



Position Paper:

Social Innovations in the Non-statutory Welfare Organisations in Germany



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We are here for people – regardless of their origin, religion and beliefs

The Federal Association of Non-statutory Welfare (BAGFW) is the collective voice of the six non-statutory welfare umbrella organisations in Germany. The Arbeiterwohlfahrt, the Deutsche Caritasverband, the Deutsche Rote Kreuz, the Deutsche Paritätische Wohlfahrtsverband, the Diakonie Deutschland - evangelischer Bundesverband and the Zentralwohlfahrtsstelle der Juden in Deutschland are all based on different religions and beliefs. The six umbrella organisations cooperating in the Federal Association of Non-statutory Welfare give voice to the concerns that unite them: support for all people in need.



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The following text reflects the general conditions and structures of non-statutory welfare in germany and the position of the BAGFW towards social innovations. Published as a position paper in december 2012.

1. Introduction

The non-statutory welfare organisations in Germany are working towards creating a united, fair, balanced and inclusive society. In this sense they are socio-political advocates and support people in difficult circumstances with a range of offers. They fulfil this task in complex association and corporate structures. About 100,000 facilities and services with approx. 1.5 million employees provide their services in direct contact with users on a daily basis. It also enables about 3 million volunteers to become involved in voluntary social work.

Since their formation, German non-statutory welfare organisations have provided the structural requirements for countless "innovators" to develop and implement new ideas to resolve a social problem. The current range of services provided by the non-statutory welfare organisations are the result of the diverse innovations developed from practical experience which have been integrated over decades. Therefore, the non-statutory welfare organisations have a long tradition of social innovation.

The most recent German federal government and European Union initiatives have contributed to raising public awareness of the issue of social innovations. Their objective is to create better framework conditions for social innovations and social entrepreneurship. As a result, a programme to promote social enterprises was established under the leadership of the German Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ) in 2012 together with the KfW group. In 2013, the federal government organized a multi-stakeholder conference to promote social enterprises and social innovations. Two particularly noteworthy initiatives at the EU level are: The "Initiative for social entrepreneurs. Creating a favourable climate for social enterprises, key stakeholders in the social sector and innovation" and the proposal for a regulation on "European Social Entrepreneurship Funds". In 2012, the European Commission also established a group of experts, which will consult on the topic of "social entrepreneurship" for a period of six years, in which the BAGFW is also represented. Of importance for the non-statutory welfare organisations in Germany in this respect is that the definitions used at EU level include welfare associations as social enterprises, in accordance with their own self-perception.

The German non-statutory welfare organisations welcome the various activities by the federal government and the European institutions. Beyond that they identify their role for resolving social challenges and problems. They therefore offer their cooperation in improving the framework conditions for social innovations and, for their part, are determined to continue to strengthen their internal structures to promote an innovative organisational culture.

2. What are social innovations?

„Innovation" stands for changes and dynamism in products, services, processes or structures that provide a benefit for the enterprise or its customers and are successfully applied and introduced in the market.

„Social innovations" refer to new solutions to social problems and challenges. The non-statutory welfare organisations understand innovations to include both the development of new and existing concepts. They relate to the provision of new or improved social services. This also includes new forms of cooperation and contracts as well as new procedures, processes and organisational structures. Innovative projects and services are characterised by efficiency and effectiveness in terms of pragmatic and solution-oriented approaches.

The decisive question in order to assess the quality of a social innovation is the question of its effect with regard to the better management of a social challenge in the interests of those affected. However, the fulfilment of additional organisational objectives, such as increasing the attractiveness of a provider as an employer, a stronger employee identification with the organisational objectives or with ecological aspects, are also linked to social innovations.

Processes of social change, changing conditions (such as technical or medical progress) as well as the growing number of emergencies and increasing social inequality are inducing people to "take action" – regardless of whether this is to establish a competitive advantage as an institution or service. Non-statutory welfare organisations are particularly important in this respect.

Innovations are context-specific. They develop most effectively where the operational and organisational requirements and the external conditions promote and reward innovations with adequate incentives.

3. Innovations in non-statutory welfare organisations

Social changes make it necessary to constantly redefine the framework for social activities. German non-statutory welfare organisations have - made possible by the civic commitment of its members and the support of helpful citizens - constantly provided aid in emergency situations, which were not covered by the social net of benefits and so helped to ensure that the needs of government's social policy were addressed.

Their long-term experience based on practical local social work, their knowledge of the needs of individuals in difficulties and their concerted advocacy have prompted the non-statutory welfare organisations to take action to ensure that social objectives are also an-

chored in the Europe 2020 strategy at a European level. Its innovative solution approaches contribute to the achievement of educational and employment objectives and to reducing the poverty rate.

Germany's non-statutory welfare organisations place great emphasis on the wide-ranging participation of all participants in the development of their offers. It takes specific advantage of the commitment of the many full-time and voluntary employees and their proximity to needy individuals who use their facilities and services. In particular, the affected individuals, who are utilising the social services provided by non-statutory welfare organisations, provide valuable impetus for innovations as part of client surveys or advisory boards.

Non-statutory welfare organisations support processes that systematically promote and implement innovation activities, such as by qualification, financial support, specialist consulting and the facilitation of exchanges of experience and discussions. The individual association providers are also involved in numerous pilot projects implemented by the federal government, regional entities ("Länder") or municipalities, or utilise national and/or European support programmes for their innovative projects.

Non-statutory welfare organisations use their decentralised structures to productively link local and regional projects and have appropriate structures to implement good ideas across regions.

The current welfare association innovations are extensive and diverse. These include the development of offers in the area of outpatient care and safeguarding home assistance, which allows people to spend longer periods in their desired and familiar surroundings and which have radically and innovatively changed the conditions on the nursing market. Hospice work must also be mentioned in connection with social innovations as well as the establishment of street social work or the development of youth residential groups and other outpatient education and upbringing aids in the area of child and youth support.

In addition to the individual benefits for the affected parties and the benefits for social interaction, social innovations also provide economic benefits. The benefits and costs of a social innovation in this regard cannot just be based on economic accounting and the relevant facility's service documentation system. Instead, this must also be based on an overall economic perspective. In addition to the benefits for the affected parties, the benefits for society and the overall economy must also be included when evaluating social innovations. The welfare associations have also published a handout for social indicators, which should be particularly helpful with regard to the effect of social participation and the improvement of employability in the context of future EU structural support. These social indicators will be trialled in the structure fund's new support period from 2014 – 2020 in partnership programmes for actively shaping demographic change in the entities.

4. Instruments for promoting innovation

The joint objective of the non-statutory welfare organisations is to continue to promote the range and diversity of social innovations within its ranks and to arrange their associated efforts even more systematically than before. Various strategies will be pursued in order to achieve this. Firstly, the associations will take advantage of internal and external stimuli and work on their own structures in order to continue to improve the climate for new ideas and innovations. This will create effective incentives for innovative and entrepreneurial behaviour. Secondly, the associations are interested in focussing more strongly on the development of new forms of cooperation and networks between each other and together with other partners and in actively cooperating in the improvement of the political framework conditions for social innovations.

4.1 Creating an organisational environment that promotes innovation

In order to promote innovation, organisations must create open spaces, be able to deal with conflict and be prepared to network and have a certain amount of risk tolerance. An organisational culture that promotes innovation must be cultivated at all levels. As the impetus for most innovations is the result of direct contact with the beneficiaries, conduct that promotes innovation is particularly important at the level of the provider as well as their services and facilities. Appropriate personnel development and corresponding training opportunities play a key role in this respect.

In addition, structures that make innovations more likely must be established in order to support an organisational environment that promotes innovation. These can be built on existing platforms for best practice and opportunities for exchange. For example, we refer to the internet presence of the ESF programme "rückenwind" for employees in the social sector (www.bagfw-esf.de) where a monitoring system for 132 projects is being implemented across organisations, to which all interested parties have access.

4.2 Promoting cooperation and disseminating innovations

The non-statutory welfare organisations maintain a close internal cooperation as well as with other organisations in order to promote the joint development of social innovations. Cooperation partners include political actors, other social associations, consumer and self-help organisations as well as professional associations and social sector enterprises.

The non-statutory welfare organisations expressly welcome cooperative collaboration

with other suitable (social) companies in order to develop, evaluate and disseminate joint social innovations. Their know-how and extensive infrastructure allows the non-statutory welfare organisations to support and help disseminate the ideas of both internal as well as external social entrepreneurs.

The non-statutory welfare organisations increasingly use conferences and fairs to disseminate innovations. Furthermore, so-called "Transfer Centres" have established themselves as innovation mediators in the technology sector and in university structures. This relates to both the transfer of existing innovations in the social and healthcare sectors as well as the development of product and process innovations. A corresponding structure should be developed both within the welfare sector – as the transfer of innovations can also be developed in this respect – as well as externally with cooperation partners from business and science.

The economical use of scarce resources within the overall welfare sector requires close collaboration on innovative developments so that "the wheel doesn't have to be invented twice." These mediation activities are the primary task of the non-statutory welfare organisations. Their comprehensive network of social and training offers and information events make an important contribution to the nationwide dissemination of social innovations

4.3 Innovations via projects

Project work is ideal for increasing the level of innovation of a new task, with regard to interdisciplinary and cross-organisational issues, in which new ideas can be created under alternative organisational conditions. Manageable risks, which would not be permitted in a regular operation, can and must be taken. "Annual campaigns" may also be beneficial as a framework for topic-based innovations relating to a certain socio-political issue.

5. Necessary conditions for innovations

In addition to the changes to the internal association, the external framework conditions also need to be improved for the sustainable promotion of social innovations. The non-statutory welfare organisations see a need for reform of the law regulating public grants, state aid law and tax law, as their current forms are partially hampering innovation.

Besides their social advocacy role, competition is the driving force behind social innovations by the non-statutory welfare organisations in Germany. The policy framework bears great responsibility for an environment that promotes innovation. An openly arranged

triangular relationship between the financially responsible public welfare agencies, social service providers and users under social law promotes innovation. It ensures the users' freedom of choice between service providers, enables the flexible provision of services by the provider and creates scope for innovation. Personal budgets can also support innovation potentials.

Non-statutory welfare organisations are committed to competition that is based largely on the quality of the services offered and not just the price, as pure price competition hampers innovation.

The non-statutory welfare organisations will develop additional instruments to ensure that particularly innovative projects and concepts receive even more attention.

The transfer of innovative processes and offers from project financing to regular funding is also extremely important for the non-statutory welfare organisations. The obstacles for follow-up funding and the continuation of successful, innovative projects must be overcome and criteria and sustainable solutions to transfer innovative projects to regular work must be developed. The federal government, the regional entities ("Länder") and municipalities are called upon to secure regular funding for positively evaluated projects.

As the result of innovative projects is necessarily open, overly detailed requirements are not helpful. This concerns especially the project description for the application, the expected project result and the safeguard of follow-up funding. Moreover, social economy requires a certain amount of self-funding in order to establish financial reserves for the development of innovations. This is frequently virtually impossible. The access to public project funds must therefore be simplified. A risk compensation or allowance must also be taken into account when negotiating the service fees with the funding organisations.

However, the focus is also on resolving social legislation interface problems and closing loopholes, promoting new forms of cooperation and (regional) networks as well as every effort to reduce bureaucracy. The non-statutory welfare organisations promote and support corresponding political reform projects.

Germany's non-statutory welfare organisations also believe that additional research efforts are required, both with regard to the operational and political framework conditions to promote innovation as well as the key issue of an adequate impact assessment of social innovations. Individual associations are currently involved in a research project analysing organisational processes that promote and hamper innovation.

6. Requirements

Innovation in social work is an ongoing process in order to meet the challenge of the constantly changing living conditions of humans. The German non-statutory welfare organisations, with their comprehensive experience as social innovators and their extensive network of social offers, are pleased to make its know-how available in a nationwide dialogue on the improvement of framework conditions for social innovations. The same applies for the corresponding efforts at the European level.

The following, by no means exhaustive, requirements of supportive framework conditions for social innovations can already be summarised:

- A broad description of the terms "social innovations" and "social entrepreneurship", as already proposed by the EU Commission which deals with the diversity of forms and stakeholders;
- A transparent discussion process at the national and European level to improve the framework conditions for social innovations with the involvement of experienced external service providers;
- The establishment of a permanent working group consisting of representatives from the federal ministry for family, seniors, women and youth ("BMFSFJ"), the non-statutory welfare organisations and other stakeholders in order to generate joint criteria for the sustainable use of successful innovations and introducing these into the political process;
- An overall economic and societal consideration and evaluation of social innovations;
- Improved national support conditions, i.e.
 - greater acceptance of certain risks, as the result of innovative projects is necessarily open,
 - better conditions for transferring innovative projects and offers from project financing to regular funding;
- Customised European funding instruments;
- Better recognition of an open and direct relationship under social law at the European level which ensures the user has a right of choice, enables the flexible provision of services by the provider and creates scope for innovation;
- Increased investment in impact orientation and in strengthening awareness of this topic.

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