

PART 3 INNOVATION AND MAINSTREAMING

3.1 INNOVATIVE ASPECTS OF THE LSC PROJECTS¹

The implementation structures and management procedures, analysed in Part II, contain a number of aspects that are innovative for promoting employment and social integration. The evaluation here aims to answer the following questions:

1. what was found to be innovative?
2. which IBs/partnership structures were innovative in their method of operation and strategy?
3. were there any barriers to innovation?
4. do the innovative elements of the LSC approach provide a better way of promoting employment and social integration objectives than standard/traditional mechanisms?

To answer these questions, innovative aspects² were identified and grouped in four broad categories:

- organisation and management;
- contractual and financial management;
- participation of excluded groups,
- links with other programmes/services.

3.1.1. Organisation and management

The key innovative aspects in terms of **organisation and management** are the multi-sector character of partnership structures, the direct contact of the IB/partners and target groups from pre-development through to accompaniment (all stages of implementation), the discretion of the IB to elaborate working methodology and instruments and to take financial decisions, the active and fruitful contribution of the third sector.

The **multi sector partnership structure** was innovative³ in bringing together actors that had not worked together before, building up relationships between public, private and third sector actors, involving also local communities and target groups, with more specific innovative characteristics including:

- **Consolidation of a significant network of partners from all sectors** in the target area, contributing their specific knowledge and experience;
- Cooperation with a **common objective** between **public sector partners** (especially **municipalities**) from departments working on social exclusion and employment and **IBs**;
- Cooperation of **local economic and social development agents** in the target area, including municipalities, local development agencies and other regional level actors;
- **Bringing together small operators** who had been active in their fields without knowledge of others operating in the same sphere;
- Allowing **actors from the third sector** to manage concretely a collective action and to experience new models of cooperation. This also improved **the preparedness of the third sector** in the execution of projects in a methodical and efficient way;
- Involvement and mobilisation of a **large range of actors and resources**, including **“cognitive resources”** from universities, research and professional bodies;

¹ See table on Innovation in Annex 7 for details of innovative aspects on each of the LSC projects.

² In analysing these aspects, the evaluation in this chapter will refer to overall characteristics/typology of innovation, rather than specific project examples, since Part 2 as well as Annex 7 contain an exhaustive list of project specific examples.

³ For project examples see *Box 9*, in chapter 2.4.

- **Selection Committees composition of local actors** that did not know each other well before, which improved links between them;
- **Active participation** in many of the management and support structures (selection panels, local support groups, etc) of **local communities and target groups**, who worked closely with local, regional public, private and third sector entities (even trade unions).

Support offered to MPs was innovative⁴ in that it was direct (direct contact of IB/partners with MP promoters), flexible, did not cover only technical assistance but went beyond this to build trust, develop capacity of promoters, provide paths to employment and covered all implementation stages (from pre-development to accompaniment), with more specific characteristics including:

- **Local presence of the IB** combined with:
 - **flexible, individual guidance** of promoters during pre-development and accompaniment, gave a very local, direct character to support provided to MPs;
 - proximity to target groups and knowledge of their needs created **conditions of confidence and reciprocity** (IB-promoter). This is a key difference from other (national, EU) programmes;
- The **methodology for implementation** (answers to questions, personalised support, adjustment of mechanisms of design, implementation, follow-up, payments, according to specific needs of each project/promoter) was oriented to **reinforce the autonomy of promoters** and **reduce the excessive paternalism and dependency**, typical of traditional programmes;
- Accompaniment focused on **“monitoring” rather than “control”** of implementation;
- In many cases, **multidisciplinary teams** of the IB offered personalised support to MPs (for example, different members of the IB team were responsible for a specific group of MPs) and hence managed to support all types of projects and issues (legal, financial, administrative, psychological, etc);
- The **tutor/mentor approach for capacity building** of promoters through organised, small training sessions offered by local entrepreneurs (or networks of entrepreneurs) on various topics related to MP needs was innovative both for increasing the capacity of individual promoters and for increasing social responsibility and awareness of enterprises in the areas concerned;
- Working methods included a **holistic or entity-based approach**: in business projects (MP3), the specific situation of the applicant was surveyed and the business venture was tailored to be suitable for the person; in social projects (MP1/2), the aim was to improve the skills/knowledge and, ultimately, employability of promoters through personal counselling.

Outreach and promotion mechanisms revealed innovative ways⁵ for reaching and mobilising target groups and encouraging applications:

- **Information events** with multi-sector participation, at various stages of the project (always at the beginning, but also during the project in many cases and also at the end for dissemination purposes);
- The **local potential** for outreach and promotion was fully utilised using for example:
 - **“project scouts”** for outreach, looking for possible initiatives to be funded, including volunteer scouts working mainly on dissemination of information and professional scouts working mainly on advising project promoters locally;

⁴ For examples on support, see chapter 2.4 and *Boxes 12 and 17* in the same chapter, as well as *Box 20* in chapter 2.5.

⁵ For examples on outreach and promotion, see chapter 2.4.2, especially *Box 16*.

- **“local explorer groups”** that acted as a bridge between the IB and target groups, and were responsible for outreach, promotion and assessment of local needs;
- **network of local actors** (mainly local development agents, employment promotion teams and social workers) searching for potential applicants (outreach) and acting as a link between promoters and the IB for support and accompaniment;
- Very active contribution to the mobilisation of human resources of informal partners, especially NGOs and associations, including NGOs/associations created by the LSC project.

3.1.2 Contractual and financial management

The **key innovative aspects** in terms of **contractual and financial management** are:

- the discretion given to the IB in the allocation of funding;
- flexibility of contracts and payment procedures;
- the speed of grant payment;
- progressivity of payment;
- simple payment procedures;
- the lack of bureaucracy; and, above all;
- the combination of grant with direct technical support is a key difference from other programmes which offer only financial or only technical assistance but not both.

For some IBs, contractual and financial management entailed some **more specific** innovative aspects:

- For promoters who could not have accessed other forms of finance the LSC grant acted as a **“guarantee” for securing other types of finance**;
- Match-funding to LSC by both the public and private sector marked a new partnership approach. In particular, the private sector’s contribution is indicative of the developing **ethos of corporate social responsibility** in some cases (representative examples are the Irish project PAUL in Limerick, and the Spanish project Fund Ozanam in Zaragoza⁶);
- **Public sessions where contracts were explained and signed** with promoters were important for increasing responsibility of promoters and raising awareness of the civil society and the entrepreneurial sector on the LSC target groups and the social economy.

3.1.3 Participation of excluded groups

In relation to **participation of excluded groups**, there are differences between projects, with some being more innovative than others in involving excluded groups and local communities. The fact that **promoters were given the opportunity to decide for themselves during pre-development and accompaniment** was the **key innovative element** of the LSC approach. Excluded groups participated at various stages of the project, with key innovative characteristics including:

- **At pre-development stage:**
 - developing projects together with their target groups was new to many organisations;
 - **bottom-up participative approach** with promoters involved actively in the pre-development stage;

⁶ With respect to Fund Ozanam, Zaragoza, ES, see also Box 31 about mainstreaming in chapter 3.2.

- a **participative and transparent approach** through **local workshops** at the beginning of the project defined local problems and their causes and promoted the IB and the LSC project locally;
- **At the selection stage:**
 - **integration of target groups in project selection** through elected representatives amongst potential applicants to work on the Selection Committee (representative example is that of SCVO, Scotland, UK, with a **participative model of “Local Selection Groups”**, which comprised representatives of the local voluntary sector, local enterprise companies and housing associations. This model has been **replicated in the “Direct Grants” programme** in the context of global grants delivery);
- **In various management/partnership structures:**
 - some formal partnerships included **representatives of target groups** who were often very active (eg, associations of unemployed, anti-drugs coordinators, gypsy association, associations for chronically ill, etc). Such participative partnerships were often unique for the area concerned;
 - participation of target group representatives in **the informal partnership**;
 - participation in the **Advisory/Management Group**;
- **During accompaniment and follow-up, true empowerment** was achieved through the learning process and increased responsibility:
 - IBs worked **closely with highly excluded groups** (for example, gypsy ethnic minorities, ex drug addicts, ex-prisoners, etc) to **ensure business viability** of their MPs (in the cases of MP3s);
 - active involvement of **local associations and voluntary organisations** in follow-up and accompaniment;
 - exceptional **participation** (in some cases for the first time) in **communal and neighbourhood activities**;
- **In the evaluation process:**
 - active contribution of promoters in the evaluation **carried out by IBs**;
 - evaluation by promoters of their **own** projects.

3.1.4 Links with other programmes/services⁷

In examining **cooperation with other programmes and services**, the LSC projects offer evidence of innovative links with **programmes** operating alongside LSC or post LSC, as well as with **services** that complemented support offered by the IB and, in some cases, services that prompted promoters to follow-up funding/initiatives. Key innovative aspects include:

- LSC was the **catalyst** for the initiation of projects by socially excluded groups and provided a “path” for accessing other national programmes (related to social guarantees, social economy, training, employment). Some IBs **oriented MPs to other programmes/ services** when their actions were eligible for finance or when they could be expanded/ complemented with other programmes;
- There were active (and fruitful) efforts by some IBs to **disseminate the project by contacting regional and national government offices**;
- Some IBs **cooperated for the first time with other local organisations** and used their services for the LSC project (for example, advisory services, support to enterprises, legal and financial advice, etc);

⁷ See also chapters 2.4.1.2 and 2.5.3 for a detailed description of cooperation with other programmes/services and project examples. Here we provide only the key innovative characteristics.

- **Links to Operational Programmes** were utilised efficiently by some IBs through access to technical support services or social welfare services, for example, that were used for outreach and accompaniment;
- There were also links to complementary programmes (**small grants programmes of local authorities** in the target area, **ERDF funds** operating alongside LSC, urban **regeneration** programmes, etc);
- **Investment support** was obtained by some MPs from National Ministries or Employment/Training Institutes or mutual guarantee funds;
- Many promoters had access to **IBs’ own training and technical assistance programmes** where they existed.

Box 29

Example of innovative links with services

Fund Ozanam, Zaragoza, ES

- ◇ Under the “**INICIATIVA**” **service** of the Confederation of Entrepreneurs, promoters receive management training and can access publicity resources, personalised advice and credit from collaborating entities;
- ◇ The network “**Doing business in Aragon**” of the regional government, offered training and personalised advice;
- ◇ IB very active in the provision of additional services to promoters, before, during and after LSC, like the **innovative contribution to pathways for employment** through its company INSERTA;
- ◇ The IB itself has created a **guarantee fund for MPs** to be able to access credit for buying equipment.

3.1.5 Other innovative aspects

Other, **general innovative aspects** were found in the Pilot that do not necessarily fall under the above categories. In particular, **reaching groups not reached by other programmes** and the **gain in motivation and experience for all involved**, are innovative aspects found in the whole Pilot and the LSC approach.

Here, we provide specific experiences from individual projects highlighting additional innovative aspects that were exclusive to some projects:

- An innovative initiative in the context of the Pilot was that the **seven Spanish projects** shared/exchanged the LSC experience through the **creation of an active network** of Spanish LSC projects that culminated in the **publication of a good practice manual** financed by the Ministry of Employment and Social Affairs;
- Similar, **LSC networks** include that between UK, Ireland, Berlin, Marseilles projects and that of MSD, Marseilles (F) who promoted strong **cooperation with other IBs** (2 seminars, visits, exchange of information, etc. Outputs include exchanges of experiences, dissemination of information on support schemes, potential transferability in the management of LSC, etc);
- The Huhtasuo, Jyvasjyla (FIN) project offers other innovative approaches:
 - **social projects** (MP1/2) proved to be the **channels** through which **excluded people could be reached**. MPs set up by local associations working with excluded groups, were able to activate people who were not reached by the welfare system;
 - before LSC there were hardly any other **support systems for small-scale businesses**. The existing support and counselling systems were mainly focused on the big enterprises;
- Even projects with little experience and capacity like Fribørsen, Arhus, (DK), have some innovative elements in their approach, for example focusing on developing and extending existing resources of residents in the three neighbourhoods covered by the project based on

their own wishes and needs (bottom-up approach); **emphasis on the resources rather than the limitations of the neighbourhoods**;

- OATEP, Crete (GR) has more innovative elements to offer:
 - IB acted as information/advice centre for promoters who could receive information on other programmes managed by the IB (**eliminated the “bureaucratic aspect”** of potential promoters being sent from one service to another, which often discourages socially excluded groups);
 - a real, deep **assessment of local needs** was carried out for the first time in the area, by the IB;
- The Fund Ozanam, Zaragoza (ES) project included a **combination**, for some MPs, of **grant and micro-credit** that complemented their investment, especially those aspects that were not eligible under ESF. The fact the promoter had to pay something back increased his/her responsibility and improved his/her financial management capacity;
- As opposed to traditional projects where evaluation is done at the end and is based solely on justification of documentation, the LSC project used a **“continuous” evaluation system** (internal and external), that brought the IB very close to each individual project and enabled fast and efficient response to any problems encountered (FVECTA, Valencia, ES);
- Some projects (Fund Ozanam, ES; CIREM, Barcelona, ES) attracted promoters from outside the neighbourhood, a significant contribution to improving the image of the area (very relevant for small neighbourhoods with severe social exclusion and consequently bad image);
- The approach of CERFE, Pisa (I) regarding social capital was also innovative (see **box 24** below):
 - the IB/partners adopted an **approach of research-action** and a theoretical framework providing their **own definition of “social capital”** which they respected throughout the project;
 - the project gave an **“entrepreneurial” orientation** to voluntary sector associations;
 - **recognition of third sector associations** as potential operators for the implementation of local public policies;
- **Grass-roots organisations** were enabled to **access European funding**, while in the past only larger voluntary organisations obtained funding because of the complexity of applying to EU programmes. Therefore, by **simplifying the process**, smaller organisations gained access to ESF funds (PCP, Plymouth, UK).

Box 30

Example of innovative concept and measurement of social capital

CERFE, Pisa, I

Le CERFE qui est un organisme de recherche – action, en charge du projet de la zone Pisane, a réalisé à la fin de l'exercice, une étude sur « la contribution du projet au Capital social local », qui est à la fois un rapport de recherche et une évaluation des résultats. **Cette étude constitue une contribution originale à la réflexion sur la notion de capital social local.** Le CERFE avait réalisé en 1998 dans cette zone, une recherche sur « la société civile et l'exclusion sociale » qui avait identifié tous les organismes constituant le capital social. Sa contribution au projet pilote LSC lui a permis d'actualiser cette recherche et à enrichir les conclusions à la lumière des résultats du projet.

L'intérêt de cette recherche est de proposer une **méthode d'inventaire du capital social local et d'apprécier l'apport du projet, conçu comme « un investissement social ».**

Définition et mesure du capital social local.

Le capital social du territoire est défini comme une « force intrinsèque à la population, des groupes ou des organisations sociales. Cette force résulte des interactions et de l'intégration entre, d'une part les acteurs locaux issus de la société civile, « porteurs d'une responsabilité sociale », et de l'autre des institutions du territoire apporteurs de ressources ainsi que des personnes et des institutions éducatives et de recherches, apporteurs de connaissances (ou d'un capital cognitif). »

Cette intégration conduit à activer des politiques publiques et à en amplifier les effets, (par rapport à ceux d'une intervention publique traditionnelle), en expérimentant sous la forme de projets ou d'initiatives d'utilité sociale et en développant de nouvelles formes de gouvernance. Ses effets favorisent l'inclusion sociale tout en contrariant des forces génératrices d'exclusion sociale ou de pauvreté qui tendent à affaiblir le développement du capital social local.

Méthode de mesure du stock de capital social.

Elle consiste à :

- ◇ procéder à un inventaire des acteurs et des « responsabilités sociales » qu'ils exercent en vue d'apprécier ce « stock »
- ◇ apprécier la qualité de ce stock et de ces organismes et en particulier de sa composante « associative » principale

L'inventaire définit 23 types d'organisations et 504 (457 à 563 selon les critères différents) organismes locaux « affrontant les problèmes sociaux de la communauté », qui offrent des biens et des services d'intérêt collectif, ou « qui se disent porteurs d'une responsabilité sociale ». Parmi un ensemble de 933 acteurs collectifs concernés (soit 1 pour 200 habitants).

La liste des organismes de la société civile a été établie à partir d'enquêtes et de la consultation de 13 personnes – clé, choisies en fonction de leurs compétences et de leur connaissance directe et approfondie des secteurs concernés.

62, 7 % sont des associations ;

9, 7% sont des services publics ;

6, 3% sont des entreprises privées ;

2, 6% sont des organismes universitaires ou de recherche ;

3, 9% sont des professionnels, individuels ou associés par catégories et de chambre consulaires

14, 7% se composent d'organismes éducatifs, de syndicats ou de médias.

La **qualité** des acteurs et leur « capacité à opérer de façon autonome » a été appréciée auprès d'un échantillon de 63 organismes associatifs ou de coopératives, en fonction de 4 critères :

- ◇ l'expression d'une **culture** commune : 65% ont une culture solide et aux références largement communes à leurs membres ; 2 sur 3 ont des projets qui ont un contenu culturel
- ◇ la capacité à définir de façon claire des objectifs et des projets et à agir : 50 % ont une telle capacité et moins de la moitié sont **organisés** en partenariats ; 2 sur 3 n'ont pas de stratégie d'intervention très claire ; mais 90% interviennent dans la lutte contre l'exclusion ;
- ◇ la propension à **agir** de façon durable contre l'exclusion et la pauvreté : 5 sur 6 ont un niveau d'activité intense et continu ; 2 sur 3 ont des activités quotidiennes et la moitié du dernier tiers, avec un fréquence hebdomadaire ; en outre, 2 sur 3 agissent au delà de la commune et 40% de ceux ci à un niveau provincial.

- ◇ L'**identité** c'est à dire le niveau d'activité, la capacité à mobiliser ou à disposer de ressources et de maîtriser l'environnement dans lequel il agit : plus de la moitié ont une identité affirmée, une bonne connaissance et une maîtrise du milieu, ce qui manquent notoirement à la majorité des autres (ressources limitées, forte dépendance financière vis à vis des administrations publiques, équipement bureautique et de communication, etc.).
- ◇ Le bilan suivant a été établi :
 - Culture : Bonne** - Consolidée : 43 ; Non consolidée : 20
 - Organisation : suffisante** - Présent : 33 ; en formation : 30
 - Action : excellente** - Intense : 48 ; Intermittent : 15
 - Identité : suffisante** - Structurée : 34 ; Semi structurée 20 ; Peu structurée : 9.

- ◇ La répartition des organismes enquêtés selon le niveau de qualité est la suivante :
 - Qualité élevée : 32%
 - Qualité suffisante : 41%**
 - Qualité faible : 17%.

Au vu de ces indicateurs quantitatifs et qualitatifs, on peut conclure que la société civile de la zone pisane possède de fortes potentialités.

Overview of lessons on innovation

Overall, the above examples provide answers to the four questions on innovation.

There are many elements of the LSC projects that were found to be innovative. However, the **concept of innovation is relative as some aspects are innovative for some areas and not for others**. For example, for Diakonie (Sachsen, D) outreach through leaflets and information events is unusual, thus innovative, while in FVECTA (Valencia, ES) information events and leaflets is a usual method for outreach for the IB's traditional work. Or cooperation amongst local organisations is innovative for ASSETIP (Brussels, B) but not for Fund Ozanam (Zaragoza, ES) or A V Kent (Campo de Gibraltar, ES) or PCP (Plymouth, UK), etc, who are used to cooperation with other local actors. Similarly, increased awareness and participation of the civil society in issues related to social exclusion is not the norm in many European areas (eg, Portugal, the Caceres area in Spain, Heraklio in Greece). In this sense, increased awareness and participation can be regarded as innovative.

The **value of innovative aspects is also relative** as the evidence shows some IBs were more innovative than others in certain areas⁸. Overall, there is a lot of evidence on some projects **involving local communities** more than others (in selection for example). **Cooperation between public and private sector** (including third sector) was an innovative aspect as public and private sector actors were not used to this type of cooperation before (mainly Southern European areas). In terms of **types of MPs supported** (MP1/2 and MP3), this does not relate necessarily to innovation. Some areas funded more MP1/2 projects because of the characteristics of the area (very little developed entrepreneurial spirit to start from or very big exclusion problems) or the nature of the IB (eg, umbrella organisation or community partnership addressing mainly social integration issues (eg, PCP, Plymouth, UK) and/or with no experience in employment creation issues (eg, CeSIE, Kortrijk, B; Friborsen, Aarhus, DK). Others funded more MP3 projects because of the nature of the IB (eg, Federation of cooperatives in the case of FVECTA, Valencia, ES, association of enterprises in the case of NERSANT, Torres Novas, P, etc) or because of a conscious decision to promote inclusion through employment (again, the case of FVECTA, Valencia, ES; OATEP, Crete, EL; Fund Ozanam, Zaragoza, ES, etc). There is no indication either of more successful **sectors of MPs, especially MP3s**. No significant innovation elements in this area. What seems to be innovative

⁸ Again, see table on Innovation in Annexes for details of innovative elements for each of the 30 projects.

is the “**small**” **size of projects** which makes it possible for excluded groups to succeed in integrating themselves, rather than the sector in which they are, as well as the **method used to integrate target groups** through MP3s (direct contact, combination of financial and technical assistance, quick and early disbursement of grant)⁹.

No specific barriers to innovation were identified, while there is a lot of evidence that there is a new way to intervene, which involves a progression from the logic of assistance and dependency to that of autonomy. Most of the above innovative aspects, coupled with the value added of LSC, as described earlier (chapter 2.5.1), allow us to conclude that **the LSC project provides a better way of promoting employment and social integration** than standard/traditional mechanisms¹⁰. In addition, the **small grants approach has reduced significantly the potential for failures** (most MPs were carried out successfully because it was easier for such target groups to deal with small amounts of money).

Although not specifically dealt with here, the **decentralised delivery method** (analysed in *chapter 2.5.2.1* as a key factor that affected effectiveness and impact of the Pilot), with an IB responsible for overall management and a participative partnership structure, is a **key innovation of the LSC pilot across the board** (with some exceptions in the UK/Ireland where decentralised delivery via IBs is not new in their context), its advantages including:

- local IB, implying closeness to local actors and target group, knowledge of the area and issues;
- flexibility and speed of delivery;
- small size makes the programme more manageable;
- low bureaucracy;
- promoters receive funding in advance rather than a posteriori as in traditional programmes; this increases the feasibility of projects which could not have been carried out without advance funding;
- scope for know-how and complementarity.

⁹ See also *chapter 2.5.4.1* for examples of MP1/2 and MP3 innovative actions.

¹⁰ See *chapter 2.5.1* for a detailed description of **drawbacks of traditional, mainstream programmes** and of the value added of LSC.

Conclusions

The evidence suggests that many elements of the LSC projects were found to be innovative. Overall, there is a lot of evidence on some projects involving local communities more than others (in selection for example). Cooperation between public and private sector (including third sector) was an innovative aspect as they were not used to this type of cooperation before (mainly Southern European areas).

No specific barriers to innovation were identified, while there is considerable evidence that there is a new way to intervene, which involves a progression from the logic of assistance and dependency to that of autonomy. Most of the evidence on innovative aspects, coupled with the high value added of LSC, suggests that the LSC project provides a better way of promoting employment and social integration than standard/traditional mechanisms.

Overall, the decentralised delivery method with an IB responsible for overall management and a participative partnership structure is a key innovation of the LSC pilot across the board (with some exceptions in the UK/Ireland where decentralised delivery via IBs is not new in their context).

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