



Innovative Social Economy – A constructive dialogue between social services and civil society

Prof. Dr. Volker Brinkmann
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Theses concerning the development of rural areas throughout Europe:

- The number of people living in rural areas is decreasing. Areas which are beyond reach of public transport or job Centres are sociologically speaking peripheral areas, which even pensioners leave behind, if they can afford to move.
- Some regional planners' thesis claims that rural areas are lacking the critical mass of companies, smart minds and research facilities for truly being successful.
- Even more serious seems to be the empirical finding that women leave rural areas; which means a decrease in solidarity and of the next generation.
- Areas now become more and more either winners or losers.
- Those areas left behind and rural districts often aren't part of plans concerning supply and social maintenance anymore. Thus infrastructure, streets, transport, public facilities erode further.

- Cities, especially metropolises, boom and population density, costs for common goods, rent, water and electricity increase.
- Rural communities' budgets often only cover desperately needed repairs.
- Despite many good intentions, at least in Germany, there is still a long road ahead concerning the implementation of broadband and digital delivery in rural areas.
- Consequences of this development are among others an increasing rightward shift, alcohol, drugs and procurement crime.

See "Rettet die Provinz" in Zeit 1.9.2016, no 37, p.19;

Authors: F. Grasser / G. Hamann / C. Pausackl / F. Rohrbeck / B. Schulz

Social Economy in European context

Depending on which concept (for example Social Economy, Non-Profit, Third Sector) dominates the particular country, understandings of Social Economy in the social economy sector itself, in public administration as well as in the academic and scientific community will be differently interpreted and heterogeneous (see Chaves/Monzon 2012: 43f).

Depending on the familiarity of the understanding of Social Economy three groups of countries can be distinguished:

- Countries, in which the concept/the understanding of Social Economy is strongly agreed with. These are France, Spain, Portugal, Belgium, Ireland and Greece. In France and Spain Social Economy is also statutory.
- Countries, which show a medium acceptance of the concept. These are Italy, Cyprus, Denmark, Finland, Luxemburg, Sweden, Latvia, Malta, Poland, Great Britain, Bulgaria and Iceland.
- Countries, which show comparatively little familiarity and acceptance. These are Germany, Austria, the Czech Republic, Hungary, Estonia, Lithuania, Slovenia, Slovakia, the Netherlands, Romania and Croatia.

There are also differences in legal and organisational structures of Social Economy between the countries. Organisations in the EU mainly constitute themselves as cooperatives, societies or foundations (see *ibid*: 33). Furthermore, countries in the EU have their own national regulations concerning the funding of charitable activities. This diversity complicates the arrangement of consistent politics of Social Economy in Europe. The same is true even more concerning a consistent social economy market throughout Europe, which would deserve to be called one.

Since 1989 the term Social Economy – derived from the French *économie sociale* – has been incorporated in official language of the European Union. The European Commission recognises Social Economy/Social Economy has found its place as a charitable pole sitting between the profit-oriented sector and the public sector (see *ibid*: 33). To emphasise the economical importance, a distinction between an economic related part and a not market oriented part of Social Economy is being made, although both are closely connected to each other (see *ibid*: 26ff).

The European Commission pursues the expansion of the internal market's model to cover as many spheres of life as possible. Therefore, more spheres have been and are being privatised and organised economically. Nevertheless, the social sector still runs under national competence. However, it has been infected by that logic as well (see Weidenholzer 2011).

Summing up, it can be said that EU's politics connects several goals with Social Economy. Workplaces shall be created, social services shall be produced and charity and solidarity shall be

encouraged. A search for an “egg-laying woolly-milk-sow”, something that suits every purpose. Whereas other branches are not much or not at all affected, social economy shall produce integrative, inclusive, innovative and civic solutions. To actually pursue these expectations, I think here a communal governance is needed. This would be a governance which supports sustainable development through civic engagement, together with local social economy. Expansion of intermediary hybrid functions, (such as) described in the model of welfare mix production. In the following I’ll focus on models for a conceptual dialogue in intermediary and hybrid care. As a motor of innovative processes by social enterprises in local and regional case and care management by social services.

Social economy as a system of social care

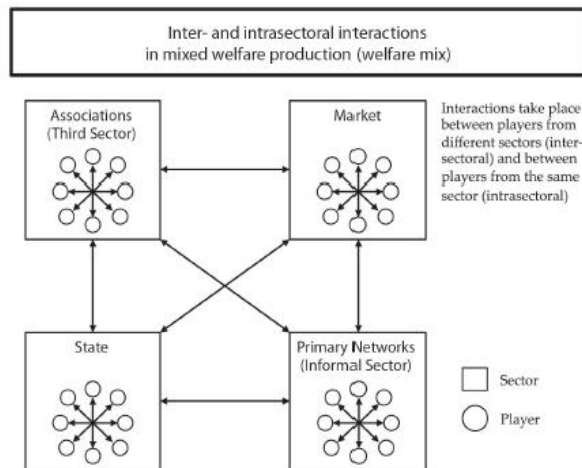
Social economical players are firstly public social service authorities, but also charities, private commercial providers of social services, societies for joint self-help, volunteers, participants in civil engagement and all those who contribute by helping people concerned and care for them.

In the system of social service maintenance social economical actions are carried out in a needs-oriented way. These needs are determined by social law. Outside of this system needs can be determined and met in the community. Social economy at large is a command economy. Fulfilment of demand with the goal of individual and common welfare. This is contrary to market economy, in which a demand can be fulfilled with purchase power. A social demand, however, will not subside, just by demanding and being solvent. For example, a sick person with medical needs, which they can’t afford on their own. Public provisions of national protection subsidiary counts on the thesis that most people can care and provide for themselves, either on their own, in their families or in other social networks. If that is not the case, social services are needed to provide care, health care, education, qualification and social relationships to compensate for the lack of independence (Wendt 2013, p.9).

Social innovation by local welfare mix

From an economic and organisation-sociological point of view the hybrid and the cooperative form of service delivery are carried out in a mixed welfare production, which is displayed in the following figure (figure A-1) and further explained in table A-1.

Welfare mix: Inter- and intrasectoral interaction



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From Brinkmann/Popescu-Willigmann (2016),
after Roß (2013, p. 1118)

fig. 1

Mixed welfare production forms the theoretical basis of different types of organisations, which participate in the service delivery in social economy. It also forms the basis for the control logi, which is immanent to social economy and corresponds to an intermediary control of social care. Mixed welfare production therefore presents a control paradima for coordination and management of public and private social service obligations (see Roß 2013, p. 117ff; Grundwald/Roß 2014, p. 21 and p. 23). The social sectors (shown) above are not to be understood as clear cut different spheres of life, society or reality, but are defined by their reasons (goals and core values), their roles and tasks in social economic performance, their production factors, their production place, their effects and efficiency range of services, their system logics and their different contributions and influences in social economic performance. In mixed welfare production social help in form of self-help, volunteering and amateur work interact with professional social and public services. By interacting with each other the four sectors set each other contextual conditions and are dependent of each other's conditions at the same time. No sector can generate welfare on its own, only by its own institutions and logics (see Roß 2013, p. 1118). The effects of mixed welfare are displayed in the following table A-1 by focusing on the institutions, the logics and core values of the four sectors:

Welfare mix: Sectors and functions



	Associations	Market	State	Primary networks
Institutions	Organisations Civic associations	Companies Enterprises Merchants	Parliaments (legislative) Administration (executive) Justice (judicative) Public companies	Family Friends Neighbourhood More private networks (school, university, workplace, ...)
Function logic	Voluntary membership Negotiation Trust Representation of interests	Monetary exchange (purchase, sale) Supply/Demand Competition Customer orientation Maximisation of benefits	Legality (law) Resource allocation Binding decisions Monopoly on the use of force Hierarchy	Belonging Attribution Affection Not monetary exchange
Core value	Solidarity Activity	Freedom Maximisation of profit	Equality Security	Obligation Reciprocity

From Brinkmann/Popescu-Willigmann (2016), after Roß (2013, p. 1118)

table 1

Against the background of the theoretical concept of mixed welfare production, current political control, national and local governance and national and local government must prove themselves.

Besides the theoretical concept a consistent political practice, which uses the plurality of players and different potentials and uses the different sectors and players synergistically, is needed. An undertaking which isn't trivial at all. The increasing and more and more complex social interdependence demands political control to break down barriers and mediate between:

1. local, national and international levels,
2. different function systems of social politics and social economy,
3. associations, market, state and private networks,
4. different fields of politics.

Concerning the empiric shape of the German social state, according to Grunwald and Roß, different trends could be proven:

- The informal sector systematically and more often gets included into welfare mixes (e.g. participation of family members).
- Providers of private businesses get involved more into welfare mixes
- Providers of social services diversify

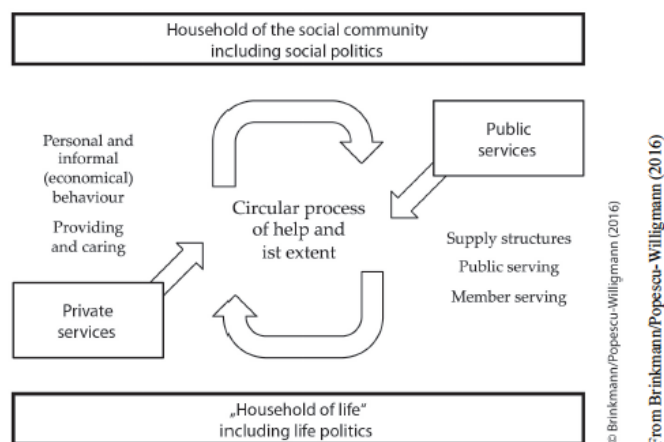
- The state becomes more and more an initiator, regulator and moderator of welfare mixes. It has a controlling function to guarantee welfare (which is carried out mostly by context management).
- The importance of individualised and “personalised care management” (Wendt 2010b: 10) in the sense of customised person and situation specific support packages increases in all fields of social services.
- Systematically a voluntary civil engagement shall be implemented as an integral part of welfare arrangements (see Steinbach 2004).

Social economical innovation deals with:

- New organisation of approaches and paths in the system of social safeguarding
- Actors, forms and parts of the system of social safeguarding
- Processes of political identification of needs, policy-forming and decisions concerning forms, content and elements as well as participation requirements
- Organisational questions relating to the system of social safeguarding, transformational processes of inclusion and exclusion in respect of social political organized regional services
- People’s life household and their individual organization of their personal budget – the economy of one’s own way of living.

The SEMPRES project’s intention to develop innovative services must mind this connection between social self-organisation and individual and suitable use of social services in cooperation with regular public social services. For users the goal is to benefit more from a better succeeding organisation of their everyday life. To actively as a citizen participate in local social politics (and render its shape). This is particularly clear in the vote and design of personal needs, the life politics in interaction with the public offer design, public and community-driven social interest by social services. As shown schematically in the diagram below.

Reference framework in the theory of social economy



According to Hans Thiersch, who shaped the term “more successful way of living”, it’s about alternatives and new perspectives of personal ways of living, which fail, get repeated and renewed. Thus people can’t be pushed in a particular direction by project management, but need to be offered social services, so they can pursue their own goals concerning health, social contacts, education and can decrease barriers which keep them from work. By this increase of autonomy by SEMPRES and other projects they can improve their life situation economically and together with others.

In context of the on system-theory based inclusion approach and in the theoretical perspective of deconstruction, both public social services and private “life politics” move towards each other. Concerning this, projects like SEMPRES have a clarifying intermediary and methodically based mediating function.

The intermediary innovative contribution of social economy to the development of social networks

In the organisation of network economy by intermediary engagements of self organisation and support in social space, together with professional services social assistance becomes more comprehensive and effective (for example in cooperatives for elderly). Social economically organised network economy isn’t a savings scheme/model but a quality model for social care on a civil-social basis. This assumption is supported by the political science approach of change of national control – a change from the classic government model to the governance model.

Control forms in communal administration



	Bureaucratic model	New management model	Governance
Control mode	Input oriented Order community	Output oriented Service community	Outcome oriented Citizens' community
Financial budget	Cameralistics	Double entry method/ bookkeeping	Citizens' household
Politics/ administration	Mix	“What-how-model“/ Contract management	Co-evolution/ Building of trust

From Brinkmann/Popescu-Willigmann (2016), after Tabatt-Hirschfeldt (2012, p. 16)

To activate youth welfare institutions' potential for social space, we need financial forms that can operate independently from case interventions and support forms of networking in rural areas. In particular they need to appreciate and recompense the expense of the cooperation as a cost factor – either in cooperation with direct service for the clients or completely on its own concerning the organisation of cooperation. This financing shouldn't be played against individual case assistance, which holds equal importance for professional social work. Budgets of social spaces ideally combine budgeting as a central control instrument of modern administration with professional demands of social work. New forms of financing are requested, which are sensitive to quality and offer a holistic approach, instead of just thinking economically. Until now financing of social service or assistance is output oriented. Thus the nominal structure dominates the number of people, trainings and counseling. However, this doesn't tell much about the social effect or problem-solving. A more innovative approach is an effect oriented awarding of finances, subsidies and investments, using for example “Input, Output, Outcome, Impact” (IOOI logic), Social Return of Investment or forms of innovative network controlling. This could be used especially for projects which work in a proactive way and keep records of their effect-orientation.

Effects – an example: IOOI typology



What are **effects**? They are **changes**...

- ... in target groups, their environment or in society,
- which occur as consequences of an intervention (service, activity, offering, measure, etc.)



The definition is based on the internationally common definition (notably in development cooperation). In Germany: Input-Output-Outcome-Impact-Typology (IOOI)

Some examples, which could be of relevance for SEMPRE:

- Tie in with existing structures (fire brigade, countrywomen, others)
- Increase the appeal of rural areas by projects and networking
- Low rents and modern social services combined could result in people coming back or new people coming to the area
- Networking of public schools by blended learning
- This needs a digitalisation strategy, to promote job creation and social work in rural areas.
- Specific trainings for a rural labour market
- Design and carry out training programmes for social competences in social space (diversity, anti-violence, community building)
- To be needed, to experience oneself, to conquer loneliness – for example by self-sufficiency in a cooperative – no one is left alone!
- Establish high quality continuing education, for example by schools for programmers or further adult education in rural areas
- Develop old and new regional products and market them

These potential goals can be translated into dimensions of effect and quality of the methodology of a “social reporting standard”. Specific controlling can evaluate the achievements.

Effect logic in SRS (Social Reporting Standard)



Effects are **changes** caused by the **output**.

Input	Output	Outcome	Effect
Resources: <ul style="list-style-type: none"> • financial means • equipment • time (volunteers) • knowledge • competences • structural, human and relational capital 	Services: By third parties directly observable results, this is: set(s) of activities	Effects: Changes in target groups: <ul style="list-style-type: none"> • knowledge • behaviour • life situation • ... 	Effects: Changes beyond target groups: <ul style="list-style-type: none"> • living environment • community • society • ...

For example the precise control of means on the basis of effect orientation, for example in form of a participatory budget.

With regard to SEMPRE this means:

- In your reporting you present an overview of your guiding principles and target hierarchy for your consumers.
- That the detailed presentation of your complete offerings must relate to effect dimensions. This is the very core of effect oriented reporting.
- In this case “offerings” means everything a social organisation does to solve a social or ecological problem – for example by means, projects or services to increase the participation of target groups (proactive consumers approach).
- Total considers the effect of the social network to improve and prove.
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Effect goals which have been achieved, are translated into an effect oriented controlling instrument, which is called Social Reporting Standard. Service providers can use this SRS as a proof of their achievement status when communicating with public or private investors. It can also be used for an effective mixed financing from public and private means for social projects.

SEMPRE could use this to develop an own reporting system to secure a sustainable financing and to promote their project goals and achieved effects in rural areas, so that users and involved actors get a better overview.

Thank you for your attention.