

## Position paper: Social Innovation in Transnational Cooperation

### Introduction – why this position paper?

The Interreg programmes of the European Union, funded by the European Regional Development Fund (ERDF), are an important support scheme for European regions and a driver for sustainable regional development. By cooperating to find solutions to common challenges, regions are enabled to identify and test new solutions and approaches that benefit them and their citizens in economic, ecological and social terms.

Social inclusion and a socially sustainable growth that benefits not only a few, but many members of the society, are important aspects of regional development. Economic growth will ultimately only lead to better quality of life if everyone can participate in and benefit from it. The EU Member States are highlighting this in the Territorial Agenda 2030, agreed upon on by the responsible Ministers on 1 December 2020:

*Working towards sustainable territorial cohesion and limiting inequalities between people and between places require joint efforts. For this, sector policies, municipal, regional, national, EU and other authorities, as well as various groups of society need to come together. They must cooperate to find an optimal balance inclusiveness, sustainability, competitiveness and resilience through participative and innovative integrated territorial development.<sup>i</sup>*

As we are approaching the end of the funding period 2014-2020, new transnational cooperation programmes for the funding period 2021-2027 are currently being written. With this position paper, we call upon the Interreg decision-makers and community to take into account the above considerations in the programming processes and ensure that social innovation will have its proper place in the new Interreg B programmes. To this end, the paper strives to

- highlight in which way Interreg projects of the 2014-2020 funding period have contributed to regional development by creating and promoting social innovation(s),
- make suggestions for how the transnational cooperation programmes of the 2021-2027 could continue and improve their support for social innovation,
- provide encouragement and advice to potential project applicants in the field of social innovation.

The position paper is the result of an exchange of Lead Partners and Project Partners of various Interreg projects that have in one way or another had the objective to create and promote social innovation(s). These projects have been funded in the transnational cooperation programmes for the Alpine Space, Baltic Sea Region, Central Europe, Danube Region and North-West Europe. They have been working together as a loose network of projects gathering under the common hashtag #socialinterreg.

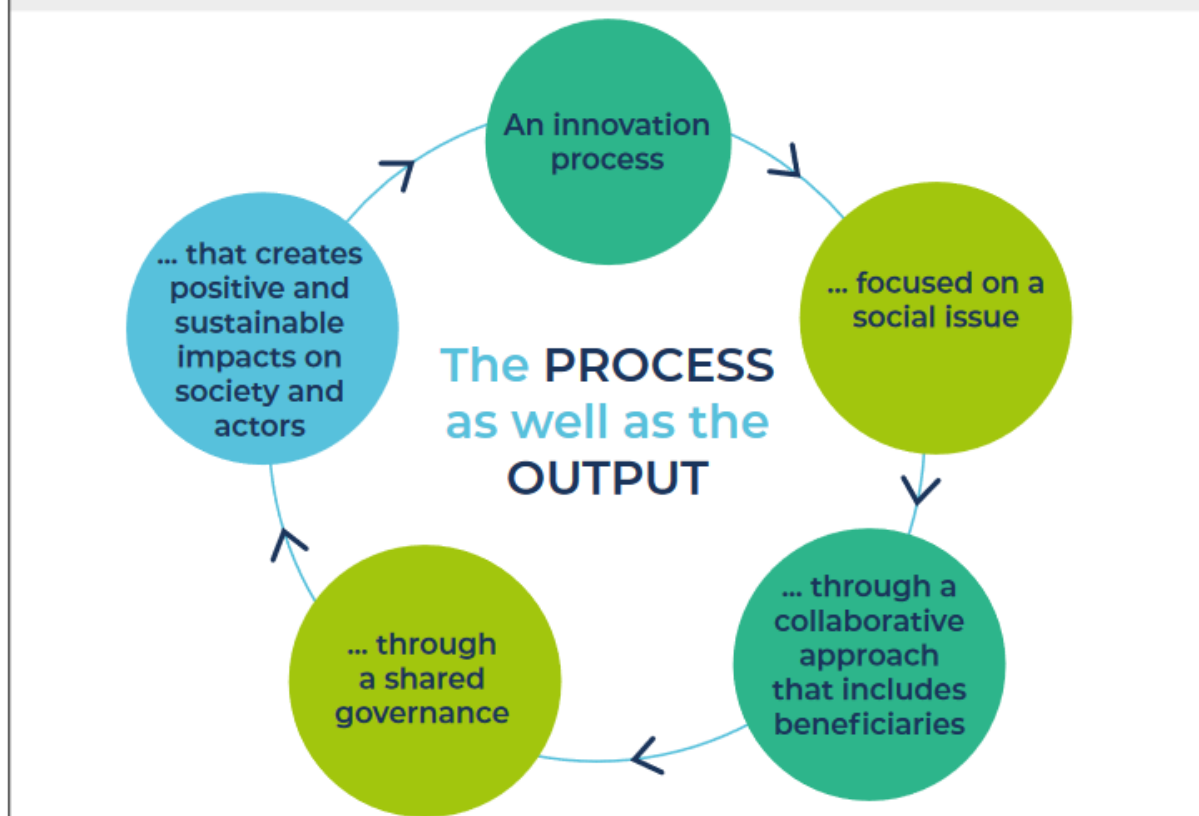
The paper is addressed to decision makers in the programming processes of future Interreg programmes, the Joint Secretariats and Managing Authorities as well as those organisations that plan to apply for Interreg funding to implement social innovation projects in the future.

## What is social innovation?

The term social innovation is rather fuzzy, there is no commonly accepted definition of it. One of the projects involved in this initiative, ASIS, has carried out an extensive discussion of the term and concept<sup>ii</sup> that well summarises the key recurring aspects of many definitions and discussions of the term of social innovation:

- Social innovation is an innovation – i.e. a novel approach or solution. It can have the form of a product, a service, a model or a process.
- Social innovation addresses social or societal needs, it produces benefits for the society at large and/or promotes social inclusion.
- Social innovation is based upon a collaborative approach that includes beneficiaries – in other words: potential users of the innovation are also included in its generation.

The following figure draws the main characteristics of the Social Innovation process.



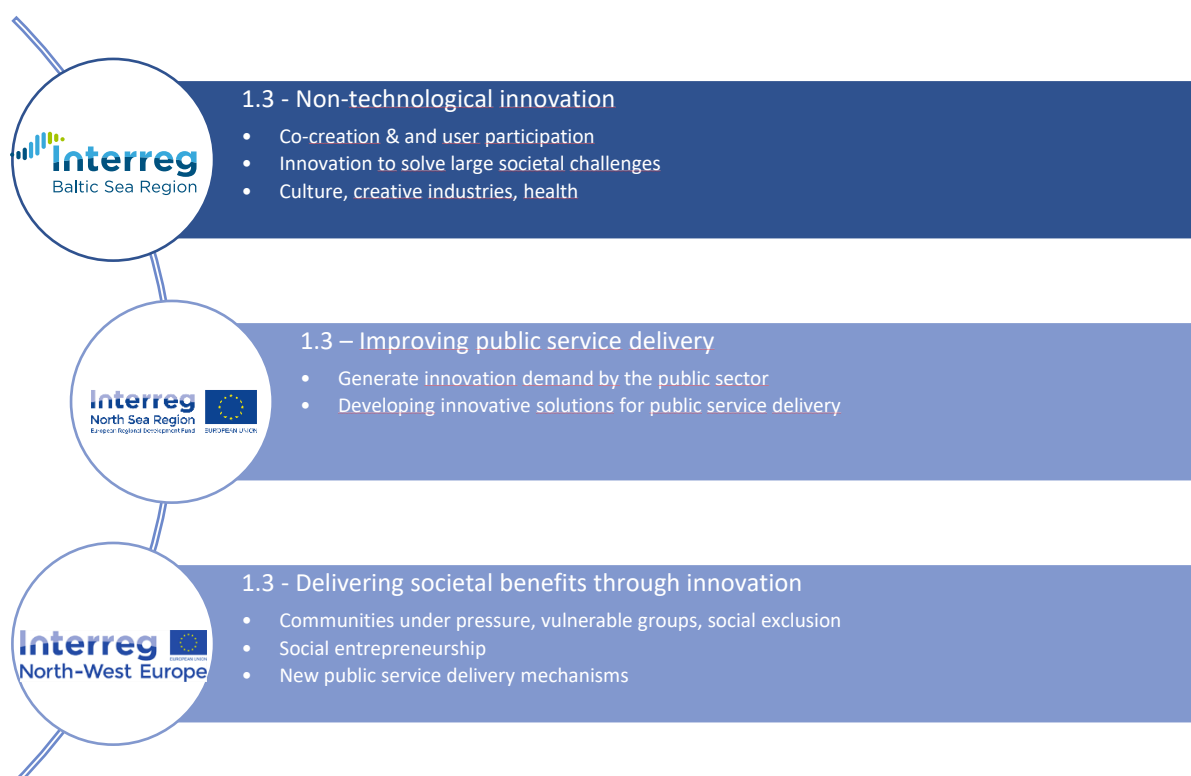
Source: ASIS Partners

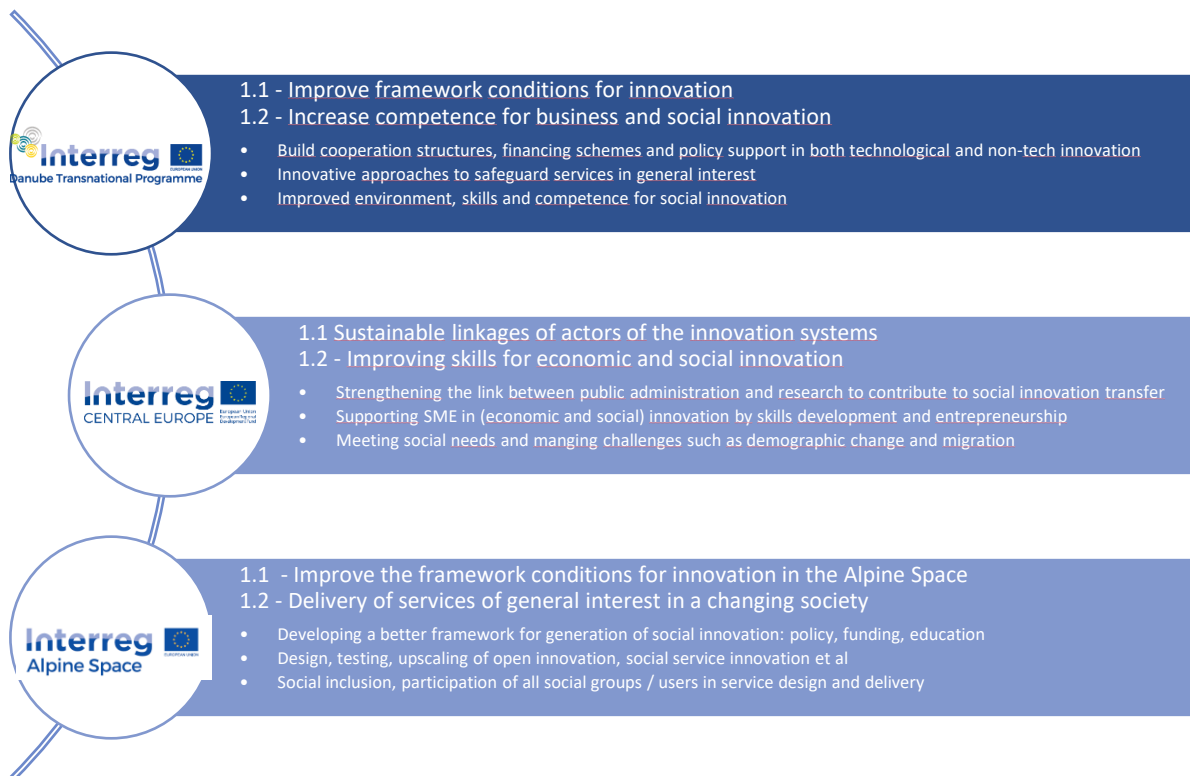
Social innovation thus has a social component in both its result and the process in which it is generated. The very short and hands-on definition that we therefore apply for this initiative is “social innovations are innovations that are social in both their ends and their means.”<sup>iii</sup>

Given such a broad definition, it comes as little surprise that there has been a wide variety of projects in the Interreg B programmes that have contributed to social innovation in one way or another. While some of the projects have supported *particular social innovations* (such as furniture for older people, e-health solutions or an app to support vulnerable youngsters in becoming entrepreneurs), others have strived to improve the framework for *social innovation as such*, e.g. by broadening the participatory base for innovation, spreading know-how, or assessing and improving innovation policies and financing mechanisms for social innovation. We consider this diversity of projects an asset that the Interreg community should recognize and try to preserve. To generate more visibility for the achievements of these projects, we have created the website [www.socialinterreg.eu](http://www.socialinterreg.eu).

## How has social innovation been supported by Interreg thus far?

The funding priorities of the Interreg programmes are aligned with the European Union's overarching strategic goals. In the funding period 2014-2020 which is currently coming to a close, this has been the Europe 2020 Strategy with its focus on innovation and growth. The thematic concentration of transnational cooperation programmes proposed by the European Commission along the eleven thematic objectives of the ERDF has led to rather narrow definitions of funding priorities in the funding period 2014-2020, with many programmes increasingly following sectoral approaches. In terms of innovation, the funding priorities were mostly focussing on technological innovation and R&D support. At the same time, priorities supporting territorial approaches that had existed in 2007-2013 were largely abandoned, and the three thematic objectives that focussed on social inclusion, employment and education were left out of most operational programmes. To varying degrees and in different ways, however, the Interreg transnational cooperation programmes have still given room for social innovation projects:<sup>iv</sup>





There has been a dichotomy of a strong focus on “traditional” business support for technological innovation on the one hand, and experimentation with non-technological and social innovation on the other. According to interviews conducted with representatives of Joint Secretariats and Managing Authorities by the authors of this papers, this experimentation was considered a success, prompting the respective Programming Committees of the Interreg programmes for 2021-2027 to continue or even expand support for social innovation projects.

## What have projects in the 2014-2020 achieved?

Due to the heterogeneity of Interreg projects on social innovation, it is not possible to name all the new and innovative products, services and processes that have been created by these projects. On a general level, however, the achievements of these projects can be summarised as follows:

- The projects have contributed to the considerable attention that the concept of social innovation has received in policy making, research and public discourse in recent years. They have made the idea of social innovation and the process by which it is generated more known across sectors, contributed to the development of regional or even transnational social innovation strategies and to the improvement of funding schemes for social innovation.
- The projects have highlighted the potentials of social entrepreneurship, educated social entrepreneurs of all kinds and promoted entrepreneurial mindsets among groups with less access to employment and education.
- The projects have shed a light on the situation of vulnerable groups and the threat of social exclusion that these groups face. They have shown that participatory and

empowering approaches can help activate these groups, make their voices heard and open up possibilities for employment and social activities.

- The projects have shed a light on the still existing disparities between rural and urban areas and the uneven territorial distribution of social services and services of general interest. They have shown ways in which service providers, both public and private, can use innovative ways to uphold such services in remote areas, including but not limited to digitalised services.

As an overarching factor, all these activities and results have helped to build up social capital in the participating regions. This social capital, along with the improved knowledge base social innovation actors, has an effect that reaches far beyond the 2014-2020 time period, as it provides for better conditions for further innovation and collaboration and strengthens societal and economic resilience of regions.

### Why should social innovation continue to be supported by Interreg in 2021-2027?

In the past it has often been argued that social aspects should not be covered explicitly by Interreg because there are other funding programmes (namely ESF and, to a degree, EaSI) that specifically address the social objectives of the European Union. However, in our view this perspective is too narrow, as it disregards that

- social innovations, even though they are not directed at generating profits, can still create jobs and growth. In fact, the social sector is an important source of employment in many European regions, and there are nowadays many examples of social enterprises that have been successful economically;
- social innovation is not a sectoral phenomenon, but depends on a large and broad participation base that stretches across sectors. The best preconditions for social innovation exist where the public sector, civil society, welfare providers and entrepreneurs collaborate;
- social innovation addresses large societal challenges that are extremely relevant for sustainable regional development and thus for reaching objectives of transnational cooperation, including tackling demographic change and migration, but also climate change and the transition to a circular economy.

Asking why transnational cooperation and social innovation are a good match means asking two questions:

Firstly, **why does Interreg need social innovation?** – i.e. what specific benefit can social innovation projects bring in terms of the regional development objectives of Interreg?

- The public sector is the main target group of Interreg and a key actor in transnational cooperation, yet it is often slow in taking up innovation. Social innovation projects can inspire change and provide cost-saving solutions for public and social services. The public sector can also create demand for social innovation, e.g. by public procurement of innovative services.

- Being financed by the ERDF, Interreg is expected to contribute to territorial cohesion and address regional imbalances. In less developed and rural regions many problems remain unsolved despite many years of structural support, and support for social innovation can lead to the development and application of new approaches and ideas that might be more effective than the previous ones.
- To be sustainable, economic growth must be inclusive. Social innovation can stimulate co-creative innovation processes, provide (self-)employment opportunities for citizens of all ages, genders and social and ethnic backgrounds, and lead to new products and services for those in need.
- Uncovering the skills of vulnerable and disadvantaged groups and empowering them to become economically and socially active means tapping into previously disregarded resources and relieves the public and welfare sectors of financial burdens.
- Social innovation can help make regions more attractive places to live and work in for all citizens, e.g. by improving accessibility, encouraging and enabling citizen participation in public decision-making and planning processes,
- Social innovation can broaden the participation base for transnational cooperation – many projects used indirect approaches and lowered thresholds to involve people that otherwise would not have become active in cooperating across borders, thus bringing the EU closer to its citizens.
- Social innovation is not limited to pursuing social ends. Co-creation and participation processes can also lead to new solutions for adaptation to climate change, energy efficiency or circular solutions, thus contributing to various Interreg priorities.
- The Covid-19 pandemic has led to completely new societal challenges and new inequalities (e.g. people in some professions can easily work from home while others cannot, home schooling increases the risk that disadvantaged youth are left behind even more). This situation requires new ways of thinking and problem-solving, and digitalisation as a key way of dealing with the pandemic must be democratised.

And secondly, **why does social innovation need Interreg?** - i.e. how can transnational cooperation help fostering and promoting social innovation?

- Transnational cooperation can provide an opportunity for public authorities to develop, evaluate and benchmark social innovation strategies and funding schemes in order to provide a better regulatory and financial framework for social innovation
- Innovations are, by definition, new and often unproven approaches with unsure outcomes. Yet, while an innovation may be new to one region, it might have already tried elsewhere. Implementing such approaches in a transnational setting helps to avoid mistakes that others have already made and exchange on what works or does not work.
- Though many societal challenges are similar in different countries, socio-economic conditions and regulatory frameworks may not be, and different regions find different solutions to the same problem. Lagging regions may learn from more advanced ones (e.g. in terms of accessibility) rather than learning by themselves.
- Especially in less developed and rural regions, the knowledge base among actors in the public and social sector is often too weak to effectively stimulate and generate social innovation. Bringing together partners from various regions and sectors (public, private,

academic) can help to broaden this knowledge base and generate new research questions, and transnational encounters provide a source of inspiration and (co-)creativity.

- Transnational cooperation is not only about singular solutions to specific challenges, it also provides a stimulus for organisational learning. Partner organisations are encouraged to rethink their working structures methods and become more open to organisational innovation.

In line with these arguments, an overwhelming proportion (87,5%) of the projects that have responded to our questionnaire have stated that for their project to successfully contribute to social innovation, it has been very or extremely important to work in a transnational partnership.

Overall, there are many reasons why social innovation should not be left to the ESF, even if according to the European Commission there will be more opportunities for transnational exchange in these programmes in the future. Social innovation does not only concern the social sector and social economy, it depends on collaboration of various actors across sectors and can bring about benefits in unexpected fields such as circular economy or preservation of biodiversity. Altogether, it can make a strong impact on territorial development and cohesion, helping to address every single one of the fields of action highlighted under the headline “People and places drift apart, increasing imbalances and inequalities“ in the draft for the Territorial Agenda 2030:

- Quality of life
- Services of general interests
- Demographic and societal imbalances
- Digitalisation and the 4<sup>th</sup> industrial revolution
- Employment and economic development
- Interdependencies between places
- Global embeddedness.

In order to realise its full potential, social innovation must be viewed and practiced as a collaborative intersectoral endeavour. The Interreg transnational cooperation programmes provide an excellent framework for this joint work, and the respective programming bodies should take this into account when finalising the operational programmes for 2021-2027. Leaving too little space for social innovation would mean to pass up on a great opportunity to further boost inclusive and sustainable economic development as well as social and territorial cohesion.

### **How should social innovation be supported by Interreg in 2021-2027?**

At least at first glance, social innovation is primarily connected to the EU’s policy objective 4, “a more Social Europe, delivering on the European Pillar of Social Rights and supporting quality employment, education, skills, social inclusion and equal access to healthcare.”<sup>v</sup> This certainly holds true when considering the key factors that define social innovation – namely addressing social needs, striving to achieve a positive impact on society – as well as some of the contributions that social innovation projects have made – namely fighting social exclusion and inequalities, or fostering employment and education among vulnerable groups. At a closer look, and thinking a bit further outside of the box, social innovation is connected to the other policy objectives, too:

- By generating novel products, services and processes, involving a broader range of actors in innovation processes and stimulating innovation in the public sector, it contributes to “a more competitive and smarter Europe” (policy objective 1)

- Achieving “a greener, low-carbon transitioning towards a net zero carbon economy” (specific objective 2) depends on commitment of all types of actors, and co-creation and other participatory approaches can help to secure this commitment. Social innovations can also help to offset inequalities that result from the transition process to a low carbon economy. Moreover, many social enterprises directly contribute to this objective by applying and promoting more sustainable, green and circular approaches and technologies.
- Social innovation such as ride-sharing in rural areas can help enhancing mobility, contributing to a more connected Europe (policy objective 3)
- By directly involving citizens, including marginalised groups, social innovation projects bring Europe closer to citizens (policy objective 5).

It is important here to return to the concept of social innovation as presented above and look beyond the focus on social issues and the intended positive impact on society. The collaborative processes and inclusion of beneficiaries that also characterises social innovation can play a key role in achieving results in the other policy objectives and in implementing the European Green Deal. This is exactly where social innovation being social in its means, not only in its ends, comes into play.

We advocate for programmes to consider both these dimensions. The future Interreg programmes should clearly continue to fund projects that aim to reduce social and territorial inequalities, support education and employment especially of marginalised groups or create innovative products or services in the social and health care sector. However, it should also be possible for cross-sectoral partnerships to receive funding for projects that introduce collaborative, co-creative and participatory approaches to make European regions more green and climate friendly, to improve mobility and accessibility especially in remote and rural areas and to stimulate entrepreneurship as well as smart solutions and a general openness to innovation in the public and private sector.

### **How can Interreg programmes provide a better supportive framework for social innovation? Recommendations for programme bodies**

All information obtained by the authors of this position paper through interviews with programme actors, conferences, and workshops as well as desk research show that the various transnational Interreg programmes have been paying attention to what social innovation projects have delivered and, for the most part, considered the above recommendations on anchoring continued or even extended support for social innovation projects in their forthcoming programme objectives. Of the six Interreg programmes that have been analysed by the authors, two (the Danube region and the North-West Europe programme) have included specific objectives related to the EU’s Policy Objective 4 (“A more Social Europe”). However, all programmes recognise the cross-cutting relevance of social innovation and either support it directly, referring to Policy Objective 1 “A more competitive and smarter Europe” and/or mention it (along with approaches closely related to it such as co-creation, user involvement or public sector innovation) as a means of reaching programme goals related to Policy Objectives 2 (“A greener, low-carbon transitioning towards a net zero carbon economy”). This is in line with our arguments presented above.



Apart from providing a suitable thematic framework in their programme priorities and objectives, there are also other ways in which Interreg programmes influence the success of social innovation projects. A survey conducted among Interreg project Lead Partners and Partners as well as discussions among these project actors during three workshops showed that there is room for improvement in providing support to social innovation projects, as respondents rated the supportive framework of their programme only slightly positively. The survey and workshop participants mentioned various challenges they encountered in project implementation and suggested the following adjustments in programme management in the forthcoming fund period:

- Improve the understanding of the concept of social innovation among both Joint Secretariat staff and future applicants
- Allow for a more flexible and interactive approach by the Joint Secretariat staff when monitoring projects, which includes accepting outcomes that deviate from original plans because social innovation is by definition an open process without predetermined results
- Make result indicators more applicable and relevant to social innovation projects
- Create a framework for qualitative evaluation and observation of long-term results, both of which are needed to fully capture the impact of social innovation
- Stimulate cross-priority and cross-programme exchange – e.g. by financing cluster or platform projects on social innovation
- Make it easier for smaller organisations to participate by reducing the administrative and economic burden related to application procedures, reporting and pre-financing
- Allow projects to use programme funding to provide low threshold support projects to for small, informal or newly founded initiatives (micro projects).

### **How can applicants make the most of the Interreg funding opportunities in 2021-2027? Recommendations for project actors**

It is, however, not only up to the programme bodies to provide the right framework. The projects themselves also have the responsibility to make the best possible use of the funding that they receive. Some recommendations can be derived from the experience of projects in the funding period 2014-2020:

- Think smaller! Not every project has to cover every angle of social innovation – e.g. policies and strategies, financing, education and concrete pilots. Some of the most successful social innovation projects of the 2014-2020 funding period have concentrated on one specific issue and produced only one or two high-quality outputs rather than a large number of outputs that did not reach their full potential.
- Think beyond sectors! Interreg provides an opportunity to not only work transnationally, but also work with actors from different sectors. Cooperation between public authorities, the “traditional” social economy (e.g. established welfare associations) and the new and dynamic social entrepreneurship sector often leaves to be desired, and links with research and innovation support institutions are underdeveloped as well.

- Open up your own organisations, take the chance and challenge of organisational learning! Too often, the project results are mostly produced and used by a limited number of project staff in the project organisations, and sometimes the know-how generated is even lost entirely once the project funding ends. Organisations taking part in Interreg projects must take the necessary steps from the very beginning to involve key decision makers and plan activities to institutionalise the project results. In social innovation projects, this may very well require openness and courage to change accustomed working methods, as well as organisational structures and principles.

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<sup>i</sup> Territorial Agenda 2030, [https://territorialagenda.eu/wp-content/uploads/TA2030\\_jun2021\\_en.pdf](https://territorialagenda.eu/wp-content/uploads/TA2030_jun2021_en.pdf)

<sup>ii</sup> <https://socialinnovationstrategy.eu/wp-content/uploads/2021/04/state-of-art-synthesis.pdf>

<sup>iii</sup> Murray, Robin, et al.: The Open Book of Social Innovation (2010), <https://youngfoundation.org/wp-content/uploads/2012/10/The-Open-Book-of-Social-Innovationg.pdf>

<sup>iv</sup> We focus on the six transnational Interreg programmes with German participation here, as the position paper is the result of a project co-financed by the Federal Ministry of the Interior of Germany.

<sup>v</sup> [https://ec.europa.eu/regional\\_policy/en/2021\\_2027/](https://ec.europa.eu/regional_policy/en/2021_2027/)