Towards Smart Governance: Insights from Assessing ICT-Enabled Social Innovation in Europe

Gianluca Misuraca, Fiorenza Lipparini, and Giulio Pasi

Abstract Building on results of the research on 'ICT-Enabled Social Innovation to support the implementation of the Social Investment Package' (IESI), this chapter aims to contribute to the debate on the development of new smart governance models in the social innovation domain, leveraging on the potential of digital technologies for enhancing collaborative governance and civic engagement. In this perspective, after discussing the approach followed to conceptualise ICT-enabled social innovation through literature review and analysis of initiatives gathered in sequential rounds of mapping, the chapter provides insights from the analysis of the European landscape and the policy debate around social innovation and policy reforms. In particular, the evidence gathered shows that systemic initiatives are mainly happening at the local level, and public authorities have a key role acting as catalysers and enablers of social innovation and digital governance. Involving beneficiaries of specific services is often a key driver to improve the ability of cooperation of stakeholders and to expand the collaboration with the wider local community, with particular importance for 'smart city' governance. Innovative public–private collaborative practices emerge to strengthen the modernisation of the European social agenda, with public actors acting as orchestrators and amplifiers of innovation and resilience into a varied array of welfare policies and governance models. The results of the analysis have clear implications on the smart governance and smart cities debate at both academic and policy level. First of all, it is clear that ICT-enabled social innovation has a strong potential to empower citizens' participation in the life of a community and thus enhance civic engagement which can result into innovative collaborative governance. At the same time, leveraging on the capacities of digital technologies, new services can be designed and delivered providing personalised solutions to improve conditions of disadvantaged groups and help shape a better community's life.

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Introduction

This chapter contributes to the debate on the development of new smart governance models in the social innovation domain leveraging on the potential of digital technologies for enhancing collaborative governance and civic engagement.[1]

The chapter builds on the outcomes of the research project on 'ICT-Enabled Social Innovation to support the implementation of the Social Investment Package' (IESI).[2] The rationale of IESI was to assess the contribution of ICT-enabled social innovation to promote social policy reforms, based on the analysis of a broad collection of well documented initiatives, which could be adjusted, scaled, and replicated across Europe. In addition, the IESI project set out to build a toolbox, composed of the initiatives database and a methodological framework to assess their social and economic impact, to help interested parties in designing, implementing, and evaluating other ICT-enabled social innovation initiatives across Europe.

The work that has been carried out under the IESI research project since 2014 is particularly relevant today in light of the development on the ground of the EU Pillar of Social Rights within the framework of the next EU Multiannual Financial Framework (MFF) and the implementation of structural reforms and investments, especially at city level. The Social Investment Package in fact was launched by the Commission to help 'reorienting Member States' policies towards social investment where needed, with a view to ensuring the adequacy and sustainability of social systems (…)' (European Commission, 2013). While acknowledging the key role played in Europe by welfare systems in ensuring inclusive growth, as well as their stabilisation function in time of financial and economic hardship, the Commission also recognised that an extra effort was required to meet citizens' needs while ensuring fiscal sustainability and increased competitiveness. In order to combine social cohesion and competitiveness of the Member States, the Commission promoted investments in a wide range of social services and social innovation initiatives contributing to address new social needs, to balance care responsibilities, to create new jobs, and to strengthen labour productivity.

Concerning the EU Pillar of Social Rights, in his first State of the Union, President Juncker declared that "*in order to foster the convergence process within*

[1] According to Adler and Gogging (2005), "civic engagement refers to the ways in which citizens participate in the life of a community in order to improve conditions for others or to help shape community's future".

[2] In 2014 the European Commission's Joint Research Centre, in partnership with the Directorate General for Employment, Social Affairs and Inclusion, engaged in a 4-years research project on "ICT-enabled Social Innovation to support the Implementation of the Social Investment Package" (IESI). See https://ec.europa.eu/jrc/en/iesi

the Eurozone, it was necessary to strengthen the social dimension of the Economic and Monetary Union, creating a reference framework 'to screen the employment and social performance of participating Member States'" (Juncker, 2015) and drive the necessary reforms at national level.

This position was then reinforced in the Commission's proposal for the 2021–2027 EU budget, which '*has a vital role to play in delivering on the promises made by Leaders at the Gothenburg Social Summit in November 2017. This means strengthening the social dimension of the Union, including through the full implementation of the European Pillar of Social Rights. Within Cohesion Policy, a strengthened and restructured European Social Fund will amount to around EUR 100 billion over the period, representing a share of about 27% of cohesion expenditure*'.

The ESF will be particularly focussed on youth employment, up and re-skilling of workers, social inclusion, and poverty reduction. Importantly, links between the European Structural and Investment Funds (ESIFs) and the European Semester process will be reinforced, and investment guidance will be provided by the Commission together with the annual Country-Specific Recommendations. A new 25 billion Reform Support Programme will also be established to provide technical and financial support for key reforms at national level, identified as part of the European Semester. Links with the EU Research and Innovation programme, which will be strongly mission driven, will also be reinforced, while funds—both in the form of financial instruments and grant—to accelerate the ongoing digital transformation process while tackling its potential negative externalities will be increased.

In this respect, it is important to notice how, beside Horizon Funding and the Connecting Europe Facility, a new 9.2 billion EUR Digital Europe Programme will be created to help complete the Digital Single Market. The new instrument will support strategic projects in areas such as artificial intelligence, supercomputers, cybersecurity, and industrial digitisation, as well as digital skills. The Communication on the EU Budget acknowledges the deep influence that the digital revolution is having not only on our economy but also on our 'societies, jobs and careers, as well as our education and welfare systems'.

This integrated approach to economic and social reform is mirrored by the InvestEU facility which will succeed to the previous Juncker Investment Plan, aiming at mobilising over 650 billion EUR of additional investment across Europe with an EU contribution of EUR 15.2 billion. Building on the success of the EFSI, the new fund will absorb and streamline all the current financial instruments under four main headlines, i.e. Sustainable Infrastructure, Research and Innovation, Social, Skills and Human Capital Investment and Small and Medium Enterprises (SMEs).

The main goal of this chapter is to provide insights from the analysis of the European landscape of ICT-enabled social Innovation and the policy debate around social innovation policy reforms, to contribute to the discussion on smart governance mechanisms and especially at local and city level.

For this purpose, the remainder of this chapter is structured as follows. Section "Methodology" presents the methodology followed to conceptualise the phenomenon under investigation through literature review and analysis of initiatives gathered

in sequential rounds of mapping. Section "Results" discussed some of the results providing a comparative and chronological analysis of the typical ICT-enabled social innovation initiatives, and a focus on the analysis of the last mapping exercise, where the link between social innovation and resilience has been looked at with particular attention. The final section offers conclusions by first testing the initial research hypotheses and then outlining the main insight emerged, in terms of future research and implications for policy in the realm of smart governance.

Methodology

Definitions and Approach

At the core of the IESI project analysis stands the definition of ICT-enabled social innovation, which was agreed upon in 2014 and maintained throughout the project life-spam. This is defined as: *A new configuration or combination of social practices providing new or better answers to social protection system challenges and needs of individuals throughout their lives, which emerges from the innovative use of Information and Communication Technologies (ICTs) to establish new relationships or strengthen collaborations among stakeholders and foster open processes of co-creation and/or re-allocation of public value.* (Misuraca, Colombo, Carretero, Bacigalupo, & Radescu, 2015).

ICT-enabled social innovation is therefore a crucial facilitating element for better integration of services across sectoral and organisational boundaries, fostering cost-effectiveness, and personalisation of services.

The IESI project consisted in the creation of one of the largest existing collection of the most significant initiatives, services, and products applying ICT to social innovation in Europe. Since 2014, more than 800 cases were collected and documented in the IESI inventory, out of which 400 were mapped following the IESI conceptual and analytical framework, discussed in more details below. Importantly, initiatives to be included in the IESI mapping were selected not only on the basis of their policy relevance and on the fact that they presented elements of ICT-enabled social innovation but also because they showed some proof of evidence of impact achieved. Proof of evidence was deemed necessary to facilitate the identification of key drivers and enabling factors to successfully innovate social policies, while highlighting opportunities for replication and scaling, as well as potential 'transferability' across different welfare models and governance systems.

As showed in the Fig. 1 below, the methodology is composed of two main strands:

1. Literature review aimed at designing the conceptual and analytical framework, replicated two times during the research project.
2. Mapping and analysis of the initiatives, replicated three times during the research project.

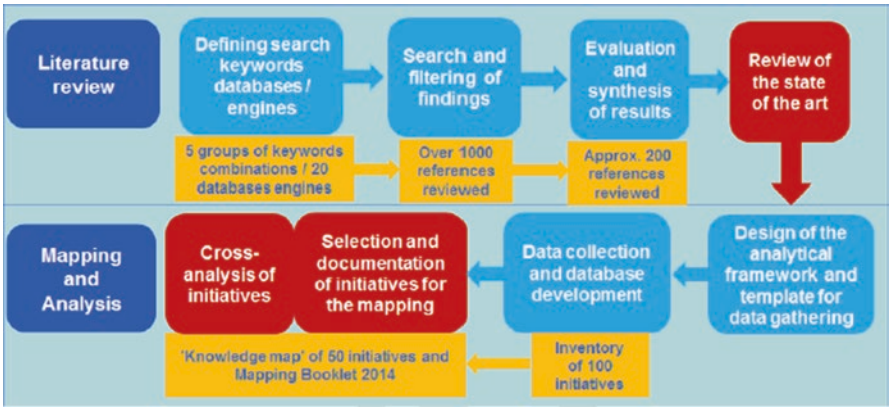

Fig. 1 Methodological approach. (Source: Misuraca et al., 2015)

According to an incremental approach, the findings of each round of mapping informed changes to the conceptual and analytical framework, reviewed and enriched with new items as the research progressed. The consolidated analysis allowed to further validate the IESI conceptual framework by applying it to a larger set of initiatives. This helped to achieve a better balance in terms of geographical coverage and social services areas addressed, as well as to identify the evolutionary development of the phenomenon under investigation and its increasing relevance and significance for smart—digital—governance, especially at city level.

Literature Review and Design of the Conceptual and Analytical Framework

The first milestone of the research project was the development of the IESI conceptual and analytical framework, according to which the analysis of the initiatives has been carried out. As showed in Fig. 1, the conceptual and analytical framework is the result of a systematic literature review aimed to provide the state of the art on domains related to the phenomenon of ICT-enabled social innovation. The review was deployed through (1) the definition of a combinations of search keywords and databases engines, (2) the review of over 1000 references of academic literature, grey literature, and policy documents, and (3) the critical appraisal and synthesis of results.

The literature review allowed the development of the IESI conceptual and analytical framework already in the first year of activity. The literature review was further extended in 2015 and 2016, while the IESI conceptual and analytical frameworks were thoroughly reviewed in 2017. Importantly, a community of over 150 experts with different disciplinary and sectoral backgrounds actively contributed to shape and validate the IESI research, by providing theoretical and technical

expertise, by helping identify and document initiatives, and by disseminating the project results.

The literature review and the contribution of the experts allowed to develop the following hypotheses addressing key smart governance-related issues that the project has tested:

- Systemic initiatives are mainly happening at the local level and local authorities, especially cities, have a key role acting as catalysers and enablers of social innovation and digital governance.
- The involvement of the beneficiaries of specific services could be a first step to improve the ability of cooperation of the stakeholders and to expand in the future the collaboration with the wider local community too, with particular importance for 'smart city' governance.
- Social (policy) innovation and new public–private collaborative practices emerge to strengthen the modernisation of the European social agenda, with public actors acting as a orchestrators and amplifiers of innovation and resilience into a varied array of welfare policies and governance models. These include integrating preventive measures to fight poverty and social exclusion, active labour market policies, integrated health and social services to improve childcare, and education systems, as well as promoting work–life balance and active aging and long-term care.

The original IESI conceptual framework is summarised in Fig. 2, where ICT-enabled social innovation is at the centre of social services provision. As highlighted by (Misuraca et al., 2015): *'ICTs act as enablers to achieve the interrelated social investment goals. However ICT-enabled social innovation is also shaped by other*

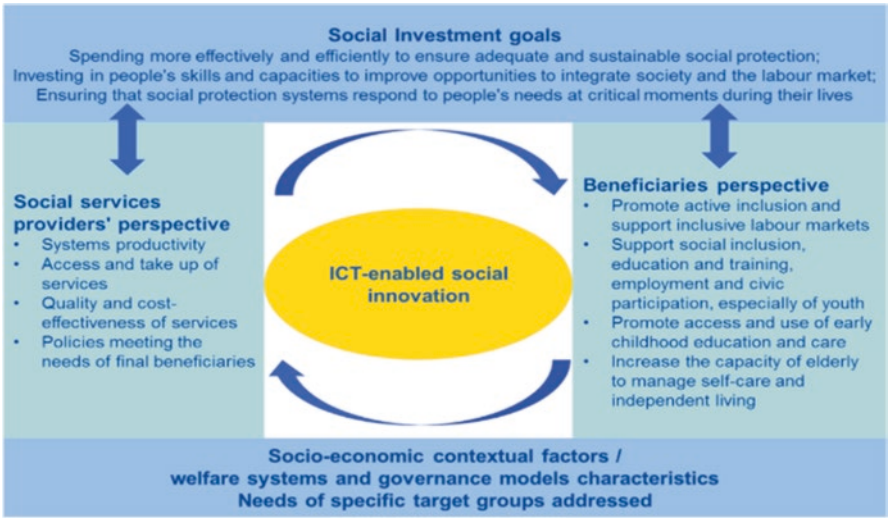

Fig. 2 ESI conceptual framework. (Source: Misuraca et al., 2015)

exogenous factors like the socio-economic context, welfare systems and governance model characteristics, and the needs of specific target groups'.

The conceptual framework is built on the lively debate on the relationship between social innovation and other types of innovation, such as technological or organisational innovation. For instance, Butzin et al. (2014) argue that social innovation should be considered an independent research field with its own rules and eventually its epistemic community whereas Haxeltine et al. (2015) argue for a theory of transformative social innovation, able to explain how social innovation leads to new forms of social interaction that empower people to undertake strategies and actions, eventually leading to systemic change. Hochgerner (2013) argues for a notion of innovation which is paradigmatic since all innovations are socially relevant.

The IESI conceptual framework has in turn been operationalized in an analytical framework summarised by Fig. 3 and briefly described below.

In summary, there are four dimensions to the IESI analytical framework, against which all the initiatives in the IESI knowledge map were analyzed in order to test the research hypotheses:

1. *Typologies of ICT-enabled innovation potential,* on a scale which goes from purely technical innovation—simply facilitating automation of repetitive tasks to radical innovation, where the use of ICT is not only instrumental to service delivery but also leads to paradigm shifts that reframe specific problems, as well as widening the scope for possible solutions.
2. *Levels of governance of service integration,* showcasing the levels of 'coordination of operations across traditional functional units in the public sector, and also across other non-public sector providers, the aim being to put the final users/

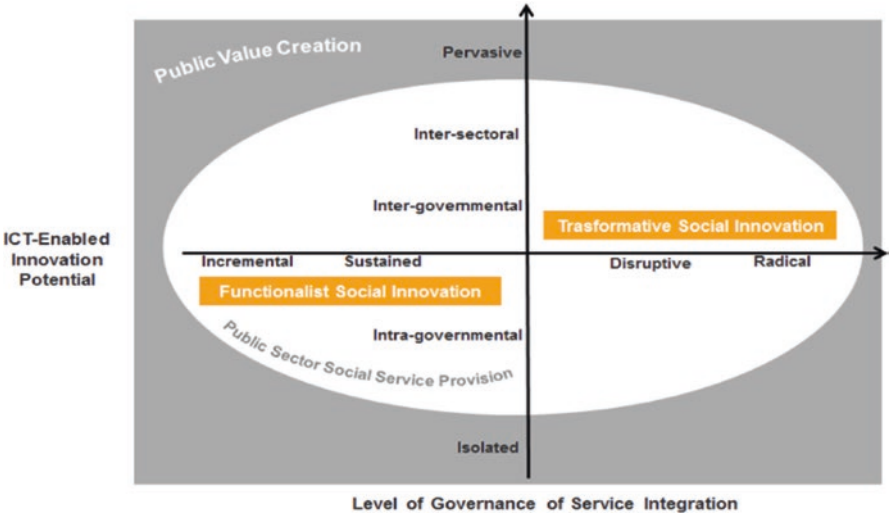

Fig. 3 IESI analytical framework. (Source: Misuraca et al., 2015)

beneficiaries (including intermediaries) in the centre and treat their needs holistically' (Misuraca et al., 2015).
3. *Types of service integration,* detailing the type of service integration, which could occur at the level of funding, administration, organisation, or delivery.
4. *Elements of social innovation,* on a scale which goes from need-driven social innovation to co-creation processes where relationships among stakeholders and with users are radically new, and public value is allocated/reallocated to meet citizens' needs.

Each of the four dimensions will be interpreted through the lens of different conceptions emerged from scientific literature, such as functionalist vs. transformationalist social innovation approach (Bouchard, 2006) or weak vs. strong social innovation (Laville, 2014):

- *Functionalist approach/weak social innovation:* It is an answer to social problems and creates services that meet demands to which neither the State nor the market has responded.
- *Transformationalist approach/strong social innovation:* It is a way of transforming institutions, contributing to institutionalising new solidarity-related practices, standards, and rules founded on values inherent to solidarity. In this perspective, the resolution of social problems brought about by social services is part of a broader perspective of institutional reform.

In 2017, a new set of questions were introduced in the IESI template for data collection, and the frameworks were reviewed to better take into account the changing policy context as well as results of the previous 3 years of mapping, showing that the most innovative initiatives were happening at the crossroads between public and private welfare. In this context, a specific element that was considered was the relationship between social innovation and the resilience of a community, or city authority for instance, to embedding possible disruptive changes that could be enabled by introducing innovative governance models and digital innovations.

The reviewed conceptual and analytical frameworks are summarised in Fig. 4 and Fig. 5 below.

Mapping and Analysis of the Initiatives

In the first year of activities, the JRC IESI team built an inventory of 140 cases of ICT-enabled social innovation in the field of Personal Social Services of General Interest (PSSGI), out of which 70 were selected to be part of the IESI Knowledge Map. The focus of the first round of mapping was on integrated approaches to the provision of social services and active and healthy aging and long-term care. The second 'round' of the IESI mapping (2015) was conceived to better structure the field of analysis integrating the IESI knowledge base with a sample of initiatives

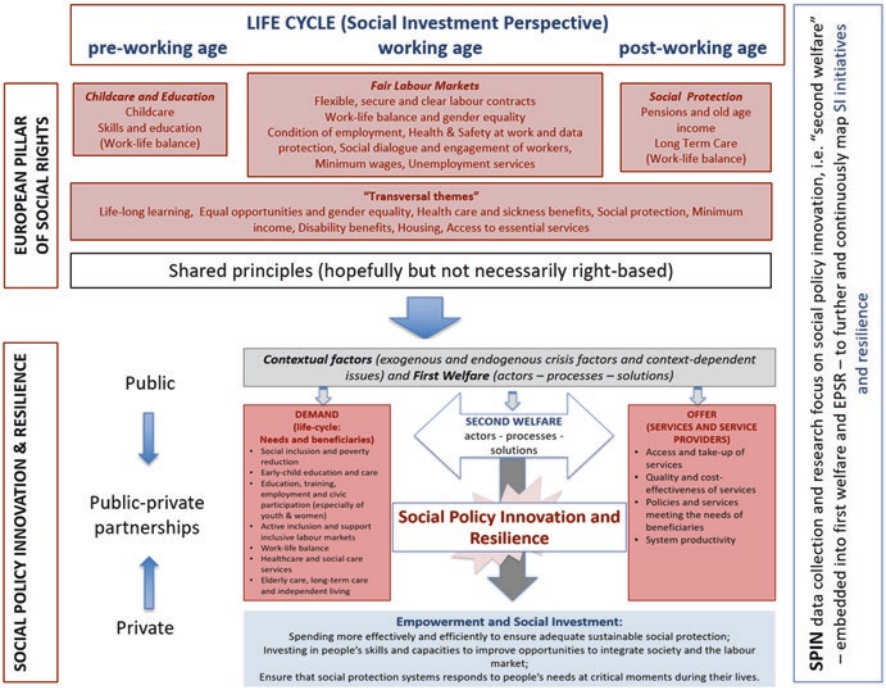

Fig. 4 Reviewed IESI Conceptual Framework integrating a resilience perspective

illustrative of different welfare systems. Two hundred and eighty initiatives were collected as part of the IESI inventory 2015, representing all EU28 Member States and some countries that are considered vanguard in the field under analysis, as well as all the categories of PSSGI. Out of these 280 initiatives, 140 were further documented and analyzed together with the 70 initiatives already mapped in 2014; this formed the IESI knowledge map 2015, composed of a total database of 210 ICT-enabled social innovation initiatives promoting social investment through integrated approaches to social services delivery and presenting evidence of impact achieved. Thematic analyses were also performed in three areas of particular relevance, providing insights into: (1) the role of social enterprises to support social services delivery; (2) the implications of ICT-enabled social innovation to support active inclusion of young people; and (3) active and healthy ageing and long-term care. The third 'round' of the IESI mapping in 2016 brought the total number of initiatives in the inventory to more than 600, 300 of which were mapped for the analysis. Finally in 2017, 191 further initiatives where added to the inventory, out of which 100 were mapped to test the revised framework, with a specific focus on resilience and governance innovation (Misuraca et al. 2017).

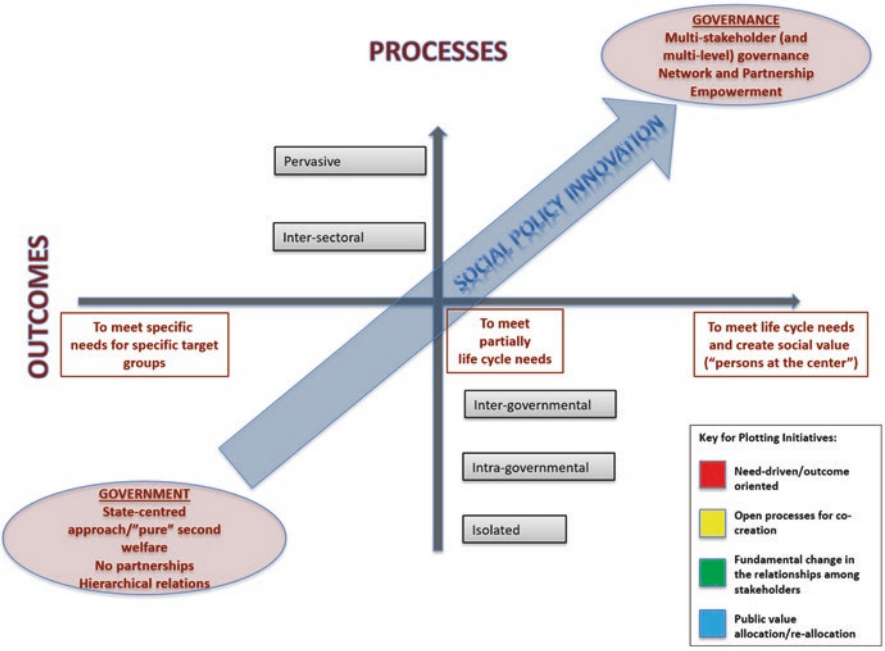

Fig. 5 Revised IESI Analytical Framework for 2017 analysis, integrating a resilience perspective

Results

Comparative and Chronological Analysis of the Typical ICT-Enabled Social Innovation Initiatives

Taken all together the merged database (including all the rounds of inventory and mapping from 2014 to 2017) counts 791 initiatives and 400 mapped cases. While the sample is not statistically relevant, given the fact that initiatives were selected on the basis of the aforementioned rationales, the sheer size of the IESI exercise makes it interesting to note trends—for example the fact that some core characteristics tended to vary from the consolidated database to the latest year (2017), whereas others remained fundamentally unchanged, thus presenting a general trend in the evolution of ICT-enabled initiatives through time.

Variation in Terms of Status of Initiatives

The status of initiatives seemed to remain stable through time: both in 2017 and within the whole consolidated database roughly 90% of initiatives were still operating at the time when the analysis was conducted. Also, the areas of intervention

remained particularly static through time, with Social Inclusion being consistently the predominant PSSIG (21–23% of all cases both in 2017 and in the consolidated database), and civic engagement following with roughly 13%.

Variation in Terms of Technologies

In terms of technologies, social networking was consistently the most commonly adopted one among those available on the market, while the promotion of social and active participation decreased significantly its role in 2017 with respect to the other years. The latest analysis showed how such category contributed to 38% of active inclusion technologies, which is still a significant share, but not as much as before (48% across the 4 years).

Variation in Data Use

An important element to consider in terms of governance refers to the use of data. In the sample analysed, data use is strongly oriented towards own data collection, and increasingly so (44% across the 4 years and 57% in 2017), thus showing an even decreasing percentage of initiatives adopting different type of data use through time (see Fig. 6).

Looking at the 2017 database, in particular, we found a clear divide between the United Kingdom (and partially the United States) and the rest of the world. Indeed,

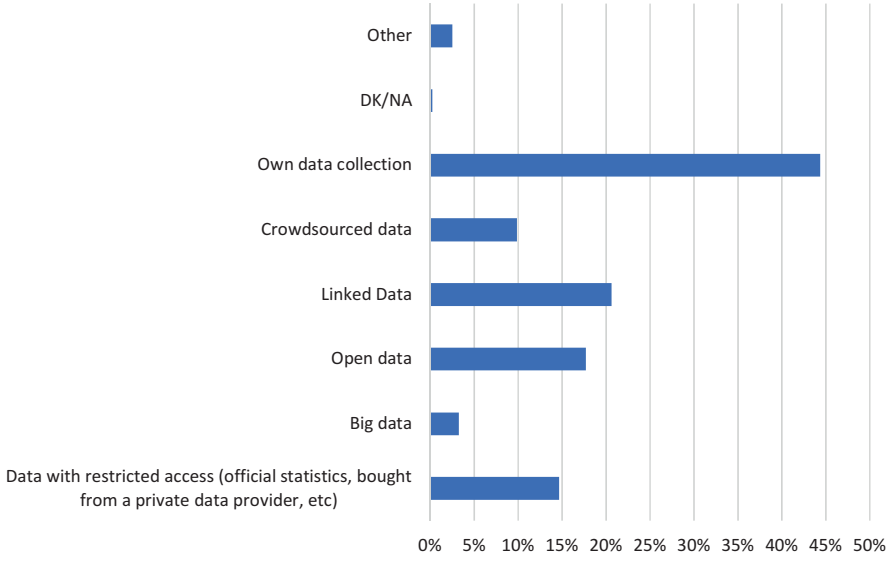

Fig. 6 Use of data

the two countries contribute to 84% of all initiatives that make use of shared data techniques, while in all other countries no more than one to three initiatives employed any of them.

Perhaps related to the somewhat poor level of innovation in the use of data is the decreasing trend concerning the level of ICT innovation potential recorded across different years, with 57% of all cases falling in the top classification (radical and disruptive), and only 34% in 2017.

Variation in Terms of Service Integration

On the other hand, positive signs come from the increasing levels of service integration: while only 29% of all initiatives (across the 4 years) displayed 'pervasive' integration, such category reached 32% in 2017.

Variation in Terms of Partnerships

While formal partnerships continued to dominate ICT-enabled services and the primary stakeholder remained strongly associated to the third sector, in terms of scale of implementation the local dimension grew from 25 to 29% in 2017 (thus totalling an increase of roughly 20%).

Variation in Terms of Strength of ICT-Enabled Social Innovation

At the same time, the strength of the ICT-enabled social innovation flourished in 2017 with respect to previous years (37% compared to 29%).

Variation in Relation to the Evidence of Relevant Policy Outcomes

Similarly, the strength of the evidence on the relevant policy outcomes grew from 26 to 37% ('strong' category), thus signalling a growing interest and need by social services to devote resources to increasingly reliable evaluation systems. The portrait of the typical ICT-enabled social innovation initiative that comes out of this comparative and chronological analysis is that of an increasingly locally oriented and third sector-led initiative, devoted mainly to social inclusion and focussing more on its own integratedness and the quality of its monitoring standards than to the application of radical technologies to the solution of social issues. This means that, on the one hand, some ground still needs to be covered in order to fully exploit the potential of ICT in the welfare domain, and, on the other hand, that as it stands today some of the most promising social services appear to have adapted to an ICT-starved environment by applying other forms of innovation that are more concerned with

the way initiatives are run rather than with their contents and the technologies applied by them.

Analysis of the 2017 Mapping

Looking now in more detail at the 2017 mapping, it is worth to report the findings that are key for testing out research hypotheses. The findings are presented below, against the dimensions of the IESI analytical framework.

Typologies of ICT-Enabled Innovation Potential

With the exclusion of international initiatives, two of which have radical innovation potential, local systemic initiatives are the most innovative group with 37% of them presenting technical or sustained potential, and 25% disruptive potential, where only the 7% of national system initiatives present disruptive/radical levels of innovation. The same trend can be spotted for strength of ICT-enabled social innovation potential, where, all together, local and regional initiatives perform better than any other group. This is significant as it shows how smart governance at city level is indeed somehow emerging and innovative models based on social innovation are consolidating at local level.

If we look at initiatives active at the international level, beside the United States and India, the countries whose policy innovation paradigm appears to be more open are, on the one hand, central and eastern European countries (Germany, Estonia, Croatia, Romania), on the other hand, nations with a strong background of social innovation (Finland, United Kingdom, the Netherlands). In fact, initiatives that operate at an international scale are significantly more likely to display a radical or disruptive innovation potential (45% with respect to 34% recorded in the whole inventory), and less likely to display a technical or sustained innovation potential (55% with respect to 66% recorded in the whole inventory).

Concerning the role of the public sector in financing initiatives two main trends could be identified: firstly, it tends to increase as we move from a broader to a narrower scale of implementation (i.e. from the international to the local level); and secondly, it also tends to increase as we move towards less traditional types of financial instruments (e.g. impact investing and public–private partnerships). The countries who fare better in turning local systemic initiatives into high innovation potential are unsurprisingly Italy, the United Kingdom, and the United States, but it is important to note that the significance of this result may be hampered by the relatively small sample size. Nevertheless, the importance of this finding resides in the fact that investments with a social impact mission are better governed at local level and city and regional administrations should play a pivotal role in setting up such instruments and mechanisms able to link financial and digital innovation with social outcomes.

Levels of Governance of Service Integration

If we look at beneficiaries, the aggregate data concerning the target groups (final/main beneficiaries) of the inventory initiatives show a spread-out distribution with a few interesting trends: close to half of the initiatives include the general population as part of their beneficiaries (42%), and another strong emphasis is noticeable on low income people (14%). Among the young generations—another highlight within the 2017 inventory—the most targeted segment is the one from 20 to 24 years of age (14%), followed by teenagers (13%) and the segment 25–29 years of age (9%). These trends capture very well the focus of second welfare initiatives on providing multiple life cycle needs of multiple target groups (with nearly 35% of initiatives in the sample falling in this category), therefore complementing first welfare provisions by taking a social investment approach. Indeed, the majority of the initiatives in the mapped sample (59%) deal with multiple life cycle needs while only a relatively small 16% of initiatives were targeted specifically at one target group. This is of course also in line with the fact that the demand for increasingly personalised and diverse welfare services—which are not or not sufficiently covered by the public sector—is raising steadily all across Europe, including within the wealthier classes. The focus on youth and new poverties moves in the same direction, responding to emerging needs in the aftermath of the financial crisis and in line with the ongoing process of change in family structures and in the labour market that more and more asks for flexible and well-trained labour force. Interestingly, the areas mirror very closely the priorities put forward by the Commission in its MFF proposal, particularly for the next European Social Fund. This alignment is further increased if we look at the areas of service offered, with social inclusion, civic engagement and education/employability being by far the more represented categories, and preventative approaches to welfare services representing another well populated area.

These two elements are cornerstone of both the Social Investment Package and the EU Pillar of Social Rights which deserve to be brought into the future design of EU welfare policy structure. In fact, an analysis carried out on initiatives belonging to these sectors proved they performed significantly better than the average in terms of strength of ICT-enabled innovation potential, with 16% less initiative showing a weak potential, and 5% more initiatives showing strong potential.

Types of Services Integration

If we take a closer look to the roles of stakeholders in the design, funding, organisation/management, delivery and evaluation of initiatives, we will see that in most cases involvement for each stakeholder type is relatively flat across each area, that is to say they participate roughly equally in the design, funding, organisation and evaluation of initiatives. The two most active groups are local/regional authorities and third sector. The most interesting points come from areas where this trend of active stakeholders being active across all areas breaks down. For instance, the EU is involved in the design and funding of a handful of initiatives, but is not involved

in any other capacity, even if it is important to remember the capacity of EU funding to activate the leverage and institutionalization processes (see also below in this paragraph). Similarly, the financial sector is very active not only in funding but also in design and delivery, but have little involvement in either evaluation or organisation of these initiatives. This is of course also because, in most impact investing initiatives, impact evaluations must be carried out by independent third parties. Surprisingly, while the role of the financial sector in the so-called 'second welfare' initiatives (Ferrera & Maino, 2019)[3] is clearly important (with financial institutions and insurers playing a role in the 22% of mapped initiatives), only around 10% of the initiatives put financial innovation at the core of their innovation strategies. Community groups are unsurprisingly active across most areas but have limited involvement in funding. It is also clear that there is significantly less activity in the area of evaluation across all groups than other areas of the initiatives. This is an important element, which deserves to be stressed; evaluation of the different characteristics of social innovation initiatives, including their efficiency and the achievement of results, is a fundamental step in the delivery chain, which is often overlooked due to the lack of a 'culture of evaluation'. Indeed, since the objective of social policy innovation is to combine economic and social growth, it is important to establish a systematic and shared approach to evaluation with clear indicators that could help to identify what works and how and what should be improved, changed or abandoned. In this sense, perhaps the sole quantitative evaluation seems insufficient because it is more useful to grasp the economic impact than the social one; therefore, qualitative dimensions and variables should also be included in the evaluation system. EU and national governments are among the entities that are less involved in the evaluation of initiatives, whereas relatively more active in this direction is the third sector, local governments, intermediaries and local communities.

Resilience

Finally, if we look at resilience, an important topic included in the revised analysis, the mapped initiatives display a number of attributes that contribute to their resilience in changing environments. For the majority of initiatives (55%), their resilience can be attributed to their ability to experiment and innovate. Interestingly, relatively few (21%) attribute resilience to an ability to react to changing circumstances, and flat hierarchies (13%). However, looking at the qualitative open questions concerning resilience, it is evident that all the stakeholders of the mapped initiatives are putting in place some strategies to allow the initiative evolving over time to take into account mutating contexts and needs. Therefore, even if their resilience is not rooted in their capacity to respond to fast changing social contexts, they seem well aware that this is the direction to take. Soft factors such as the emphasis

[3] The concept of Second Welfare puts at the core of the analysis social innovative measures and investigate the role of multi-stakeholder systems of governance in order to make the social protection system more efficient, adequate and sustainable (Ferrera & Maino, 2019).

on learning and collaboration over blame and a high social capital, on the other hand, are important resilience elements. Essentially, data on resilience factors seem to confirm that experimentation and technological advancements—both in the area of service provision, and in the area of smart management of service provision—are crucial to the success, efficiency and sustainability of initiatives aimed at contributing to the modernization of welfare systems. This has implications for the debate on 'smart governance', as the elements identified above should be considered central to a policy of social innovation and smart cities development, which are instead often limited to the technological aspects of the innovation and do not look at the ecosystem approach and social impact of initiatives.

Conclusions

Testing Research Hypotheses

This section aims to summarise how the result of the research project support or contradict our original hypotheses.

> *Systemic initiatives are mainly happening at the local level and local authorities have a key role acting as catalysers and enablers of social innovation and digital governance.*

Local systemic initiatives are the most innovative group in our sample and this applies also for strength of ICT-enabled social innovation potential, where, all together, local and regional initiatives perform better than any other group.

International initiatives that operate at an international scale are significantly more likely to display a radical or disruptive innovation potential and less likely to display a technical or sustained innovation potential.

The research showed that the European Union is already exploiting the power of a network approach that goes beyond national service integration, an element which shall be further encouraged in order to develop a stronger and more resilient pattern of social innovation. Supporting a similar approach to bridging the gap within the initiatives operating in different European countries also favours a more efficient social spending, allowing to stimulate effective results by supporting a systemic approach rather than allocating a greater budget.

> *The involvement of the beneficiaries of specific services could be a first step to improve the ability of cooperation of the stakeholders and to expand in the future the collaboration with the wider local community too with particular importance for 'smart city' governance.*

The fact that several of the mapped initiatives are recent or at the early stages of implementation indicates that the hypothesis can be confirmed. The research also shows that the participation from beneficiaries occurs with some sense of empowerment to act that may be key to channel private resources towards bottom-up social finance initiatives which can complement 'top-down' initiatives driven by larger organisations and the public sector.

> *Social (policy) innovation and new public–private collaborative practices emerge to strengthen the modernisation of the European social agenda, with public actors acting as a orchestrators and amplifiers of innovation and resilience into a varied array of welfare policies and governance models. These include integrating preventive measures to fight poverty and social exclusion, active labour market policies, integrated health and social services to improve childcare and education systems, as well as promoting work–life balance and active aging and long-term care.*

Raising budget constraints and austerity-based structural reforms weakened those processes of recalibration that before the crisis had sustained the European social agenda, with the main consequence of growing asymmetries inside the European area between countries that retain room for investment in welfare services designed to address new social risks and pursue a social investment-based agenda and countries, burdened by high public debt, de facto unable to promote any kind of reform beyond the progressive reduction of social benefits.

This has resulted in a huge disparity between the goals set by the European Union's social agenda and the budgetary constraints especially in countries burdened by high public debt. Fiscal consolidation cannot be Europe's main way out of the crisis and increased social investment is needed. But how can one achieve the objectives of the European Social Agenda, especially after the launch of the European Pillar of Social Right in times of declining public resources? In response to a demand for a more 'efficient' use of the scarce public resources available and for further public and private resources to be allocated towards welfare services, social policy innovation can contribute—and is indeed contributing—to strengthen new collaborative solutions aimed at renovating social policy design and welfare funding.

Investment in social infrastructures, social innovation initiatives and digital transformation require new combined public–private resources able to provide economic and long-term social outcomes. SIBs and impact finance are a part of a wider financial ecosystem that is emerging to channel further resources towards social economy organisations, social infrastructures, and social innovation initiatives. According to the OECD (2016a, 2016b), the emergence of these financial tools can contribute to strengthening welfare provision in times of scarce public resources and improving the performance of non-statutory services. Other authors expressed several concerns regarding the development of Social Impact Bonds (SIBs) as they encourage equity products in the field of social services and a substantial re-commodification of the welfare supply. Other concerns regard the risk of creaming-effects. In fact, SIBs (as well as 'payment by result' schemes in general) can create incentives for providers, in order to avoid more risky projects. As pointed out by Azemati et al. (2013) and Hazenberg and Hall (2016) another risk comes from the increasing focus on just a few large not-for-profit organisations and bigger financial investors, able to broker the majority of the mobilized resources. Despite common pressures to move towards impact finance tools, very little evidence is available on the role played by the various public and private actors involved in these processes: the state, as direct investor and/or collector of private resources towards welfare services and social innovation, the local authorities, the private investors (banks,

investment funds, venture capital, philanthropic foundations), the national promotional banks, and the institutional investors (pension funds, insurance companies). Against this background, a comparative framework is needed to deepen the knowledge of the various national models, so as to provide insights able to enhance the room for public and private long-term investment towards social innovation at local level. In this regard, comparative research on the relationships between social provision and financial markets deserve a greater attention, especially with regard to impact assessments for social policies or social infrastructure projects.

Moving to the so-called 'second welfare' domain, recognising the crucial role played by public welfare, the 2017 IESI mapping shows also that first and second welfare are not two separate entities, but two intertwined spheres capable of fading into one another according to different policies, contexts, and areas of need. For this reason, the role of public institutions at different levels of government remains of great importance in connection and partnership with non-public actors. When first and second welfare provisions are aligned and synergic, there we have higher levels of social policy innovation. In fact, in contrast to what is claimed by some literature on social entrepreneurship, the important role of private/non-for-profit actors within social innovation does not necessarily entail a minor role for public institutions. Most of the initiatives considered in the 2017 IESI mapping were promoted by partnerships involving public authorities, private, and/or non-for-profit actors, and, in most cases, this was an element of innovativeness of the initiative in itself. In this renewed context, especially the role of municipalities seems to shift from providing services to promoting networks. Public actors (especially at the local level) usually act as 'policy entrepreneurs', coordinating multi-stakeholder networks and pushing for the introduction and implementation of social innovation programmes and initiatives—using, when available, also 'external' resources (such as EU, national, and regional funds) as a 'financial leverage'. Moreover, public actors will continue to act as guarantor of the common good, of the fact that social policy innovation initiatives are directed to grant the rights of the many and not the few and that inequalities are reduced. This would mean that it will be necessary to redesign the policy-making process, opening it to all social stakeholders; overcome the centralization of Central Government power, devolving part of its authority among other institutional levels; support networks and partnerships instead of hierarchy and bureaucracy and include civil society in the decisional process and in the implementation of policy, according to the welfare mix approach.

Moreover, in a context of permanent austerity and of welfare state crisis, States need innovative ideas that take into account the complexity of the problems and then foster solutions that permit welfare systems to learn, adapt, and occasionally transform without collapsing. More importantly, States need to build the capacity to find such solutions over and over again. Resilience theory focuses on the balance between continuity and change, a continuous cycle of release, reorganisation, growth, and consolidation that characterises all resilient living systems. Some ideas fail, but others become new products, programmes, processes, or designs that attract

resources and become part of the established system. Here we can see a potential pattern: the association of old and new ideas in the idea-generation stage; a shakeout of competing ideas and organisations in favour of those able to attract the most resources; a consolidation phase of successful ideas and organisations and the institutionalisation of social innovations so that they become the solution to be implemented at a larger scale.

One of the most important attributes that a social policy innovation approach can offer is that it helps to understand the process by which social and welfare systems adapt or are transformed. In particular, this approach sheds light on the various actors (both public and private), their interests, and their role. The 2017 IESI mapping went deeper into the analysis to explain the role played by stakeholders and social entrepreneurs at different points in the innovation cycle and how these roles are devoted towards finding opportunities to connect an alternative solution to the resources of the dominant system. The analysis pointed out that in many cases this kind of transformation takes many years to occur. It requires a long period of preparation in which an innovative alternative is developed and then scaled up when a window of opportunity opens. Studies of resilience at the community, organisational, and individual levels suggest that the characteristics that these organisations and communities share are low hierarchy, a strong ability to quickly respond to changes, a high degree of flexibility in respect to the social risks and needs, an emphasis on learning and collaboration over blame, room for experimentation and innovation, high social capital, in particular reliability, leadership, social networks, and mutual respect (Maino & Ferrera, 2015; Westley, 2013), creating a virtuous cycle that in turn builds the resilience of the entire welfare state and of the whole society.

To conclude, we need to be aware that the capacity of social policy innovation to affect and to renew welfare systems differs according to the territorial level one takes into account. Many socially innovative initiatives seem indeed having affected local social policies. However, the degree and capacity of 'up-scaling' is limited so far; most of the measures implemented remain local initiatives and are not mainstreamed into national welfare systems. This finding strongly contrasts with the objectives of the European Pillar of Social Rights which conceives social policy innovation as a way to test the effectiveness of social policy reforms on a small scale, that is, before up-scaling them in national welfare systems, which has to remain the ultimate and strategic goal.

Therefore, the responsibility of leadership to protect the collective interests is and will be crucial, and it has to be accompanied by a selective and focused management of resources, within a development strategy that promotes cooperation between the various local, national, and EU actors and transforms the territory from an 'arena' in which various actors interact into a real 'collective subject'. Establishing a 'Social Policy Innovation Expert Forum' charged with the development of such a strategy and the evidence base to support its implementation would be a step in the right direction.

Contribution to the Debate

From a research perspective, based on IESI findings, two areas in particular would deserve broader investigation: impact investing and multi-stakeholder governance.

Concerning impact investing, the preliminary findings—particularly in the 2017 mapping—provided insight about the nature and the extent of private resources mobilised towards welfare services and social innovation initiatives. A growing body of analysis, including the recent report of the High-Level Task Force on Social Infrastructure[4] in Europe, has begun to investigate the rise of alternative sources of funding for welfare provision, including 'impact finance' tools aimed at involving private investors, banks, private foundations, and venture capital funds in new financial investments funding social enterprises, private providers, and local authorities. Increasingly, private investors, social enterprises, and public authorities are planning to develop this kind of varied financial tools for welfare provision, especially in Anglo-Saxon countries.

The IESI knowledge base and related knowledge community can provide a helpful tool for policy-makers and practitioners across Europe, and particularly if connected with the creation of a Forum of experts which could not only expand and further analyse the dataset but facilitate experimentation, replication, and scaling-up of successful initiatives, while also contribute to modernise relevant EU and national policies. Indeed, if today Social Policy Innovation—similarly to social innovation—has mainly been intended as a quasi-concept, without turning into a proper knowledge paradigm, it is precisely because of the lack of a critical mass of researchers, policy-makers, and practitioners committed to systematise this concept building on academic research and on the more policy-oriented existing evidence base, as well as to raise citizens' awareness about the importance of the subject.

Moreover, as a consequence of blurring boundaries between the public and private sphere and between private for-profit and not-for-profit organisations, new modes of governance, and public–private partnerships are emerging. The governance of this emerging 'second welfare' paradigm requires further research, with a focus on measurable social outcomes and methodologies aimed at avoiding negative externalities on users and, no less importantly, on social workers involved in these processes. Further research is also needed to provide comparative analysis aimed at mapping-out the variety of financial ecosystems in the different European countries, including at the regional and local level, allowing to focus on which institutional and social factors enable participatory approaches to social finance and social change. In addition, the rise of new public–private financial partnerships highlights the need to better understand how the various European funds could be

[4] The High-Level Taskforce on Social Infrastructure in Europe was promoted by the European Long-Term Investors Association (ELTI) and established in February 2017, in close consultation with the European Commission: cf. Fransen L., del Bufalo G., Reviglio E. (2018), *Boosting Investment in Social Infrastructure in Europe,* EUROPEAN ECONOMY Report of the High-Level Task Force on Investing in Social Infrastructure in Europe.

matched with national and local initiatives. In this vein, country-by-country analysis need to be combined with cross-country analyses, so as to share common impact investing methodologies.

The results of the analysis have also clear implications on the smart governance and smart cities debate at both academic and policy level. First of all, it is clear that ICT-enabled social innovation has a strong potential to empower citizens participation in the life of a community, and thus enhance civic engagement which can result into innovative collaborative governance. At the same time, leveraging on the capacities of digital technologies, new services can be designed and delivered providing personalised solutions to improve conditions of disadvantaged groups and help shape a better community's life. This of course requires the consideration of all elements that are essential for a smart management of service provision and policy innovation, not only addressing the technological dimension of governance rather stimulating an effective ecosystem approach which is crucial to the sustainability of initiatives aimed at contributing to the modernization of welfare systems and building resilience of smart governance models, especially at local and city level.

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