mi-az-nonprofit-gazdas%c3%a1gi-t%c3%a1rsas%c3%a1g
[62] http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0100118.KOR
[63] See the details of financing in the appendix of the president of the National Association of Social Cooperatives' statement on 3 August 2015 at the following link: http://www.szoszov.hu/sites/default/files/letoltheto/allasfoglalasazeuszocgazdforrasainakmo-ifelhasznalasarol.pdf.
[64] See http://www.szoszov.hu/allasfoglalas-az-eu-szocialis-gazdasag-fejlesztesere-adott-forrasainak-magyarorszagi.
[65] The National Employment Fund uses employers' and employees' payments to finance active and passive methods as well as the employment system. The fund was established with Law IV of 1991.
[66] See http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0000030.GM.

normative supports and unequal territorial distribution of services represent the major weaknesses for Social Economy in this policy area. The large number and scale of projects, innovations, and organizations represents the main strength of Social Innovation in the policy area of long-term care. However, a successful innovation has little chance to become a main stream, and only a few people are involved in the pilot projects, thus the effect is very limited.

2.5 Italy

2.5.1 Support for early childhood development

Staring from Early Childhood Education and Care, the predominant governmental actors are the following: at the national level, the Ministry of Labour and Social Policies, the Ministry of Education, and the Ministry of Internal Affairs; at the regional level, the Department of Welfare and Social Policies, the Department of School (Education) and the Department of Youth; at the local level, the Municipalities. The predominant nonprofit actors are social cooperatives affiliated to the two main Cooperatives Umbrella Organizations (*Federsolidarietà and LegacoopSociali*)*;* private crèches, nurseries and pre-kindergarten services managed by religious organizations (nonprofit). The predominant private-commercial actors are private enterprises (for profit) particularly in the South. As regards to the interaction of actors, the State defines the national regulation to be adopted by Regions and Municipalities; the Regions defines the local regulation to be adopted by Municipalities; the Municipalities delivers the services directly managed by the public (predominant in the Northern Regions). Not-for-profit and private organizations provide a significant part of parenting services; private organizations (for profit) provide a significant part of parenting services in the Southern Regions of the country; and there is a great heterogeneity of services between regions and municipalities. Municipalities as well as Bank Foundations such as Fondazione CARIPLO in the private sector are financing social investments; nonprofit organizations and private enterprises together with municipalities are implementing social investments.

As regards to family benefits, the predominant governmental actors are the following: at the national level, the Presidency of the Council of Ministries (Department of Family Policies), and INPS (National Institute of Social Security). At the local level, the Municipalities play the predominant role. At the Regional and Municipality levels (especially in the metropolitan areas, such as Milano, Roma) there are Funds activated by church related organizations such as Caritas. As regards to the predominant private-commercial actors, there are some private companies that offer supplements to their employees (both economic and in term of additional periods of leave) than provided by law (supplementary contracts in various sectors). Benefits given to the families by the companies within the plans of corporate welfare. As regards to the interaction of actors, State defines the national regulation; Regions defines the local regulation to be adopted by Municipalities; INPS delivers the support allowances; Municipalities delivers the support allowances.

Different organizations are involved in the regulation, financing and implementation of social investments: General fiscal system and bank foundations are involved in the financing of social investments; INPS and Municipalities, and Caritas are involved in the implementation of social investments; social investments are regulated at the national and regional levels.

As regards to parenting services, It is difficult to draw a clear distinction between parenting support, childcare services, long-term care services and social services managed by regional and local authorities. There are many methods and instruments that include information and advice on family planning, health, psychological assistance, and community development activities – all adapted to local contexts and needs. Parenting services are delivered by professionals and involve households and the “third sector” (i.e. not-for-profit and voluntary organisations, social enterprises and cooperatives) according to the subsidiary principle stated in Law No. 328/2000 on Integrated Social Policies ("Legge quadro per la realizzazione del sistema integrato di interventi e servizi sociali"); and the Law No. 104/1992 concerning the support, social integration and rights of disabled persons (“Legge-quadro per l'assistenza, l'integrazione sociale e i diritti delle persone handicappate). The predominant governmental actors are the following: at the national level, Ministry of Labour and Social Policies, Ministry of Health, Ministry of Internal Affairs; at the regional level, Department of Welfare and Social Policies, Department of Health, Department of Youth; at the local level, Municipalities and ASL (Local Health Units). The predominant nonprofit actors are Social cooperatives affiliated to the two main Cooperatives Umbrella Organizations (Federsolidarietà and LegacoopSociali) and

private day care canters, managed by religious organizations (nonprofit). As regards to the interaction of actors, State defines the national regulation to be adopted by Regions and Municipalities; Regions defines the local regulation to be adopted by Municipalities; Municipalities and ASL (Local Health Units) delivers the services directly managed by the public (predominant in the Northern Regions). Not-for-profit and private organizations provide a significant part of parenting services. Private organizations (for profit) provide a significant part of parenting services in the Southern Regions of the country. There is a great heterogeneity of services between Regions and Municipalities and ASL. This hols true also for the field of support for parents' labour market participation.

As regards to the role of the social economy organizations and private corporate organizations for regulation, financing and implementation of social investments in parenting services, social investments are regulated at the national and regional level; financed by municipalities and families (out-of-pocket) in the public sector and by bank foundations in the private sector.

2.5.2 Support for parents' labour market participation

The predominant governmental actors in the policy field of enabling parents, labour market participation through care provision for dependents and parental leave, as well as in the field of long-term care are the following: at the national level, Ministry for International Cooperation and Integration (has the mandate on youth policies, policies for the family, adoption of Italian and foreign children, the National Observatory on the Family, the National Observatory on childhood and adolescence, the civil service and anti-discrimination on the national board.); the National fund for Childhood and Adolescents. At the regional level, the Department of Welfare and Social Policies, the Department of Health, the Department of Youth. At the local level, Municipalities and ASL (Local Health Units). The predominant nonprofit-actors are social cooperatives affiliated to the two main Cooperatives Umbrella Organizations (Federsolidarietà and LegacoopSociali), and private day care centres, managed by religious organizations (nonprofit). The predominant private-commercial actors are private enterprises (for profit) particularly in the South; and Corporate Welfare (Welfare Aziendale).

Social investments in the field of enabling parents, labour market participation through care provision for dependents and parental leave, as well as in the field of long-term care are financed by Municipalities and families (out-of-pocket), and by Bank Foundations and Corporate Welfare in the private sector; social investments are implemented by Municipalities and ASL (Local Health Units) in the public sector, and by Nonprofit organizations and private enterprises.

As regards maternal/paternal/parental leave schemes, the predominant governmental actors at the national level are the Ministry of Labour and Social Policies and INPS (National Institute of Social Security). Corporate Welfare (*Welfare Aziendale*) are the predominant Private-Commercial Actors. As for the interaction of actors is concerned, State defines the national regulation and INPS delivers the support allowances. Social investments in this field are regulated at the National and Regional levels; financed by the General Fiscal System (Public Sector), by Bank Foundations and Corporate Welfare; and implemented by INPS.

2.5.3 Policy measures to address social and labour market exclusion

In the field of unemployment benefits, the predominant governmental actors at the national level are the Ministry of Labour and Social Policies and INPS (National Institute of Social Security); and the Department of Welfare and Social Policies at the regional level. As far as the interaction of actors is concerned, State defines the national regulation and INPS delivers the support allowances. As regards to the role of the social economy organizations and private corporate organizations for regulation, financing and implementation of social investments in the policy measures to address social and labour market exclusion, the General Fiscal System is involved in the financing of social investments; whereas INPS is involved in the implementation of Social Investments.

In the policy field of minimum income, the Ministry of Labour and Social Policies and INPS (National Institute of Social Security) are the predominant governmental actors at the national level, together with Municipalities at the local level. As regards the interaction of actors, State defines the national regulation; INPS delivers the support allowances; and Municipalities delivers the support allowances. Social

investments in this field are regulated at the national and regional levels, are financed by the General Fiscal System and by the Caritas and some religious organizations; and are implemented by INPS and Municipalities.

The predominant governmental actors in the policy field of active labour market policies are the following: at the national level, Ministry of Labour and Social Policies; INPS (National Institute of Social Security). At regional level, the Department of Welfare and Social Policies, Department of Professional Training. At the local level, Municipalities. The predominant nonprofit-actors are social cooperatives affiliated to the two main Cooperatives Umbrella Organizations: Federsolidarietà and LegacoopSociali. The predominant private-commercial Actors are temporary employment companies (Agenzie per il lavoro Interinale). As regards to the interaction of actors, State defines the national regulation; and INPS and Municipalities delivers the support allowances. Social investments in this field are regulated at the national and regional levels; are financed at the national level and are implemented by Municipalities and INPS (Public Sector) and by Nonprofit organizations and private enterprises.

As regards to social services for the persons seeking employment (e.g. social housing, mental health provision, disability support), the predominant governmental actors are the following. At the national level, Ministry of Labour and Social Policies; Ministry of Health; Ministry of Internal Affairs. At the regional level, the Department of Welfare and Social Policies, the Department of Health, and the Department of Youth. At the local level, Municipalities and ASL (Local Health Units). The predominant nonprofit-actors are the following: social cooperatives affiliated to the two main Cooperatives Umbrella Organizations (Federsolidarietà and LegacoopSociali); private day care centres, managed by religious organizations (nonprofit). Private companies (for profit) particularly in the South are the predominant private-commercial actors. Social investments in this field are financed by municipalities and families (out-of-pocket) and by bank foundations; are implemented by municipalities (Public Sector) and by Nonprofit organizations and private enterprises.

A final remark is devoted to the policy field of disability and independent living. The predominant governmental actors in this area are the following. At the national level, Ministry of Labour and Social Policies; Ministry of Education; Ministry of Internal Affairs. At the regional level, Department of Welfare and Social Policies, Department of School (Education), Department of Youth. At the local level, municipalities. Personal Assistants (Private) are the predominant private-commercial actors, whereas Social cooperatives (affiliated to the two main Cooperatives Umbrella Organizations, *Federsolidarietà and LegacoopSociali*) remain the predominant nonprofit actors. Social investments in this policy field are regulated and financed at the regional level and are implemented by Municipalities, Social Cooperatives, and Personal Assistants.

2.5.4 S.W.O.T. Analysis

To conclude the analysis on Italy, as regards to Social Economy in the policy area of early childhood development, there are several weakness points: austerity measures have reduced the public funding and resources for SE organisations; regional disparities in provision of services (tipical north-south divide); delay in definitions and implementation at national/regional levels of quality standards for services; public procurement of services lacks accountability; traditional ideological divide across SE organisations (Catholic vs socialist tradition) reduces synergies among actors. However, the increase in demand for child care services from families, the development of corporate welfare in collaboration with SE organisations, and the new legislation on third sector (currently in discussion in parliament) represent potential opportunities in this area. This points hold true also for social innovation in this policy field. As regards to the policy field of support parents' labour market participation, delay in definitions and implementation at national/regional levels of quality standards for services; small dimensions of organisations and lack of capital needed to invest in quality improvements for service provisions (long-term care); public procurement of services (long term care) lacks accountability; and traditional ideological divide across SE organisations (Catholic vs socialist tradition) reduces synergies among actors represent the main weaknesses for Social Economy and Social Innovation in this field. There are however several opportunities, as the increase in demand for long term care services from families and the new legislation (related to Jobs Act) to favour work-life balance.

2.6 The Netherlands

2.6.1 Support for early childhood development

The predominant actors in the policy field of Early childhood education and care are listed in the following table.

Predominant Governmental Actors	Dutch Ministry of Education and Culture; Dutch Ministery of Social Affairs; Dutch Municipalities
Predominant Nonprofit-Actors	Municipal Health Services (Gemeentelijke Gezondheidsdienst, GGD); Education Inspectorate (Onderwijsinspectie); Educational organizations/ playgrounds for kids.
Predominant Private-Commercial Actors	Early childhood development is still subsidized by municipality for children with educational needs.
Interaction of actors	Municipal playgrounds are supposed to target only children with special needs. However, due to highly privatized daycare sector, a lot of children who are not corresponding to criteria are also going to subsidized playgrounds. Within regular daycare schemes with no municipal support for special needs, children might have special needs too.

The number of children receiving formal childcare increased up till 2012, mostly offered by private sector day care. Due to financial cuts in family support and tax advantages for working parents, from 2012 onward formal day care decreased, leading to the bankruptcy of 98 organization, of which one was one of the market leaders closing 130 out of 250 day care locations.

Whereas overall support (tax benefits and financial support to parents of young children) to day care decreased, financial support to children at risk, for instance related to language disadvantage and delays in socio-emotional, cognitive and/or motor development, increased.

The number of children in the 37 largest municipalities attending early childhood education (VVE in Dutch) increased from 35,817 in 2011 to 42,842 in 2014, which exceeds the target set for 2015 (42,805) (Ministry OCW, 2014). Early childhood education for children at risk were increased by 1 million Euro to 361 million Euro in 2013. This is the budget for local municipalities to realize minimization of disadvantages in the field of development and education of children[67]. The 37 largest cities receive extra funding, as more children with special needs in this field are living in the big cities.

Information on the policy field of family benefits and parenting services, as well as for the policy area of support for parents' labour market participation is not available.

2.6.2 Policy measures to address social and labour market exclusion

The Netherlands is known as the country which invented the 'polder model', referring to the consensus based economic and social policy making which started in the period of the 80's of the last century. The Dutch polder model is characterised by the tripartite cooperation between employers' organizations, labour unions and the government. These talks are embodied in the Social Economic Council (SER). This council

[67] This is realized since 2011 through the local/ municipal policy on disadvantage in the field of Education called Gemeentelijk Onderwijs Actherstandenbeleid (GOA).

serves as the central forum to discuss labour issues. It has a long tradition of consensus, often defusing labour conflicts and avoiding strikes.

This broader stakeholder involvement can also been seen on the topic of social investment policies. For example many stakeholders have been involved in the development of the National Reform Programme (NRP) of 2014. The NRP is an annual report prepared for the European Commission and forms part of the European Semester framework, the annual cycle of economic and budgetary policy coordination.

The NRP sets out how the government's policies contribute to implementation of the country specific recommendations for the Netherlands as adopted by the Council in June 2013 and to achieving the targets of the Europe 2020 Strategy for smart, sustainable and inclusive growth. Besides the central government, social partners, local authorities and non-governmental institutions played an important role in designing and implementing the last NRP (2014). On poverty and social exclusion also other stakeholders have been involved, such as the European Anti-poverty Network Netherlands (EAPN) and the Social Alliance (a partnership of approximately 60 organisations working to fight poverty and social exclusion)..

The following table provides a summary of the involvement of stakeholders on the topic of social investment policies:

Predominant Governmental Actors	Ministry of Social Affairs and Employment; Ministry of Health, Welfare and Sport; Municipalities
Predominant Nonprofit-Actors	Federation of Netherlands Trade Unions (FNV); National Federation of Christian Trade Unions in the Netherlands (CNV); Trade union federation for Professionals (VCP); Association of Dutch Municipalities (VNG); The Social Alliance; European Anti-Poverty Network Nederland (EAPN Netherlands)
Predominant Private-Commercial Actors	Confederation of Netherlands Industry and Employers (VNO-NCW); Association of Small and Medium-sized Enterprises (MKB Nederland)
Interaction of actors	Government and social partners meet in the Social and Economic Council (SER). The SER is the main advisory body to the Dutch government and the parliament on national and international social and economic policy.

In the Netherlands unemployment grew slowly in the first phase of the economic crisis. It then stabilised for a period, after which unemployment started to grow more severely from mid-2011. The unemployment level reached its peak at 7.2% in the first quarter of 2014. At that moment the unemployment level had almost doubled since the start of crisis. Since spring 2014, unemployment has begun to decline. The decline in the unemployment level was also visible in the increase in labour market participation. In the third quarter of 2014 it was 72.1%, compared to 71.8% in 2012.

The net level of benefits is € 1,303.99 for (married) couples and € 912.79 for singles and lone parents. Since 2015, the benefit levels for people on social assistance that share the costs of living with other people have decreased (the so-called *kostendelersnorm*).

In 2009 and 2010 the government introduced several measures to stimulate the economy and to combat unemployment. These included an increased availability of services such as assistance to job-seekers, education and training programs. In 2010 the government decided to cut back on budgets for reintegration and sheltered employment. Since then the budgets for reintegration have been reduced structurally. The Dutch strategies and reforms contain incentives for municipalities to increase the outflow of social benefits, incentives for employers to hire more vulnerable employees (people who are further from the labour market), more stringent policies, and responsibilities for recipients of unemployment, disability and social benefits.

In 2015, the expenditure costs for reintegration will be €3,166 million, which is 4% of the total expenditure costs for social security. Municipalities are increasingly investing in professionalising their organisations and upgrading the skills of their case workers to become more efficient and effective.

2.6.3 S.W.O.T. Analysis

To conclude the analysis on the Netherlands, it is worth stressing that, from the point of view of Parents' Labour Market Participation, the main points of strength of Social Innovation are represented by the long tradition in formal childcare and early childhood education, the attention for disadvantages (language disadvantages) in early childhood development, and the strong infrastructure on municipal level to inspect and control quality of daycare facilities. However, the risk of separate developmental schemes for kids, related to high costs for day-care services represents one of the major weaknesses for Social Innovation, together with discrepancies in quality of daycare between municipalities and a day care tax benefit scheme linked to labour participation of parents (if one parent has no work, day care and after school facilities for children are unaffordable).

2.7 Poland

2.7.1 Support for early childhood development

In the policy field of supporting early childhood development, the predominant actors are listed in the following table.

Predominant Governmental Actors	The State is the major actor of the policy of support for early childhood development; Ministry of Labour and Social Policy; Municipalities
Predominant Non-profit - Actors	Welfare organisations such as Caritas, Polish Humanitarian Action (Polska Akcja Humanitarna), "Spring" Association (Stowarzyszenie "Wiosna"), among others the "Noble Parcel" ('Szlachetna Paczka') Project; Organisations providing care for children up to the age of 3 or kindergartens, e.g. Poznań Family Foundation (Fundacja Familijny Poznań).
Predominant Private - Commercial Actors	Private entities providing services in the scope of care for children up to the age of 3 and kindergarten services - mainly individuals running business activity
Interaction of actors	Most of the tasks are provided by municipalities supported by the central authorities (tasks consisting in payments of benefits, e.g. family allowances are conducted by the public sector only). Municipalities can pursue their own ideas and decide on how to implement some solutions. The public sector regulates, controls and supports the provision of services in the scope of child care by social economy organisations, private (profit-driven) corporate organisations and individuals. Social economy organisations cooperate with the public sector to support children and families, including to provide in-kind support and material aid.

Social investments in this policy area are regulated throughout social consultations and other forms of participation. Financing or co-financing of social investments are provided by social economy organisations, and private (profit-driven) corporate organisation with achievable subsidisation from the municipal budget. As regards to the implementation of Social Investments, there is no distinction between social economy organisations and private (profit-driven) corporate organisations as service providers in the public statistics. The statistically-distinguished non-public entities - "legal entities or units with no legal capacity" may include social economy organisations as well as private (profit-driven) corporate organisations. Engagement of non-public entities (social economy organisations as well as private corporate organisations) in the

provision of services in the scope of care for children up to the age of 3. 1605 nurseries were in service in 2014, 517 of them were established by municipalities and 1088 - by non-public entities (which constitutes 68% of all nurseries) and 1243 nurseries were in service in 2013, 800 of them were established by non-public entities (64%). Among them, 600 nurseries were established by individuals and 200 - by legal entities and units with no legal capacity (social economy organisations and private corporate organisations). 348 kid clubs were in operation in 2014 and 212 - in 2013. In 2013 199 of them (94%) were run by non-public entities (including 171 (81%) - by individuals and 28% (13%) by legal entities or units with no legal capacity). Engagement of non-public entities (social economy organisations and private corporate organisation) in the run of kindergartens - as on 1.09.2014 there were 11004 kindergartens in service, 7094 (64%) of them were public ones and 3910 (36%) - non-public ones. Among non-public kindergartens 377 were run by associations, 122 - by foundations, 9 by social co-operatives and 344 by church associations and religious communities (including Caritas). Social economy organisations play an important role of supporting units under the system of family benefits through in-kind benefits (mainly feeding children) and material aid - no statistical data is available in this scope.

2.7.2 Support for parents' labour market participation

In the policy field of supporting parents' labour market participation, the predominant actors are listed in the following table.

Predominant Governmental Actors	The State is the major actor of the policy of support for parents' labour market participation: Ministry of Labour and Social Policy; Ministry of Health; Social Insurance Institution; National Health Fund; Local self-governments (provincial, district, municipal ones).
Predominant Non-profit - Actors	Welfare organisations involved in providing services in the field of long-term care - through providing long-term care and home care services (also on behalf of the public sector). Caritas, as well as, other religious associations run extensive activities in this area. Organisations providing childcare facilities.
Predominant Private - Commercial Actors	Private entities providing care services (including long-term care) for children, disabled and elderly people; Employers providing childcare facilities.
Interaction of actors	The obligation to give a leave to working parents lies within the responsibility of employers; The public sector - insurance funds, the central budget, municipalities - are liable for financial benefits; Tasks in the scope of long-term care are accomplished by local self-governments and health-care institutions; tasks in the range of childcare - by the municipalities; The public sector regulates, controls and supports the provision of long-term care services and in the scope of child care - by social economy organisations, private, profit-driven corporate organisations; Social economy organisations collaborate with the public sector within the accomplishment of tasks aimed at supporting the dependent persons (including to provide long-term care).

As regards to the financing of social investments, provision of services by social economy organisations and private, profit-driven corporate organisations upon obtaining subsidisation to accomplish tasks by public institutions. No statistical data is available as regards to the implementation of social investments. The official statistics makes a distinction between public and private entities (including social economy organisations and private, profit-driven corporate organisations). According to the official statistics, health-care entities providing full-time care in 2013 were as follows: hospices - 73 (1307 places), medical treatment and care units - 379 (22302 places), nursing-care facilities 152 (6401 places). The 'Forum of Polish Hospices' NGO points out that there are 170 hospices (stationary or/and domestic ones) run by associations, foundations, religious congregations and Caritas. Some of them are contracted by the National Health Fund, others operate on the grounds of people's generosity. Social economy organisations and ecclesiastical entities operate agilely in the scope of long-term and palliative care, often implementing innovative solutions aimed at supporting the care of dependants.

2.7.3 Policy measures to address social and labour market exclusion

The State and local self-governments are the chief actors of the policy on prevention of social and labour market exclusion. The predominant governmental actors are the Ministry of Labour and Social Policy; Labour market institutions; Social welfare institutions; the Labour Fund; the State Fund for Rehabilitation of Disabled Persons; Local self-governments (provincial, district, municipal ones). The predominant non-profit actors are welfare organisations involved in the provision of services for disabled, unemployed, poor people or persons threatened with social exclusion, among others, due to unemployment, age, homelessness, illness or disability. Private entities providing services in the field of the labour market policy, support of people with disabilities, social welfare assistance are the predominant private-commercial actors. As regards to the interaction of actors, the public sector is liable for financial benefits. Services for unemployed people, services and support for disabled persons, services in the range of social welfare support are provided by public and private entities as well as social economy organisations. The public sector regulates, controls and supports the provision of services for unemployed and disabled people, services in the range of social welfare assistance by social economy organisations and private (profit-driven) corporate organisations. Social economy organisations collaborate with the public sector (mostly with local self-government units), especially in the sphere of social welfare assistance and support for disabled people.

By considering the financing of social investments, in 2013 the public administration provided social economy organisations with 971 M PLN for their accomplished tasks (from within various thematic areas). In 2013 national and local government entities commissioned social economy organisations with tasks in the following areas: social welfare assistance, e.g. for families and individuals facing difficult life situations (commissioned by 32% administrative units), activities in the field of professional and social integration and re-integration of people threatened with social exclusion (7%), activities for people with disabilities (31%), combat against addictions and social pathologies (28%) [68]. There is no statistical data indicating the extent of involvement of social economy organisations and private, profit-driven corporate organisations. However, something can be said by relying upon the research studies run by the 'Klon/Jawor' Association in 2012: there are slightly more than 100 000 non-governmental organisations (including 72 000 associations and 11 000 foundations) in operation in Poland. Taking into account all action fields, 16% of them operate in the sphere of social services and welfare support (chiefly support for children, families, disabled, poor and elderly people) and 7% of them in the sphere of the labour market, employment and professional activation (chiefly trainings, vocational courses, professional activation, organisation of internships)[69]. Social economy organisations are active in the creation and implementation of social innovations and accomplishment of social investments in the sphere of vocational activation, social welfare as well as social and professional activation of disabled persons.

2.7.4 S.W.O.T. Analysis

[68] Report on the functioning of the Act on public benefit activities and volunteerism for 2012-2013, together with annexes, http://orka.sejm.gov.pl/Druki7ka.nsf/0/B6A72EA5FB11810FC1257E6000326710/$File/3481.pdf
[69] J. Przewłocka, P. Adamiak, J. Herbst (2013), Basic facts about NGOs - 2012 report, Klon/Jawor Association, Warsaw

For Poland, it is possible to carry out a SWOT analysis for Social Economy and Social Innovation in the policy area of support for elderly people. The main points of strength for Social Economy in this policy field are represented by the large number of Non-Governmental Organisations (NGOs) dealing with that issue – some of them undertake economic activities, what makes them social enterprises. There are some interesting initiatives taken by NGOs at both local as well as regional levels. However, there is still a limited number of social economy entities established by elderly people themselves, and currently there are no effective endeavours dedicated to development of the economic/business skills of future elderly people (that could be used to establish social enterprise). One of the main opportunities for Social Economy is represented by the National Programme for the Development of Social Economy, adopted in 2014. It defines the key directions of public intervention to support the best possible conditions for the development of social economy and social enterprises in Poland. Moreover, there are numerous strategies and political initiatives established and supported at both regional and local level (also for social economy). There is an increasing number of NGOs qualified in supporting the social enterprises and the needs of elderly people. On the other side, the low level of social capital development in Poland and economic migration processes that left elderly people alone especially in rural areas and smaller cities represent one of the major threats to Social Economy in this policy area, together with the high level of dynamic changes in the labour market joined by increased number of people going earlier on retirement (after threshold of age is reduced). As regards to Social Innovation, there are some interesting undertakings of an innovative nature – i.e. supporting intergenerational dialogue – developed at local level as well as by the NGO operating at national level. There is currently a limited number of social innovations related to elderly people and existing incubators for social innovation are not specialised in working with elderly people. However, a large number of European funds will be dedicated for the social innovation with special focus to elderly people needs.

2.8 Spain

2.8.1 Support for early childhood development

As regards to the policy field of the support for early childhood development (early childhood education and care; enabling parents' labour market participation; maternal/paternal/parental leave schemes), the predominant governmental actors are the Ministry for Health, Social Services and Equality, General Service Management for Family and Early Childhood; the Ministry for Education, Culture and Sport; the State Public Employment Service (SEPE); Municipalities and Regional autonomous government bodies. The predominant nonprofit actors are Charities such as Caritas, Acción Familiar, Aldeas infantiles SOS de españa, and Agrupación De Asociación Casal Dels Infants Per L'acció Social Als Barris Y La Fundación Tomillo. Privately-owned preschool day care and educational centres are the predominant private-commercial actors. As regards to the interaction between actors, there is an increasing reliance on the private sector for daycare provision. Local and regional governments follow central government guidelines and schemes as well as having the power to introduce their own, severely limited in recent years by spending cuts. Not-for-profit and private organizations provide the predominant part of parenting services, and Municipalities sometimes have their own foundations which act as watchdogs of the implementation of policies at regional government level. Academics, associations, employer association as well as welfare organisations give advice to politicians.

By considering the policy field of family benefits, the predominant governmental actors are the following: State Social Security Dept; Regional Departments for Youth and Family; Ministry for Health, Social Services and Equality, General Service Management for Family and Early Childhood; State Public Employment Service (SEPE); Municipalities and Regional autonomous government bodies. The predominant nonprofit-actors are Asociación Bienestar Y Desarrollo; Family Associations; and Asociación Estatal De Acogimiento Familiar Por Sus Derechos (ASEAF). As regards to the interaction between actors, central government provides a budget for benefits to autonomous communities; depending on the scheme, the cost of subsidies and benefits are shared centrally and regionally. The tax and state contributions office provides information on eligibility for means assessed benefits. Most benefits are available regardless of the autonomous community and Municipalities provide extra services and advice to families.

In the policy area of parenting services, the predominant governmental actors are the State Agency of Tax Contributory Administration; Municipalities; State Institute for Women and Equal Opportunities; Ministry for Health, Social Services and Equality, General Service Management for Family and Early Childhood; and State Pubic Employment Service (SEPE). Asociación Para La Racionalización De Los Horarios Españoles, Asociación Para La Gestión De La Integración Social, Asociación De Personas Mayores Y Familiares Solidaridad Intergeneracional, and Asociación Nonos are the predominant nonprofit actors. As regards to the interaction between actors, great advances have been made in schooling of post 3 year olds since changes in regulation in the 2000s. Schooling for 0-3 year olds is left in some cases to the open market, with limited public places available in state nurseries . Charities provide services that offer advice and parenting guides, as do some municipalities, but Spain is described as a "familist state" where there is great reliance on the family unit to provide daycare. No information is provided as regards to the policy measures to address social and labour market exclusion.

2.8.2 S.W.O.T. Analysis

To conclude the analysis on Spain, the major opportunities of Social Economy in the field of early childhood development are the investment in innovative projects to find effective solutions for parenting services, and the networking capabilities that public institutions do not have. The main points of strength of Social Innovation in this policy field are interdisciplinary co-operations (e.g. early education and science) and greater quality and evaluation dimension into social services. The high risk of failure and the lack of financial support are the major threats for the rise social innovation experiences.

2.9 Sweden

2.9.1 Support for early childhood development

As regards to the policy field of support for early childhood development (early childhood education and care; family benefits; parenting services), the responsible for preschool and afterschool care is the Ministry of Education ("Utbildningsdepartementet"). The predominant nonprofit actors for childcare services are Föreningen för Vård och fostran av barn och ungdom (FVBU), an association for care and upraising children and youth, a non-profit association based on Christian values (11 preschools). As regards to the interaction of actors for childcare services, Municipal Councils are primarily responsible for providing child care/preschool in all legally stipulated cases - both via municipal and free preschools. It is state inspection or sometimes municipal council that decide on if to allow non- municipal actors the right of establishment. Municipalities provide financial contributions to all forms of child care run according to prescriptions - childcare fees should not diverge depending on the form of its provision, and define the level of caped childcare fees. Depending on the preschool form both Municipalities or other legal actors are responsible for the quality of childcare stipulated in the School Act.[70] Municipalities are however responsible for overall monitoring of childcare quality in all preschools that receive municipal financial contribution.[71]

By considering now the quantitative relevance and the role of the social economy organizations and private corporate organizations for regulation, financing and implementation of social investments, there is a long tradition in Sweden of actors from all three sectors involved in childcare provision and preschool activities. Besides non-profit actors such as parent cooperatives and foundations since 1991 also for-profit actors were allowed to enter implementation of childcare services through contracts with municipalities. Since 2006 national government has increased the role of private actors in childcare implementation by legally stipulating the right of free establishment ("fri etableringsrätt")[72]. This has enabled local

[70]See Skolverket [National School Agency]. http://www.skolverket.se/skolutveckling/kvalitetsarbete/huvudmannens-systematiska-kvalitetsarbete/huvudmannens-ansvar.

[71]See Skolinspektionen, 2011, available at the following link: http://www.skolinspektionen.se/sv/Beslut-och-rapporter/Publikationer/Granskningsrapport/Riktad-tillsyn/Kommunernas-tillsyn-av-enskild-verksamhet/

[72] Lorentzi, U. och Widmark, O. 2014. *Skilda världar: En jämförelse mellan kommunalt driven, ideellt driven och bolagsdriven barnomsorg.* Välj välfärden. Kommunal. 2014.

municipalities to accept also private childcare providers given they meet some specified requirements. The motive has been to stimulate businesses in welfare services and to provide parents with the right of choice. However, it is still up to municipal councils to decide on whether the right of choice in welfare services such as childcare will be applied in their municipality. It is also municipalities that define the level of caped childcare fees ("maxtaxa"). Both the long waiting lines to childcare in some territories and dubious pedagogical quality of some non-publicly run care units have been targets of recent debates in Sweden. Since 2009 municipalities pay a financial contribution ("barnomsorgspeng")[73] to the care providing actors, also non-public actors, as money for childcare is ascribed to the child. In 2012 there were circa 2500 non-municipal pre-school childcare providers including a variety of activity forms – associations, foundations and limited companies. Totally there were ca 489 300 children in pre-school childcare autumn 2013, more than ever. While majority is participating in municipal childcare but since 1990s the number of independent childcare units has been constantly increasing. In 2013 20% (or 97 400) of all children went to a so-called free pre-school barn. [74] According to the statistics from National Statistics Agency (SCB) the number of free preschool actors is much larger than that of municipal ones in 2013. 2035 free actors are running 2576 preschools while 290 municipalities over 7000 preschools. This means that every fourth preschool is non-municipal and the majority of non-municipal actors run only one preschool. However some 10 actors run more than 10 preschools (or 10% of all preschools). All 290 municipalities offer municipal childcare, and 47 municipalities still offered exclusively municipal childcare in 2012. Only 7 or 2% of municipalities offered exclusively privately driven childcare as an alternative. 243 municipalities had at least some kind of non-municipal child care. Childcare by non-profit actors is available in 81% or 236 municipalities while private actors are found in 41% or 120 municipalities.[75] Approximately 480 000 children or 84% of those aged 1-5 attended preschool in 2012. Among children aged 3-5 the percentage was 95. In general, two of ten children go to a non-municipal school and of these half attend non-for profit schools while the other half attend childcare driven by private market actors. In other words, the market share of civil society and for-profit sector in childcare is rather equal.[76] Generally the market role of non-profit actors in childcare is larger in Sweden than in the elderly/long term care.[77] The following table summarizes the role of the social economy organizations and private corporate organizations for regulation, financing and implementation of social investments in the policy field of childcare in general and extended childcare.

Regulation of Social Investments	Regular and extended childcare: National government, parliament (School Act)
Financing of Social Investments	*Regular childcare*: State subsidies, municipal taxes, childcare fees. Extended childcare hours: primarily additional state subsidies
Implementation of Social Investments	*Regular childcare and extended childcare hours* Local municipalities by running their own public child care units or by paying financial contributions ("barnpeng") to private or non-profit/civil society actors.

2.9.2 Support for parents' labour market participation

As regards to the field of support for parents' labour market participation (Enabling parents' labour market participation; Long-term care; Maternal/paternal/parental leave schemes), the predominant

[73] Lorentzi, U. and Widmark, O. 2014. *Skilda världar: en jämförelse mellan kommunalt driven, ideellt driven och bolagsdriven barnomsorg*. Kommunal.
[74] Skolverket[National School Agency], 2014. *Privata aktörer inom förskola och skola. En nationell kartläggning av enskilda huvudmän och ägare.* Rapport 410.
[75] Data from SCB in Lorentzi, U. and Widmark, O. 2014. *Skilda världar: en jämförelse mellan kommunalt driven, ideellt driven och bolagsdriven barnomsorg*. Kommunal.
[76] Ibid.
[77] Tillväxtverket, 2012. *Varför är det så få idéburna organisationer i välfärden?* Rapport: 0142.

governmental actors are the following. For long-term care, the regulatory actor is The Ministry of Health and Social Affairs; the financing actors are state and municipalities, and the implementing actors are municipalities. National law on absence from work for *care of closely related persons* ("Lag 1988:1965 om ledighet för närståendevård") was first adopted in 1989. Persons eligible for this *state* paid cash benefit are not only closest relatives but also friends and neighbours.[78] Local municipalities (290 in Sweden) bear responsibility for implementing services needed for care. In addition municipalities are responsible of providing support to family carers (with information, counselling, etc) as a part of implementation of care services. Elderly care is regulated at the national level by the Social Services Act. The management and planning of implementation of care for the elderly is split among three authorities – the central government, the county councils and the local authorities. The primary operational responsibility and certain freedom of choice in implementing the elderly care/LTC rests regional (health care) and local municipalities (institutionalised and home care). Both types of municipalities are represented by directly elected political bodies and have the right to finance their activities by levying taxes and fees within the frameworks set by the Social Services Act. Parental benefits are regulated by the national government and paid by the National Social Security Agency (Försäkringskassan). The predominant private-commercial actor for long-term care/elderly care is Attendo Care and Carema care (ca 50% of the private elderly care market in Sweden)[79]. As regards to the interaction between actors, for long term care /elderly care, the national government has the overall responsibility for policy objectives within health care and elderly care as well as co-financing it through state grants while regional and local municipalities have primary responsibility for financing and implementation. While local municipalities remain major elderly care providers (implementers) they have privatised parts of their elderly care – by inviting tenders from private for-profit or non-profit care providers with the primary aim to reduce costs. However private for-profit elderly care based on cost reductions show signs of insufficient quality and is intensively debated. Additionally, the law on freedom of choice ("LOV") is yet not applied in all local municipalities within home care services preventing thus social economy actors from a more active role.

As regards to the regulation of social investments, Elderly care/LTC is regulated at the national level by the government, whereas Parental benefits are regulated by the national government and paid by the National Social Security Agency (Försäkringskassan). According to the Swedish tradition often a government appointed committee or a commission of inquiry to examine specific policy issues precede a government proposal of a specific legislation. During the analysis and after its results are announced in a public series known as the Swedish Government Official Reports ("SOU") a variety of actors - including civil society and private actors may be approached for their opinions. The private sector and third sector actors may thus participate in legislation within the above policy fields primarily indirectly.

Both private for profit and third sector (non- profit) care providers' services to citizens within elderly care (they are active primarily in home care) are publically subsidised from local taxes and state budget as citizens pay up to a maximum fee decided by the state. As fees are income based (up to the maximum fee) citizens with very low income may receive care for free (totally subsidised by public sector). As of 2006, approximately 19% of home care recipients received the entire service free of charge, as their income did not exceed the reserved amount. However in may 2015 the government proposed a possibility for municipalities (or subcontracted care providers) to charge an increased fee from 2016 - increasing a gap between the poorest pensioners and the employed.[80]

As regards to the interaction between actors, elderly care is implemented by actors of all three sectors in Sweden and increasingly so especially by private sector actors. In addition to the public, private and civil society role in elderly care during recent decades, family carers are gaining increasing importance.

The historically close ties between the public sector and people in Sweden have resulted in long-term care (LTC) being an exclusive state matter for decades.[81] Nevertheless both the private and the non-profit

[78] The benefits are paid for maximum of 100days (in special cases up to 240days).
[79] Linderyd, Ardin and Rickne, 2012. *Välfärd bortom stat och kapitalet*. Krtor3. http://www.krtor3.se/2013/12/bestall-krtor3s-rapporter-och-bocker/
[80] Riksdagen [The Swedish Parliament]. Interpellation. available at: http://www.riksdagen.se/sv/Debatter--beslut/Interpellationsdebatter1/Debatt/?did=H210625
[81] Fukushima, N., Adami J., and Palme, M. 2010. *The long-term care system for the elderly in Sweden*. ENEPRI research report: 89.

sector part in most of welfare service delivery in Sweden has been increasing during the past decade especially prompted by the implementation of laws on public procurement ("LOU") and freedom of choice ("LOV"). While the non-profit sector part in welfare has been increasing it is indeed decreasing in relation to private sector welfare providers. *State* spending for private welfare providers was 62 bn kr while 12,7 bn kr (almost five times less) to the third sector in 2009 according to statistics from SCB.[82] The *municipal* spending for non-profit providers for elderly care were 6 bn KR and made up only 10% of total municipal spending for private sector providers or only 3% of municipal spending for elderly care. According to the available data for 2009 ca 300 000 individuals were enrolled in the elderly care in Sweden. Of these ca 53 000 (15%) were enrolled by private sector care providers and 9 000 (3% or five times less by non-profit actors). The number of private care providers has been constantly increasing and in 2011 it reached 18.6% of all elderly people getting *home help.* Those employed by third sector actors worked mainly as personal assistants ("personlig assistans") and to a very little extent within more professionalised home-care services ("hemtjänst"). In the *institutionalised* care, the largest part of care providers were local government (116 000 employees), second largest part was enrolled by private providers (18 000) with the smallest part made up of non-profit sector employees (3 600).[83] Among non-profit organisations there are ca 40 cooperatives providing services for elderly.[84]

2.9.3 Policy measures to address social and labour market exclusion

As regards to the policy measures to address social and labour market exclusion (Unemployment benefits; Minimum income; Active labour market policies; Social Services for the persons seeking employment; Old age, disability and survivor), the national government defines the aims of the Swedish labour market policy (primarily matching unemployed with job vacancies; securing that unemployment insurance functions as a temporary support instrument; increasing employment rate). The other predominant governmental actors are the National Labour Market Agency (NLMA), under Ministry of Employment ("Arbetsmarknadsdepartementet"). The ministry is responsible for labour market and integration and issues regulative directives to steer the work of NLMA based on parliament decisions. NLMA is the major central agency, financed by the government, responsible for the implementation of labour market policies. It is responsible for all its local public labour market agencies in 10 geographic regions. The agency is led by director general and a steering board, both nominated by the government. Besides it has a consultancy council made up of labour market parties (employer and employee associations). NLMA also has exclusive responsibility for persons with disability and for newcomer immigrants' labour market participation. It also bares an overall responsibility for coordinating measures to be implemented by a variety actors regarding newcomer migrants establishment in labour market and society. In practice NLMA and its local agencies are becoming more and more of a controlling actor (the unemployed) rather than job mediating agency. NLMA, National Social Security agency and national tax agency has some collaboration on service to citizens related issues. As regards to the predominant nonpofit actors, there are numerous work integration enterprises (WISE) in allocating jobs or activities to marginalized groups often with long-term unemployment or difficulties to keep jobs. Most WISE companies (330 of 336) indicate that they have contacts with NLMA (e.g. for work rehabilitator training, work training and (subsidized) employment[85]. Moreover, since 2007 NLMA is obliged to subcontract some of their tasks to so called complementary private actors. Numerous private coaching and placement service companies have been involved.

By considering the interaction of actors, the national government acts as a major regulator and the public central and local labour market agencies act as major implementers. Implementation is taking place in

[82] ee also Johansson Ola. 2011. *Tjäna eller tjäna – om vård eller vinst. Privatisering av vård, omsorg, skola – vilka tar över*? Famna, Stockholm.

[83] Johansson, O. 2011. *Tjäna eller tjäna – om vård eller vinst. Privatisering av vård, omsorg, skola – vilka tar över?* Famna, Stockholm.

[84] Hela Sverige skall leva. *Vi arrangerar kooperativ äldreomsorg*. http://www.helasverige.se/kansli/vad-vi-goer/vaara-skrifter/skriftserien/

[85] This data is provided by Tillväxtverket (Swedish Agency for Economic and Regional Growth) in our mail communication (2015 08 27). The agency is responsible for collecting the data on WISE, but WISE registration in the database is voluntary why the up to date data is incomplete. WISE are run in a variety of forms in Sweden, most of them in as economic or nonprofit associations, fewer as fundations or limited companies.

collaboration with local municipalities (for education, training, housing), other national agencies (e.g. National Social Security Agency) and with subcontracted private placement service/coaching companies and WISE. Locally municipalities and nationally several agencies including NLMA collaborate with social enterprises on outsourced job creation/labour market (re)integration. Training programs offered through NLMA are often outsources to actors such as state owned Learnia. Private sector also has an important role as job or job-training provider in various active labour market programs. Due to hard critique from evaluations director general of NLMA has since 2015 stopped contracts with special type of private actors ("lotsar") offering transfer services to ease newcomers (labour market) establishment.

The Parliament and the national government remains the major actors in regulating social policies and investments. Certain local municipal initiatives – such as creation of social investment funds additionally targeting marginalised groups – indicate a level of local decision-making freedom to regulate local social investment priorities due to municipal self-governance principle in Sweden.

A new type of collaboration with social investment goals are idea-based and public partnerships (idébaserade-offentliga partnerskap (IOP) establishing equal roles for public sector and civil society actors in development of social services. The idea has been developed by the National Forum for Voluntary Organisations with social purpose, the Social Forum.

Financing of social investment in labour market policies has primarily been conducted through state budget such as in subsidised employment programmes. Some complimentary financing in increasing number of Swedish local (primary) and regional (secondary) municipalities since 2010 has been through municipal social investment funds based on municipal taxes. Several national agencies (e.g. Tillväxtverket, Vinnova) allocate project resources (national, EU) for social enterprises - as important actors in social and labour market integration this way realising some social investment policy principles. National Labour Market Agency (NLMA) channels financial means from government allocations to civil society and work integration social enterprises (WISE). Also some private actors – some banks and micro funds such as Mikrofonden väst – offer financing for social enterprises/social economy organisations. There are also some privately financed non-profit associations such as Inkludera Invest aiming to support social entrepreneurs investing in integration of marginalised groups into labour market and society.

The implementation of social investments has been primarily conducted by State institutions, primarily National Labour Market Agency (NLMA), in collaboration with local municipalities on related training, housing, health services and private non-profit and for-profit actors. Private sector actors, such as private subcontracted by NLMA coaches, and other service providers are playing an increasing role. A particular group of actors, so called "lotsar" that were increasingly and primarily subcontracted to ease newcomer immigrants' labour market entrance or training have been found in a number of public evaluations to be a failure and the subcontracting (even though legally still a right for newcomers –due to the legislation on freedom of choice in welfare service provision – have been recently abolished by Director General of NLMA (2015). The role of the third sector organisations, especially WISE has been steadily increasing in labour market policy implementation.

The Swedish welfare state was build on a model that especially between 1950-80s did not devote much attention to the role of civil society as the state was to undertake all major welfare responsibilities. The situation especially since 1990s has changed.[86] The Swedish *National Plan for European Social Fund 2014-2020, National Means*[87] prioritises complementary role of civil society and social economy for prompter social and labour market integration. Especially investment in sustaining already established social economy actors is prioritised.

[86] CIVOS 2012. *Civilsamhällets betydelse för välfärd, ekonomi och demokrati*. En uppföljning av politiken för det civila samhället - ur civila samhällets perspektiv (The importance of civil society for welfare, economy and democracy. An evaluation of the politics for civil society - from the perspective of civil society)

[87] The Swedish National Plan for European Social Fund 2014-2020, National Means, http://www.esf.se/Documents/Min%20region/Nationellt/Nationell%20handlingsplan%20ÖK-beslut%20150129.pdf.

At present there is lack of reliable statistics about social firms and social (societal) entrepreneurship in Sweden.[88] [89] There is no specific data available at SCB on the role of social economy organisations in welfare sectors. The Swedish ESF Council has only 2015 announced an interest for a pilot-study on the role of social economy in labour market policies.

Approximately 310[90] work integration social enterprises (WISE) spread over the country enrolled 9650 people in 2014[91] which is an increase from 270 and ca 9000 in 2012. Since 2012 Tillväxtverket has allocated support for 89 projects (ca 25 mln kr) to social enterprises mostly for combating unemployment via creation of new social enterprises or new methods.[92]

In 2013 the Nordic Council of Ministers has initiated a working group for mapping social entrepreneurship and social innovations[93] which finds that studies that in depth analyse the collaboration between social entrepreneurs/firms, public sector actors and civil society in Swedish and Nordic contexts are still in lack.[94] Also research on the role of social economy in Sweden is still under development. Swedish government also has undertaken important steps towards innovative thinking in integration of ethnic minorities, active labour market policies and lifelong learning.

The alliance government in its strategy for work integration social enterprises (WISE) from 2010 has stressed the focus on the role of social entrepreneurship in labour market integration as a bridge-builder between public, private and third sector, if not an alternative to those.[95] Some of social enterprises go under the name work integration social enterprises (WISE) that are not new in Sweden. During the last decade their activities have broadened significantly aiming at addressing broader social challenges [96] than mainly creating new jobs and ways to enter labour market for such marginalised groups as long time unemployed and sick. Since 2009 Swedish government has assigned resources to NLMA to subcontract services from WISE and private actors.[97] NLMA for example purchases training or rehabilitation for unemployed from WISE while local government purchases other services responsible such as elderly care, cleaning etc..[98] Neither social enterprises nor WISE are a legally recognised economic activity form in the Swedish law and thus little specific financing and as yet (2014) no specific rules for subcontracting their services are available.[99]

Two major pilot activities were recently implemented in selected regions in Sweden involving private actors as complementary actors to be subcontracted by NLMA (2008-2009) for long term unemployed and by NLMA and National Social Security Agency for work rehabilitation of the disabled (2008-2010). During first half of 2009 ca 20% of jobseekers within programmes ”Job and development guarantee” and ”Jobbgarantee for young” have been in contact with private actors.[100] Government aim was 30% of

[88] Tillväxtverket: Kunskap och statistik [knowledge and statistics] http://www.tillvaxtverket.se/huvudmeny/insatserfortillvaxt/naringslivsutveckling/samhallsentreprenorskapochsocialainnovationer/kunskapochstatistik.4.2b7844c13856c63b4c548.html

[89] Nordisk ministerråd 2014. Sosialt entreprenørskap og sosial innovasjon. Kartlegging av innsatser for sosialt entreprenørskap og sosial innovasjon i Norden. TemaNord 2015:502., p. 167ff. http://dx.doi.org/10.6027/TN2015-502 [Accessed 2015-08-10].

[90] The data for spring 2015 is updated to 336 enterprises of which 330 has contracts with public agencies for work rehabilitation, work training or similar. Data provided by Tillväxtverket in a mail communication from 20150828.

[91] Tillväxtverket: Kunskap och statistik [knowledge and statistics] The database is based on voluntary registration. http://www.tillvaxtverket.se/huvudmeny/insatserfortillvaxt/naringslivsutveckling/samhallsentreprenorskapochsocialainnovationer/kunskapochstatistik.4.2b7844c13856c63b4c548.html

[92] Nordisk ministerråd 2014. Sosialt entreprenørskap og sosial innovasjon.

[93] http://www.norden.org/sv/tema/haallbar-nordisk-vaelfaerd/utbildning-och-arbete-foer-vaelfaerd/socialt-entreprenoerskap.

[94] Nordisk ministerråd 2014. Sosialt entreprenørskap og sosial innovasjon. Kartlegging av innsatser for sosialt entreprenørskap og sosial innovasjon i Norden. TemaNord 2015:502. http://dx.doi.org/10.6027/TN2015-502 [Accessed 2015-08-10].

[95] Gustavsen, Karin & Kobro, U. Lars .2012. Sosialt entreprenørskap som ledd i innsatsen mot fattigdom. Telemarksforskning, TF-rapport nr. 305.

[96] Nordisk ministerråd 2014. Sosialt entreprenørskap og sosial innovasjon. Kartlegging av innsatser for sosialt entreprenørskap og sosial innovasjon i Norden. TemaNord 2015:502., p. 165ff.http://dx.doi.org/10.6027/TN2015-502 [Accessed 2015-08-10].

[97] http://www.ifau.se/upload/pdf/se/2009/r09-23.pdf.

[98] Sofisam. http://www.sofisam.se/handbok-for-myndigheter.html.

[99] Nordisk ministerråd 2014. Sosialt entreprenørskap og sosial innovasjon, p.166ff.

[100] Bennmarker, Grönkvist, Öckert. 2009. *Betalt efter resultat – utvärdering av försöksverksamhet med privata arbetsförmedlingar.* IFAU rapport 2009: 23.

jobseekers covered by private actors. While private actors are not disclosed, the evaluations show no larger difference in the effects between private and public actor service.[101]

2.9.4 S.W.O.T. Analysis

To conclude the analysis on Sweden, it is worth noting that social economy actors play a significant role in childcare services, almost on pair with private actors. Certain historical and current judicial and cultural factors – such as historical predominance of state sector; a competitiveness climate supported by subcontracting with its efficiency based focus as well as the relatively unsupportive public opinion towards social economy actors in welfare services – hinder more extensive role for social economy actors in early childhood development policies. At least some social economy actors have found their niche (such as Christian preschools run by associations). Also the fact that the numbers of children attending preschool care run by non-profit organisations almost equals to that of private sector shows its potential especially within this sector of welfare economy. In policy areas related to supporting early childhood development (B1) Swedish state and local municipalities may be seen not only as main policy implementers but also as the major change driving actors towards social innovations. Some social innovations are pure local (municipal) initiatives. As regards to the policy field of supporting parents' labour market participation, the implementation of the law on freedom of choice ("LOV") has especially strengthened the chances of social economy actors to get (or stay) involved in welfare service delivery including elderly care. The law on public ("LOU") procurement favours for profit actors. Considering the major opportunities for Social Economy in this policy field, social economy actors are highly dependent on relations with public sector actors and public financing in Sweden. Government may choose to legislate on an obligatory implementation of the law on freedom of choice ("LOV") where local municipalities still hesitate to apply it (today this right rests with local municipal councils). Social innovation is a concept still relatively uncommon among public and private sector actors, and institutionalised cultures and practices in public sector as well as its fragmentation create obstacles to social innovation initiatives. However, there are several points of strenghts and opportunities for Social Innovation in this policy area. Among others, local authorities would open up for implementation of social innovations. and the establishments of municipal social investment funds may potentially bring new social innovations.

2.10 UK

2.10.1 Support for early childhood development

In the policy field of support for early childhood development, and more specifically in the area of early childhood education and care, Early Years Foundation Stage (EYFS) is the main descriptor for under-5s learning. This is a Department for Education responsibility, with inspection by OfStEd, and funding distributed by the Education Funding Agency. Money goes to EY 'settings' for the 'funded hours' via the Local Authorities and the Dedicated Schools Grant. Implementation is from a variety of actors in public, voluntary/community and private sectors, sometimes in combination. Big players include Serco (private sector) and 4Children (charity) who combined to set up Together for Children which supported local authorities in the set-up phase of Sure Start.

The predominant governmental actors are the Department for Education, OfSted, and Local Authorities. Given the subsidised childcare element of Early Years Foundation Stage education, HMRC is also involved in funding registered providers through the voucher and tax credit schemes. As regards to the predominant nonprofit-actors, a number of non-profit organisations are involved in lobbying/ campaigning on EYEC issues, as, among others, 4Children, Family and Childcare Trust. 4Children is the government's 'strategic partner' for early years and childcare and runs 'almost a hundred Children's Centres and over 40 nurseries' (http://www.4children.org.uk/Page/Supporting-the-early-years). Most 'settings' for EYFS are in the private sector. Many are small organisations running a small number of nurseries, although there are some chains

[101] Jönsson, L., and Thoursie, P. S. (2012). *Kan privatisering av arbetslivsinriktad rehabilitering öka återgång i arbete?* Institutet för arbetsmarknadspolitisk utvärdering (IFAU). http://www.ifau.se/Upload/pdf/se/2012/r-12-03-Kan-privatisering-av-arbetslivsinriktad-rehabilitering-oka-atergang-i-arbete.pdf.

running 100+ nurseries. Serco and PA Consulting joined with 4Children in order to create a 'bespoke delivery vehicle' (Together For Children) which helped Local Authorities set up the Sure Start partnerships. By considering the interaction of actors, DfE create the programmes, and rules. OfSted are the regulator checking standards in education (from early years onwards, except universities). HMRC administers schemes which allow taxpayers to get subsidized early years and other out-of-school care, that would normally be paid for, and Local Authorities distribute the funds for the free at point of use 'funded hours'.

As the financing of social investments is concerned, Public support for early years is estimated at £2.3bn (IFS, 2012/13 figures), which is a mixture of direct funding and financial support for parents. Given the total market figure below, this suggests a further £600m being paid by parents. This also does not include the cost of improving the skills of childcare workers (some state investment here).

£500,000 is also being spent by DfE through the Childcare Readiness Investment fund which will pay for consultancy to help small providers grow. 'I suspect price/margin cross-subsidies are commonplace in the sector (where margins on self-pay business compensate for an absence of margins on local authority entitlement funding), which creates an inefficient pricing model for the sector, and actually may lift the price of childcare for self-payers.' (LaingBuisson, http://www.nurseryworld.co.uk/nursery-world/news/1148138/growing-childrens-nurseries-market-worth-gbp49bn) There are examples of medium sized social investment (UK definition) in this area: 4Children became the first organisation to benefit from a £700,000 loan from the FSE Social Impact Accelerator Fund. This will help them take on at least 50 new children's centres and nurseries over the next 3 years, offering subsidised nursery places and support to more than 15,000 new families each year.', 'London Early Years Foundation has, for example, received £1.25 million of funding from the Big Issue Invest and Bridges Ventures via the Cabinet Office's (Investment and) Contract Readiness Fund. They'll use this to add another 10 nurseries, all working to their innovative business model, to their portfolio across London.' (Sam Gyimah speech, 2014, https://www.gov.uk/government/speeches/sam-gyimah-childcare-our-moral-mission).

As regards to the policy field of family benefits, the predominant governmental actors are HMRC (tax office for Child Benefit); DWP (Sure Start Maternity Grant– means tested); Department of Health/ NHS/ HMRC (Healthy Start food vouchers – means tested); Local authorities and schools (Free school meals). Child benefit and Sure Start maternity grant are paid directly to parents. Healthy start food vouchers are applied for by parent, and then vouchers can be used in shops. The central government cares about the regulation, financing and implementation of social investments in this policy area.

By considering the policy field of parenting services, there have always been some VCS players in the 'parenting services' environment. For example, CanParent was a £100 voucher scheme for parenting classes, which could be spent with VCS (e.g. National Childbirth Trust), state (LAs)and private sector providers (ParentGym, as a CSR project of MindGym). The predominant governmental actors are local authorities, and there are also many nonprofit organizations.

2.10.2 Support for parents' labour market participation

The following table provides a list of the predominant actors in the policy area of support for parents' labour market participation (Enabling parents, labour market participation; Long-term care; Maternal/paternal/parental leave schemes).

Predominant Governmental Actors	Child care: - The Social Mobility and Child Poverty Commission Long-term care: - Local authorities Maternal/paternal/parental leave schemes: - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question

Predominant Nonprofit-Actors	Child care: - Voluntary sector providers dominate the child care market (in conjunction with the private sector) Long-term care: - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question - Maternal/paternal/parental leave schemes: - Trades Union Congress
Predominant Private-Commercial Actors	Child care: - Private-commercial actors dominate the child care market (in conjunction with the voluntary sector) Long-term care: - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question Maternal/paternal/parental leave schemes: - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question
Interaction of actors	Child care: - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question Long-term care: - Links between policy areas, revealing contradictions in terms of desired goals, are often not made Maternal/paternal/parental leave schemes: - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question

The following table provides instead a list of the predominant actors in the policy area of Policy social and labour market exclusion (Unemployment benefits; Minimum income; Active labour market policies; Social Services for the persons seeking employment; Old age, disability and survivor).

Predominant Governmental Actors	Unemployment benefits - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question Minimum income - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question Active labour market policies - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question Social services - Department for Work and Pensions - Local authorities

	- Department for Health
Predominant Nonprofit-Actors	Unemployment benefits - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question Minimum income - Food bank organisers including the Trussell Trust - Foundations such as the Joseph Rowntree Foundation Active labour market policies - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question Social services - Local Clinical Commissioning Groups - Hospital trusts
Predominant Private-Commercial Actors	Unemployment benefits - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question Minimum income - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question Active labour market policies - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question Social services - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question
Interaction of actors	Unemployment benefits - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question Minimum income - The ESPN Thematic Report on Social Investment, United Kingdom, does not address this question Active labour market policies - Local Enterprise Partnerships have only gradually got into their stride after the abolition of Regional Development Agencies [102] Social services[103] - Social and health services are not closely aligned/integrated with active labour market polices - Job Centre Plus and the Work Programme are central government programmes operated by the Department for Work and Pensions while social services are provided by local authorities and health services by local Clinical Commissioning Groups and hospital trusts sponsored the Department of Health

[102] Please see ESPN pg. 9.
[103] Please see ESPN pg. 10.

3. Discussion and Conclusions

In this section, we propose a preliminary classification of the InnoSi countries on the basis of the degree of social innovation and the level of recognition of social economy organizations. This classification is based upon the related literature as well as the evidence provided by the InnoSi partners and analyzed in Sections 1 of this Working Paper (for Social Economy) and in the Working Paper[104] "Social Innovation Policies with the Involvement of Social Economy Organizations" (for Social Innovation). The following table illustrates a preliminary distribution of the InnoSi country that might serve as a starting point for the econometric study for WP6 ("From foresight to welfare practices").

		Social Economy		
		Low	Medium	High
Social Innovation	Low	Greece	Hungary, Poland	France, Spain
	Medium		Sweden	Italy, Germany
	High		Finland, UK	The Netherlands

Tab. 6.1 - Distribution of the InnoSi countries, based upon the degree of social innovation and social economy in the welfare policy area

We represent Table 6.1 in the following graph, that provide a more visual impact of the trends of Social Innovation and Social Economy in the InnoSi countries. Indeed, the situation in each country is dynamic, also because of the various internal policies.

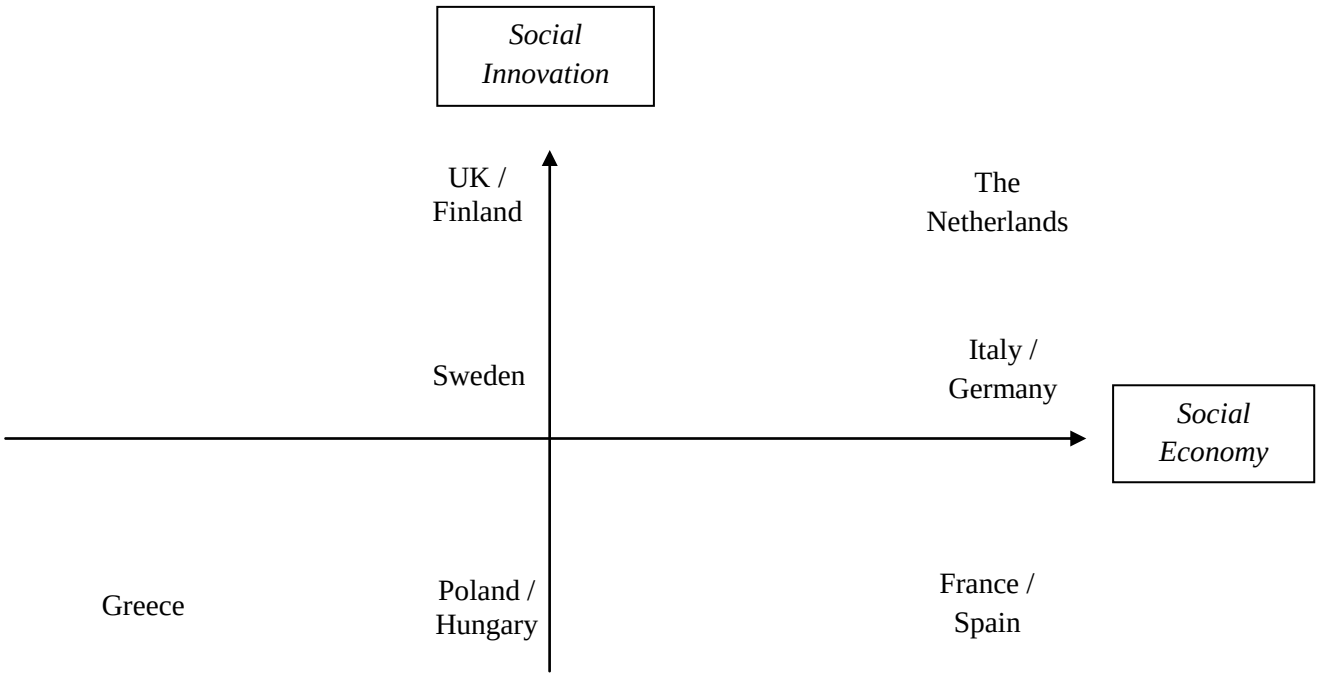

Fig. 6.1 - Distribution of the InnoSi countries, based upon the degree of social innovation and social economy in the welfare policy area

[104] Bassi, A., Ecchia, G., Guerra, A. (2016), *Social Innovation Policies with the Involvement of Social Economy Organizations. Survey Evidence from European Countries.* A Working Paper of the project: "Innovative Social Investment: Strengthening communities in Europe" (InnoSI).

Differently from the result in the 2014 ITSSOIN report by Anheier et al., stating that countries with high levels of social innovation present a high degree of social economy, we cannot confirm this clear relationship, and this is due to the fact that we need to better analyze the characteristics of the trends of Social Innovation and Social Economy on the basis of the outcomes of Social Investment policies.

The following list briefly summarizes some interesting elements on Social Innovation and Social Economy that emerged from our analysis.

1. Each InnoSi country is developing structural changes and new models that improve the quality of life and functioning of society;
2. We can differentiate the incidence of the SE organizations contribution and involvement along two main functions that these kind of organizations deliver for the society: service delivering function and advocacy function (see Tab. 6.2);
3. As far as the Service delivering function is concerned, we registered a relevant presence of SE organizations in the following policy areas:
   B1a) Early childhood education and care;
   B1c) Parenting services;
   B2a) Enabling parents, labour market participation through care provision for dependents and parental leave;
   B2b) Long-term care;
   B3d) Social Services for the persons seeking employment (e.g. social housing, mental health provision, disability support);
4. With regards to the advocacy function, it emerges that the SE organizations are more active in the following policy areas:
   B1b) Family benefits;
   B2c) Maternal /paternal/parental leave schemes;
   B3a) Unemployment benefits;
   B3b) Minimum income;
   B3e) Old age, disability and survivor
5. Whereas the policy area "B3c) Active labour market policies" shows a distinctive role of SE organizations playing both functions: service delivering and advocacy.

		Service delivering function	Advocacy function
B1) Support for early childhood development		High	High
	B1a) Early childhood education and care	√	
	B1b) Family benefits		√
	B1c) Parenting services	√	
B2) Support for parents' labour market participation		Medium	High
	B2a) Enabling parents, labour market participation through care provision for dependents and parental leave	√	
	B2b) Long-term care		
	B2c) Maternal /paternal/parental leave schemes	√	√
B3) Policy measures to address social and labour market exclusion		Low	High
	B3a) Unemployment benefits		√
	B3b) Minimum income		√
	B3c) Active labour market policies	(*)	√
	B3d) Social Services for the persons seeking employment (e.g. social housing, mental health provision, disability support)	√	
	B3e) Old age, disability and survivor		√

Tab. 6.2 – Presence of Social Economy organizations by function in the policy areas

(*) Active labour market policies can be articulated in three sub-fields: protection (e.g. work experience programmes), investment, (e.g. training) and re-commodification (e.g. tax credits, job subsidies). It must be said that especially in the area of training there is a longstanding presence and involvement of SE organizations.

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Annex 1

"1. Points out that the social economy plays an essential role in the European economy, by combining profitability with solidarity, creating high-quality jobs, strengthening social, economic and regional cohesion, generating social capital, promoting active citizenship, solidarity and a type of economy with democratic values which puts people first, in addition to supporting sustainable development and social, environmental and technological innovation;"

4. Considers that social economy enterprises should not be subject to the same application of the competition rules as other undertakings and that they need a secure legal framework, based on recognition of their specific values, in order to be able to operate on a level playing field with such other undertakings;

5. Underlines the fact that an economic system in which social economy enterprises play a more significant role would reduce exposure to speculation in financial markets on which some private companies are not subject to the supervision of shareholders and regulatory bodies;

8. Asks the Commission to promote the social economy in its new policies and to defend the social economy's concept of 'a different approach to entrepreneurship', which is driven primarily not by a profit but by social benefit motive, to ensure that the particular features of the social economy are properly taken into account in the framing of legislation;

9. Takes the view that the European Union and the Member States should recognise the social economy and its stakeholders – cooperatives, mutual societies, associations and foundations – in their legislation and policies; suggests that those measures include easy access to credit and tax relief, the development of microcredit, the establishment of European statutes for associations, foundations and mutual societies, as well as tailored EU funding and incentives to provide better support to social economy organisations operating within market and non-market sectors, which are created for the purpose of social utility;

17. Supports the fact that the components of the social economy should be recognised in the EU sectoral and inter-sectoral social dialogue and suggests that the process for including social economy actors in social consultations and the civil dialogue should be strongly encouraged by both the Commission and the Member States;

18. Points out that social economy enterprises and organisations help to strengthen the entrepreneurial spirit, facilitate better democratic functioning of the business world, incorporate social responsibility and promote the active social integration of vulnerable categories;

21. Considers that Member State support of social economy enterprises should be interpreted as a genuine investment in creating solidarity networks that can strengthen the role of local communities and authorities in developing social policies;

23. Notes that because they are strongly tied to the local level, social economy enterprises enable links to be created between citizens and their regional, national and European representative bodies, and are able to contribute to EU governance that is effective for social cohesion; assesses very favourably the efforts of social economy enterprises and organisations to regroup within coordination platforms at EU level;

24. Points out that the social economy has a key role to play in attaining the Lisbon Strategy objectives of sustainable growth and full employment, since it counteracts the numerous imbalances on the labour market, in particular by supporting female employment, and establishes and provides community care services (such as social, health, and welfare services), in addition to creating and maintaining the economic fabric of society, thus helping to promote local development and social cohesion;

28. Calls on the Commission to take account of the realities of the social economy when reviewing State aid policy, given that small businesses and organisations operating at local level encounter considerable difficulties in accessing funding, particularly during the current economic and financial crisis; also calls on the Commission not to obstruct national company law or fiscal provisions such as those applying to cooperatives in the banking and distribution sectors that operate on the basis of mutuality principles, company democracy, the intergenerational transmission of assets, the indivisibility of reserves, solidarity, the work ethic and business ethics;

34. Calls on the Commission to ensure that the features of the social economy (its aims, values and working methods) are taken into account when devising EU policies and, in particular, to incorporate the social economy into its policies and strategies in the sphere of social, economic, and enterprise development, especially in connection with the 'Small Business Act' for Europe (COM(2008)0394); asks that when the social economy is affected impact assessments are carried out and the interests of the social economy are respected and given priority; urges the Commission, in addition, to look again at the possibility of setting up a social economy inter-service unit linking the relevant directorates-general;

37. Calls on the Commission to invite participants in the social economy to join permanent bodies for dialogue and to participate in, and work together with, high-level expert groups likely to be concerned with issues relating to the social economy; calls on the Commission to participate in strengthening the structures for representation of the social economy at regional, national and Community level and to create a legal framework designed to promote active partnership between local authorities and social economy enterprises;

41. Calls for programmes to be set up that will encourage experimentation with new economic and social models, to initiate framework research programmes, by including social economy subjects in calls for proposals under the Seventh Framework Programme, to envisage the use of a 'multiplier' applied to the official statistics and to introduce instruments for measuring economic growth from a qualitative and quantitative point of view.

Annex 2

"In order to promote a 'highly competitive social market economy', the Commission has placed the social economy and social innovation at the heart of its concerns, in terms of both territorial cohesion and the search for new solutions to societal problems, in particular the fight against poverty and exclusion, under the Europe 2020 strategy, the flagship initiative 'The Innovation Union', the European Platform against Poverty and Social Exclusion and the 'Single Market Act' (SMA)." (COM (2011) 682, p. 2)

"The public consultation for the SMA5 revealed high levels of interest in the capacity of social enterprises and the social economy in general to provide innovative responses to the current economic, social and, in some cases, environmental challenges by developing sustainable, largely non-exportable jobs, social inclusion, improvement of local social services, territorial cohesion, etc." (COM (2011) 682, p. 2)

"A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involve employees, consumers and stakeholders affected by its commercial activities".
[For the purposes of this Communication, the terms 'social business' and 'social enterprise' are equivalent.]". (COM (2011) 682, p. 2)

"The Commission uses the term 'social enterprise' to cover the following types of business:

1. those for which the social or societal objective of the common good is the reason for the commercial activity, often in the form of a high level of social innovation;
2. those where profits are mainly reinvested with a view to achieving this social objective;
3. and where the method of organisation or ownership system reflects their mission, using democratic or participatory principles or focusing on social justice." (COM (2011) 682, p. 2)

"Thus:

- businesses providing social services and/or goods and services to vulnerable persons (access to housing, health care, assistance for elderly or disabled persons, inclusion of vulnerable groups, child care, access to employment and training, dependency management, etc.); and/or
- businesses with a method of production of goods or services with a social objective (social and professional integration via access to employment for people disadvantaged in particular by insufficient qualifications or social or professional problems leading to exclusion and marginalisation) but whose activity may be outside the realm of the provision of social goods or services." (COM (2011) 682, p. 3)

Annex 3

The following graphs show the intersections between different definitions of civil society organizations such as “Social Economy”, “Nonprofit Sector”, “Third Sector” and “Social Enterprises”.

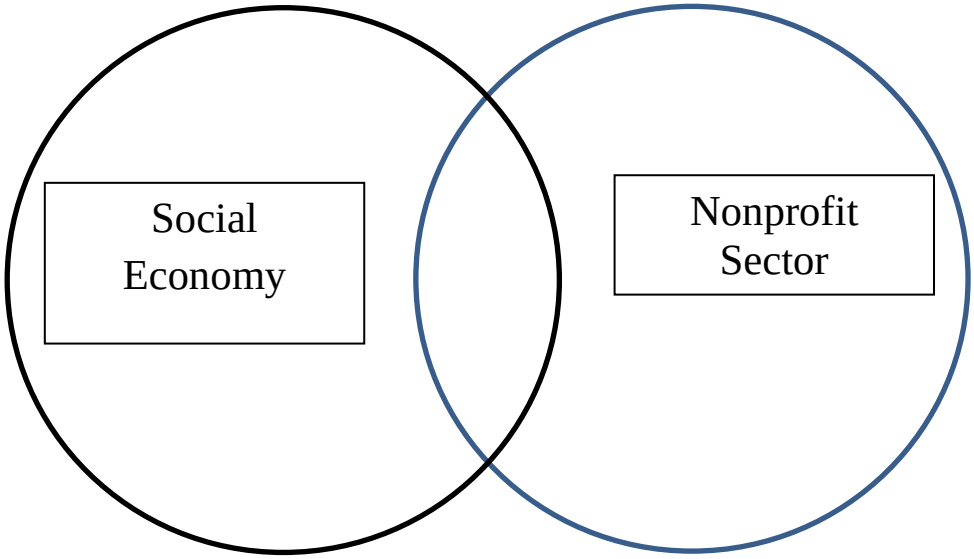

Fig. 1.1 - Overlapping between Social Economy organizations and Nonprofit Organizations

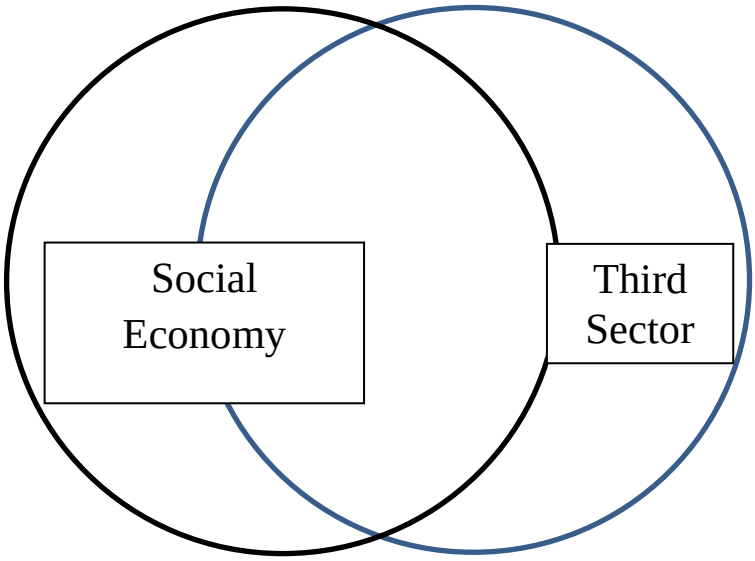

Fig. 1.2 - Overlapping between Social Economy organizations and Third Sector’ Organizations

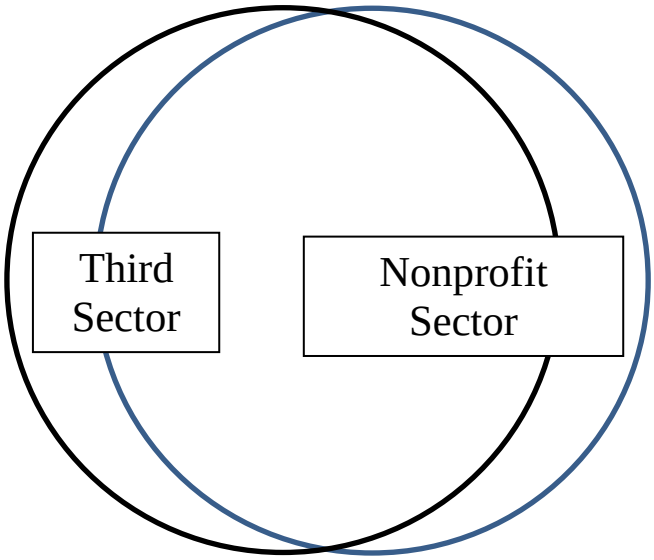

Fig. 1.3 - Overlapping between Third Sector' organizations and Nonprofit Organizations

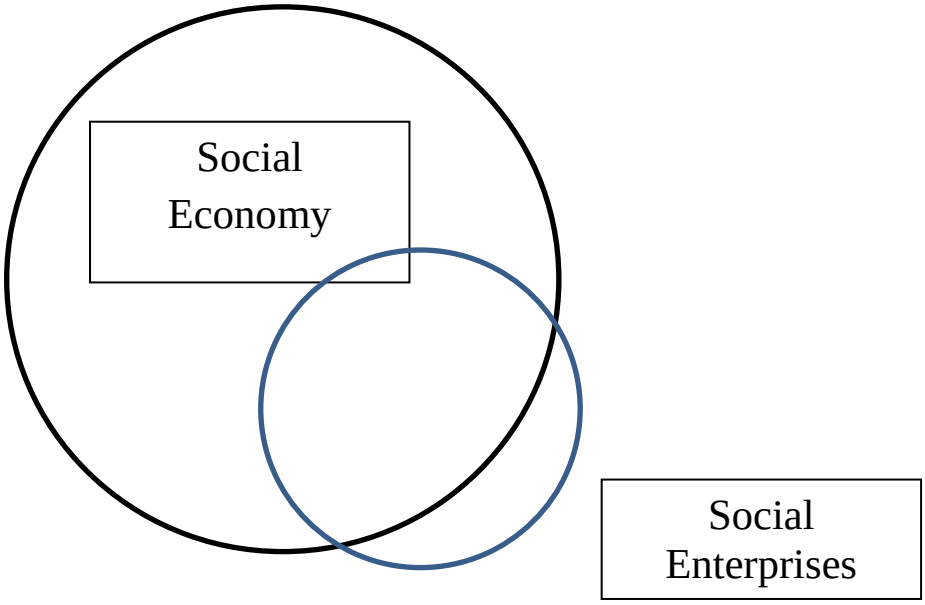

Fig. 1.4 - Overlapping between Social Economy and Social Enterprises

Annex 4

In agreement with the other academic partners of the Innosi project we elaborated a "template" including several questions regarding Social Innovation and Social Economy in each country. The template was sent via mail to all the academic partners asking them to fulfill it in the period July-August 2015. We elaborated also a definition of Social Innovation and a definition of Social Economy, extracted from official EU documents, in order to establish a common conceptual ground for the collection of information and data in each country. As far as this report is concerned the main questions included in the template were:

Section A

A3) What is the working definition of social innovation within national context?

A4) Is the concept of social economy developed by CIRIEC (see attachment of Uni Bo) generally recognized in your country, particularly in the context of the social investment debate? If it is not, please write down the concept or the definition that is most broadly used for the mix of actors.

A5) What are the principle differences and commonalities between Social Investment and Social Innovation in your national context?

Section B

For each policy areas (B1, B2, B3, B4)

B4) List the predominant actors by differentiating between governmental, private-commercial and nonprofit-actors and give a short description of their interaction. Please use the categories regulation, financing and implementation for your description.

B5) Describe the quantitative relevance (when available from National Statistical Institute) and the role of the social economy organizations (as defined in the attachment n.1) and private (for profit) corporate organizations for: a) regulation, b) financing and c) implementation of social investments in the policy field by filling in the table below.

B6) Describe any significant social innovation experiences (see attachment n.1) involving the role of Social Economy organizations (networks, partnership, collaborations, agreements).

B9) Are you aware of any evaluations of social outcomes, social returns and effectiveness of interventions carried out (see attachment n.1)? Please describe and add links if available.

B10) Please complete the following SWOT Analysis charts. Indicate for each of the following themes [Social Investment, Social Innovation, Social Economy] the main Strengths / Weaknesses and Opportunities / Threats present in your Country as summary for the above mentioned policy areas.

During the month of September 2015 the great majority of the academic partners sent us back the template. Through a constant interexchange of e-mail or Skype colloquia we asked the partners to complete the sections of the template that were less detailed. The richness and the completeness of information requested varied greatly from country to country and in relation to the different topics.