SOCIAL INNOVATION IN THE BASQUE COUNTRY

How do the different roles of government support social innovation in the Basque Country?

Social innovation has entered the public agenda tightly related to public innovation policies and new initiatives to foster a social open innovation model. This is because social innovation measures its success by its ability to have a disruptive impact on an institutional framework. As part and parcel of that institutional framework, public authorities have led the way with regards to turning social innovation into a device for systemic change.

In any case, the Basque public sector has a complex structure as it comprises three levels of administration (regional, provincial and municipal). These levels cover very different areas of responsibility but are accompanied by a solid structure of public companies which ensures that the promotion of social innovation falls on various levels. These three tiers are practically playing an active part in promoting social innovation by taking on four main roles:

- **Operational agents** by incorporating social innovation into their structures and projects (as direct service providers and executors of policies). We must not forget that social innovation is strategy and therefore implies the need to create an impact more effectively, tackling the issues that really matter and doing so in a different way. The Basque authorities are designing and implementing new avenues for generating results by combining different resources, processes and policies in order to create public value. They are therefore exploring a participatory system for democracy and developing models for citizen participation and involvement in discussions and public decision making.

- **Financiers** by promoting new funding mechanisms for social innovation projects (new calls for applications for funding, prizes for the best initiatives, public-private partnerships when launching initiatives, etc.), as well as breaking new ground with regards to obtaining funds and allocating (using) them. Areas that are being addressed include designing and executing participatory public budgets, or redesigning tax structures and financial traceability in order to promote social innovation initiatives.

- **Catalysts for new ideas** by promoting the creation of ideas and unlikely connections. In a crisis situation where there is a climate of conservatism, when structures are leaning towards homogenisation and there is a lack of diversity, Basque institutions have turned their focus on promoting forums for discussion, interaction... shared social learning with the clear objective of generating new perspectives, new partnerships and new solutions that result in experimental projects.

- **Promoters of a network** for developing social innovation which allows the mass adoption of social innovations which demonstrate their impact during the experimentation stage. Basque institutions are helping to create a “market” which supports social innovation by incorporating it into their management process and into government structures and instruments (legislation, institutional development, etc.).

There are many initiatives being carried out which are based around these four roles. Basque Government, for instance, has included the promotion of social innovation in several of its plans -The Science, Technology and Innovation Plan-, the Public innovation Plan-. Furthermore, the three Provincial Governments of Bizkaia, Gipuzkoa and Araba, have developed different policy instruments for the generation and selection of social innovation initiatives, including a set of very useful financial instruments. Municipalities are also focusing their work on social innovation, by developing the idea of social smart cities and promoting citizen participation. In any event, there are still major challenges that must be resolved with regards to publicly promoting social innovation in the Basque Country, such as the scalability of social innovations or the development of new public-private relationship models. Nevertheless, when public institutions promote...
social innovation, there is probably one major common goal which enables the concept to take root, i.e. to measure and assess the real added value, the increase in shared public value which is generated by social innovations.

**How is the region organizing the social innovation players in the regional smart specialisation partnership? (e.g. part of wider partnership versus specific sub group)**

The Basque Country approved its Smart Specialisation Strategy and the strategic aims of the Science, Technology and Innovation Plan for 2014-2020 (STIP 2020) in order to create real benefits for companies and society by improving the productivity of the region’s innovative ecosystem.

RIS3 has outlined the **vertical priorities** based on a triangle that takes into account: 1) the existence of scientific skills and distinguishing technologies, 2) the existence of a competitive production network, and 3) a focus on areas of opportunity. The final selection of vertical priorities includes energy, advanced manufacturing, biosciences and health, as well as certain niche areas that are linked to the region.

A series of **horizontal priorities** have also been outlined as the other key vector for transforming the system. These priorities are as follows: reorganisation of the Basque Science, Technology and Innovation Network (RVCTI), which is a network that brings together all the agents that have links with R&D&I in the region, better alignment between the university subsystem and specialist areas, talent management, internationalisation, innovation in public management, business transformation and innovation and **social innovation**.

In this cross-cutting axis, which aims to create an innovative and interconnected system, social innovation is regarded as an opportunity to offer a holistic and structured response to the major challenges of Basque society, such as employment, education and ageing. Science and technology play an important role in these processes but they need to be combined with a large dose of social innovation in order to facilitate the necessary changes in behaviour and get people and communities involved in the search for shared solutions.

In light of this, the **Strategy for Social Innovation in the Basque Country** which is outlined in the STIP2020 seeks to acknowledge the existence of social innovations, promote specific projects which involve good practices and form a network with European programmes. It is ultimately based on the following fundamental principles:

- **Assessing and comparing** social innovations and measuring their results in terms of social and economic impact.
- **Promoting the good practices that have been identified** in order to raise awareness and highlight the value of social innovation in Basque society.
- **Supporting initiatives which are linked to cooperation and social entrepreneurship**, tracking down agents that are potentially innovative and supporting projects that help us to deal with the challenges in Basque society. A special emphasis shall therefore be placed on initiatives that respond to problems related to ageing and improving quality of life for the elderly, education and lifelong learning and, above all, employment.
- **Boosting participation in European projects** and helping the Basque Country establish itself as a “Hub for Social Innovation in Europe”, highlighting all the agents involved and the initiatives that are being developed.

As the major network for bringing together the agents that are dedicated to innovation within the region, the Basque Science, Technology and Innovation Network (RVCTI) is playing a key role in implementing this line of action and the others which are outlined in the Basque RIS3 strategy. In any event, it is agreed
that more agents representing the business sector of organised civil society need to be included and we must look beyond the “usual suspects” that are linked to traditional sectors of industry.

In this regard, the Basque innovation agency Innobasque is working to get “other” agents from the social field involved in the RVCTI and in the new structure for governing regional policy regarding innovation in the Basque Country, with the goal of being able to respond, in part, to the new common challenges which are mentioned in the RIS3 itself. The challenge is to move away from the current “collective entrepreneurship” model, which involves making sure that all the agents within the system are engaged in an effective public-private partnership in order to provide joint solutions to global challenges, and head towards a more “heterogeneous” model which encourages the inclusion of new knowledge and agents that have experience in social practices on both a local level and from further afield.

One example of this is the efforts to create the Basque Social Innovation (BSI) hub. This network calls for an integrated and coordinated social innovation system to be established in the region and to be connected with and incorporated into the RVCTI, with the aim of creating a new model for innovation and a new model for governing the regional innovation system which generates greater public value.

Has social innovation been written into the ERDF and ESF Operational programmes at regional level? How has this been done (specific axis or measure, part of more general measure)? What scale of budget is available for these measures?

The ESF Operational Programme for the Basque Country 2014-2020 has a strand (Axis 6) which is specifically dedicated to social innovation. The budget for this stands at €2,963,371 in total with the ESF part-financing 60% (i.e. €1,778,022).

Even though this is a small amount (3.3% of the funding provided for the Operational Programme), the aim was to explicitly highlight social innovation.

As stated in the Operation Selection Criteria which have been approved by the Operational Programme’s Monitoring Committee, all the OP’s operations are generally assessed to determine their innovative quality during the selection process.

Even though the ERDF Operational Programme for the Basque Country 2014-2020 does not cover any specific funding programme (competitive tenders) for promoting social innovation in budgetary terms, it is included on a strategic level by implementing several lines of action from the ERDF Programme within the Basque Autonomous Community.

Priority axis 1 from the ERDF states that social innovation is a key force in transforming the policy to strengthen and promote R&D&I.

In line with the Basque strategy for smart specialisation, this priority axis tackles the need to strengthen and promote the R&D&I system, concentrating its efforts on supporting the investment that companies plough into innovation and research. This is because support for social innovation is a specific objective of such investments.

Priority axis 3 aims to promote innovation among SMEs and cooperative relationships for boosting innovation, particularly in the field of social innovation, thereby dealing with the need to encourage entrepreneurship and create companies. This goal is even more important when we consider the current economic crisis which has led to a marked rise in unemployment in the Basque Autonomous Community,
and it is therefore one of the main challenges for the Basque economy in the coming years in order to create jobs.

**If yes, have there been any calls that mention social innovation and as a result are there any early projects financed in the 2014-20 period? What do these projects seek to do?**

The steps which are specified in Axis 6 of the ESF Operational Programme for the Basque Country 2014-2020 have been applied to a competitive application process in order to encourage participation from beneficiary groups. As a result, two projects have been chosen and these will run until the end of the programme period. The proposals that have been approved come under the following investment priorities (IP):

- **IP 8.1** “Facilitating access to employment for those who are unemployed and inactive”. The beneficiary in this case is the Lea Artibai Vocational College and the goal of its TEP (Technology Entrepreneurship Program) project is to respond to an issue which has been identified in rural areas, i.e. the problem of young people (particularly those who are highly qualified) moving away from such areas due to a lack of suitable employment opportunities. The social innovation aspect lies in the running of a pilot project that helps to make young people more employable through training and access to employment (work experience) in advanced technological industries, as well as the organisation of entrepreneurship projects in these areas. The project acts as a small-scale prototype for testing and evaluating the implementation of this innovative solution in order to improve the employability young people in rural areas.

- **IP 9.5** The “Social Innovation and Entrepreneurship Programme” aims to increase the number of social economy organisations that are working to help people who are, or run the risk of being, socially excluded to become integrated into society and the workplace. The measures are put forward by means of the Provincial Council of Biscay launching a call for proposals, which is promoted by the Department for Economic Promotion in partnership with the Department for Social Action and known as the “Social Innovation and Entrepreneurship Programme”. Particular support will be given to initiatives that seek to promote the creation of new companies or innovative social organisations who continually produce goods and/or services which offer an innovative solution to a social need or problem that is more effective, efficient, sustainable or fair than the solutions that currently exist, and where the value that has been created primarily benefits society as a whole.

**What results do you hope to have achieved by the end of the programme period?**

The results that we hope to achieve are as follows:

- **IP 8.1** - TEP project:
  - To attract 180 young people to take part in the project.
  - To provide 152 participants with training on specific technologies that are related to a certain field of application by assigning them a job or project in a company.
  - To help 108 participants to secure jobs through the training they have received.

- **IP 9.5** - Social Innovation and Entrepreneurship Programme
  
  By supporting individuals who promote innovative and social business initiatives when they create a social economy organisation, we hope to:
  - Create 10 new innovative social organisations and companies.
  - Create 32 jobs.