

THE SOCIAL INNOVATION IN THE BASQUE COUNTRY

The Basque country is known by many people, among other features, for its landscape, gastronomy and cultural life. But maybe, the real meaning of being an Autonomous Community and the effects on its regional economy, social organization and the international dimension are not so well known. The Basque Country is also a leading region regarding Social Innovation.

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1. INTRODUCTION

The Basque Country (Euskadi, in Basque language) is an Autonomous Community in Spain, situated in the easternmost part of the Cantabrian coast. It has an area of 7,234 km² and its location serves as the union link of the European Atlantic axis. The official languages are Spanish and Basque. It is organized in three Provinces (Territorios Históricos): Bizkaia, Gipuzkoa and Araba. The main cities are Bilbao, Donostia-San Sebastian and Vitoria-Gasteiz, respectively, the Capital, where the Basque Parliament and the headquarters of the Basque Government are located.

2. THE BASQUE COUNTRY: CONTEXT AND DYNAMICS

2.1. Regional context

Latest social and economic indicators show an improvement in unemployment and poverty data and present the actual features of population and economic activities and sectors.

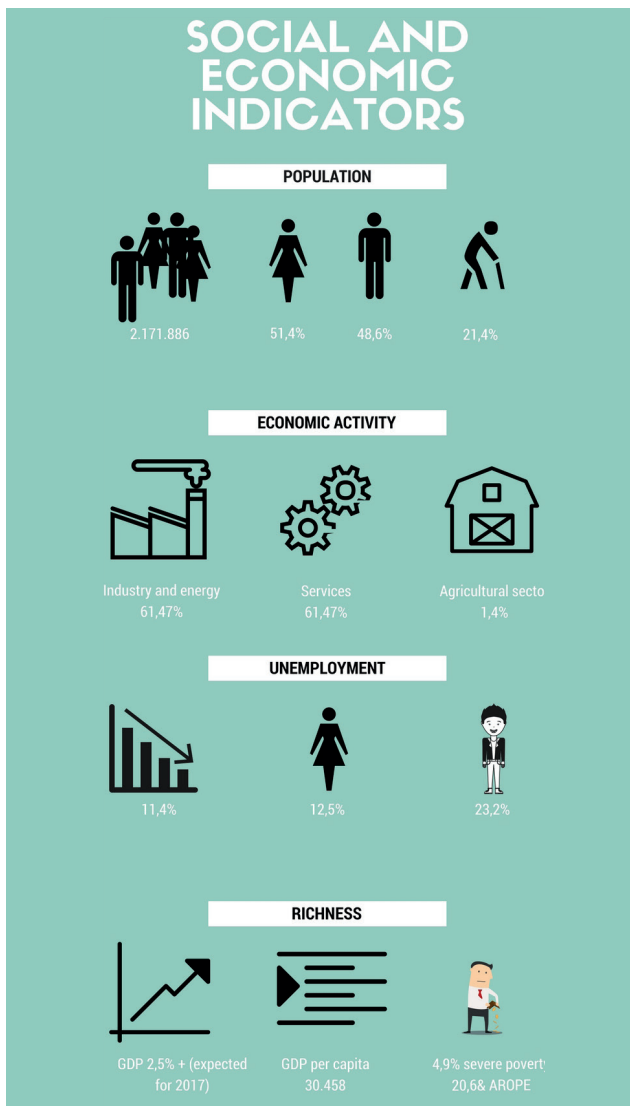
2.2. Institutional dynamics

The political system establishes a distribution of competences. Policy areas like Education, Industry, Culture, Health and Social Services, or Employment, are managed by the Basque Country Government. Taxes are collected by the regional treasuries, and a quota (called Cupo) is paid to the State for the services provided, together with a contribution to the Spanish regional solidarity fund. This tax system meets the requirements established by the European Court of Justice under the Azores tax scheme (2002), confirmed by a specific Judgement about the Basque Country (CJEU, 2008) on institutional and political; procedural; and economic and financial autonomy.

The Basque Country was strongly hit by the 1970s crisis. This period of time coincided with the evolution of Spain from a dictatorship to a democratic system, with the Constitution coming into force in 1978.

Severe measures (taxation, labor relations, legal aspects, financial schemes, etc.) were adopted to overcome the devastating industrial, economic and social effects provoked by the crisis, that lasted over 10 years, affecting the following decades. Nearly 40% of the active population worked in industrial mature and long term sectors, mostly focused on siderurgy and ship building, and their auxiliary services. Nowadays, the main challenges faced by the Basque Country are different in nature and can be summarized in three: a) an ageing population; b) youth and long-term unemployment; and c) education.

From the 1970s to the current challenges, social innovations have been an intrinsic component of the entrepreneurial and inclusive nature of the Basques. Numerous initiatives, measures and policies have generated concrete tailor-made solutions to activate, foster, and utilize innovation potential and overcome unmet social needs. Particular emphasis has been given to educational needs (to overcome labor market mismatches and reduce early school leavers) and lifelong learning to update professional competences. At the same time, the process has also shown a strong commitment with social inclusion of vulnerable persons. Inclusion is one of the main drivers of the Basque Social Innovation. According to Braithwaite [1], a social innovation ecosystem is born out of necessity and depends on the nature and varies depending on the specific contextualized social demand or challenge confronted.



Social and Economic Indicators of the Basque Country

analysis of the progressive inclusion of Social Innovation in the Science, Technology and Innovation Plans (PTCI). The PTCI is one of the Policy Innovation tools used by the Basque Government to foster regional development.

Examining the innovation process, its main strategies and programs, the Social Innovation Agenda in the Basque Country can be understood from a diversity of paradigms that have evolved from the 1980s to the present:

First Phase – the technological paradigm gave preference to the development of technological centers, industrial clusterization and the technological absorptive capacity of companies focused on driving the entrepreneurial Development & Innovation. Social Innovation was not included in the agenda as such, but allusions and concerns on social challenges.

Second Phase – the Techno-scientific paradigm pushed the inclusion of universities in the Basque Innovation System and formulated, for the first time, a specific strategy for Social Innovation based on boosting experimental projects, clusterization and the evaluation strategy.

Third Phase – the current relational paradigm is structured around the Smart Specialization Strategy in which social innovation is no longer a specific axis of the innovation policies but has become a transversal working axis.

Thus, in the last ten years, Social Innovation in the Basque Country has broadened from social economy actions to be included in the regional system of innovation boosted by universities, technological centers, companies, financial institutions, local development agencies as well as local public administrations. This means the creation of numerous connections, **based on cross-sectorial collaborations and networking**. Constellations of actors that have required

3. SOCIAL INNOVATION IN TRANSITION

Social innovations are processes that generate transformative social changes, improve social cohesion, foster inclusion and allow for smart, sustainable and inclusive development and growth.

Although, social innovative initiatives in the Basque Country, are deeply rooted in the social economy (i.e. educational and industrial cooperatives that have stimulated the regional development for more than four decades), these undertakings were not labeled Social Innovation. Being so, Social Innovation is only an emerging phenomenon in the Basque Country. This is deduced from an

TECHNOLOGICAL PARRADIGM	TECNO-SCIENTIF PARADIGM	RELATIONAL PARADIGM
Technological infrastructure: Creation of Technological Centres 1982	Plan of Competitiveness and Social Innovation (2006-2009)	Plan of Science, Technology and Innovation (2015)
Strategic Technological planning (PET - 1990)	Interinstitutional plan of Economic Promotion (2000-2003)	Plan of Science, Technology and Innovation (2020)
Plans of Industrial Policies 1991-1995 / 1996-1999	Plan of Science, Technology and Innovation (2001-2004)	Digital Agenda for Euskadi 2020
Plan of Industrial Technology 1993-1996	Plan of Science, Technology and Society (2010)	Basque strategy of Aging 2015-2020
Plan of Science and Technology 1997-2000	NANOBASQUE, BIOBASQUE Strategy	Regional Smart Specialization RIS3
1980-2000	2001-2010	2011-2020

The emergence of three paradigms

the diversity, at time conflicting, but complementary actors with a shared vision to form constructive and committed partnerships.

There are examples of vertical interactions, if they are built around the lifecycle of a social innovation from idea to scaling up (i.e., experience of Peñascal Kooperatiba); or horizontal ones, if they become a holistic collaboration around a complex problem, with various actors assuming different roles and levels of responsibility. One example is the Basque Social Innovation (BSI) consortium; the Ageing challenge that has been tackled by the Basque Government, the Biscay and Gipuzkoan provincial councils, the Deusto interdisciplinary Research Platform together with the European Commission and regional and international partners. All these efforts have been awarded with the highest EU recognition as a Reference Site by the European Innovation Partnership on Active and Healthy Ageing. The transformation of the City of Bilbao is another good illustration of public-private partnerships capable of transforming a declining industrial city into a modern post-industrial one.

4. LESSONS LEARNED: TOWARDS A BASQUE SOCIAL INNOVATION ECOSYSTEM

The Basque case shows that only complementary innovations and contextualized enabling conditions can produce systemic change and/or structural transformations in society (e.g. the Transformation of the City of Bilbao). Three lessons are possible to obtain from the social innovation experiences toward a social innovation ecosystem in the Basque Country. The first lesson is linked to the public-private alliances to support social innovations at different levels. The second lesson is related to boost the absorptive capacity at organizational level to the interpretation and transformation of social problems into social innovations. The third lesson is related to the creation of social innovation spaces (networking and consortiums) to promote collective and open innovations in smart strategies to solve social problems.

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**TOWARDS
A SOCIAL INNOVATION
ECOSYSTEM
IN THE BASQUE COUNTRY**

To become a truly effective Innovation ecosystem, that turns not-yet-fully connected innovations into a systemic coordinated approach, Basque stakeholders need to work in the following five axes:

CONTEXT
To have a deep knowledge of societal needs and an early identification of challenges. This requires regular foresight analysis able to anticipate adequate coordinated social innovations and entrepreneurial projects that enable:

- intergenerational dynamics and quality of life for the elderly;
- measures to boost employment, with special attention to long-term and youth unemployment; and
- lifelong learning programmes to maintain an updated and dynamic, flexible labour force capable to adapt to rapidly evolving labour markets.

PEOPLE AND CAPABILITIES
To strengthen social innovation capacities at social, organisational and institutional level. Boosting an SI ecosystem in the Basque Country will demand a) the empowerment and involvement of direct users or beneficiaries to identify and implement potential solutions (Mulgan, 2006); and b) leaders that generate ideas, based on and triggered by orchestrated social engagement, with trust and creativity being consolidated as driving agents of change.

CONNECTIONS AND NETWORKING
To explore and develop new forms of realigned cooperation and social participation, generating local transformations but working internationally connected ('glocal' view). Therefore, special focused has been paid a) to boost international collaboration and participation in European projects (i.e., F7-SI-DRIVE, H2020-SIC) with the aim to position the Basque Country as a SI leader; and b) to disseminate good practices that raise awareness and value regional social innovation.

POLICIES
To develop new relationships between public innovation and social innovation and to ensure long-term structural changes meeting a twofold need: to generate different levels of institutionalisation; and public policies that are outcome-based and demand-led (i.e., Bilbao NextLab, Smart Specialisation Strategy).

SOCIAL IMPACTS
To measure the functioning and achievements that each intervention has for people, organisations, systems and society at large, there is a need to envisage new evaluation systems that monitor endeavors from early designing to ex post stages.