



WILCO

Welfare innovations
at the local level
in favour of cohesion

WORK PACKAGE 5

SOCIAL INNOVATIONS IN VARAŽDIN, CROATIA

Gojko Bežovan, Jelena Matančević, Danijel Baturina,
Faculty of Law, Zagreb

CONTENTS

INTRODUCTION - LOCAL BACKGROUND OF THE SOCIAL INNOVATIONS	1
2. WELFARE INNOVATIONS IN THE THREE POLICY FIELDS	1
2.1. Public works Varaždin	1
2.1.1. Short description	1
2.1.2. Conceptions of and ways of addressing users.....	3
2.1.3. Internal organisation and mode of working	3
2.1.4. Interaction with the local welfare system	4
2.2. Her Second Chance	5
2.2.1. Short description	5
2.2.2. Conceptions of and ways of addressing users.....	7
2.2.3. Internal organisation and mode of working	7
2.2.4. Interaction with the local welfare system	9
2.3. Gardens of life	10
2.3.1. Short description	10
2.3.2. Concepts of and ways of addressing users	11
2.3.3. Internal organisation and modes of working.....	12
2.3.4. Interaction with the local welfare system	13
2.4. Case of non-profit housing organisation development	14
2.4.1. Short description	14
2.4.2. Conceptions of and ways of addressing users.....	16
2.4.3. Internal organisation and mode of working	17
2.4.4. Interaction with the local welfare system	17
CONCLUSION	18
INDEX	19

INTRODUCTION - LOCAL BACKGROUND OF THE SOCIAL INNOVATIONS

The role and recognition of civil society in Varaždin has strengthened since 2000. Before, civil society was a rather marginal phenomenon. However, over the last decade, civil society organisations have grown respectably in their number, and have gained a growing policy role. Some recognisable areas of civil society impact are organisations for children, professional organisations, organisations of the retired, environmental organisations and health organisations. Those areas are examples of systematic work, instead of *ad hoc* actions. However, some think that it is still in its early stage of development.

The local government has also become more responsive and open to initiatives from civil society. They also initiate partnerships with CSOs on different projects. However, political turbulence and changes to power structures over the last couple of years pose a threat to the development of systematic cooperation with civil society and its role in governance.

The economic crisis seems to have triggered the innovative potential of civil society. Important incentives have also come from abroad, through international cooperation of CSOs. This assumes more broad civic movements (such as urban gardening) as well as particular cooperation and transfer of good practice. In this respect, CSOs are important carriers of new initiatives and consequently, social change.

Civics Civil Society Index (CSI) research 2008-2010 in Croatia identified an “entrepreneurial orientation”, recognisable in Varaždin and the region, which is also a characteristic of its civil society organisations. Accordingly, Varaždin county, together with Istria county, was at that time leading participation in the EU pre-accession programmes for civil society.

Development agency “North” seems to have an important role in social and regional development of the Varaždin region. It was also recognised as an important stakeholder in the above-mentioned CSI research. Through its activities and projects, it strengthens inter-sector cooperation, participation in the EU funding schemes, supports the work of CSOs and promotes innovative practices.

2. WELFARE INNOVATIONS IN THE THREE POLICY FIELDS

The four social innovations presented in this report were chosen based on background interviews with local stakeholders, experts, civil society representatives, practitioners and our own investigations of available resources (newspapers, websites, policy documents). The portraits of the four innovations, introduced by a comprehensive description, are organised alongside three basic themes: 1) types of services and ways of addressing users; 2) internal organisation and modes of working and 3) embeddedness of the project in the local welfare system. The innovations are presented alongside policy fields. The innovations chosen were Public works Varaždin, Her Second Chance, Gardens of life and Non-profit housing organisation.

2.1. Public works Varaždin

2.1.1. Short description

In the frame of "National Plan for Employment for 2009 and 2010", Regional Office Varaždin in cooperation with units of local government and NGOs started a public works programme. The scheme continued to operate in 2011-2013. District Employment Office Varaždin in 2009 planned to include 41 people in the public works program, but given the great

interest for public works in Varaždin County, 109 people were employed. It was planned that in 2010 the public works programme would include 66 people, but given the great interest of local self-government and high-quality programme of public works in the Varaždin County employed 165 persons.¹ In the framework of the Public Works Employment Office, people who listed in the records as unemployed for 6 or 12 months were co-financed to 75 per cent of the gross minimum wage and people who were unemployed for more than 36 months minimum were funded 100 per cent of the minimum gross wages and received travel expenses to a maximum of 40 euros per month. People mainly worked on reconstructing and maintaining the municipal infrastructure, green areas and the welfare of the elderly.

Social innovation in public work involves a new approach for the long-term unemployed where they are stimulated and their sense of purpose is raised by participating in the programme. Although, as a measure of activation, public works are established in Croatia and therefore cannot be considered innovative in Varaždin, they have achieved significant success in implementation and have a mode of operating that can be considered innovative. They were able to overcome the negative attitudes of users for participation in this type of activation. They continuously increased the number of users who reported satisfaction in participation in the project. Also beside the classical modalities of public works in community work and public utility works, there was another part of the public works called “individual projects.” It enabled cooperation with civil society organisations, which aim to provide support for the development and action of projects that will affect the local social system. In addition, innovation is at the organisation level in the new constellation of stakeholders that helped facilitate the programme. Thus, besides the public companies project has the support of local politics. The media adequately represents it. Increased interest of the private sector was noticed and cooperation with civil society organisations was set to a new level by making them active stakeholders in the project.

This innovation has an element of a top-down approach. It is part of the National Active Employment Policy measures, which has the goal of motivating long-term unemployed people. In the public works programmes, employment and activation of long-term unemployed and other groups that are disadvantaged in the market is encouraged. The shared goal is to promote their social inclusion and to affect their level of employability, motivation, work habits and to acquire competencies that they may have lost due to long-term unemployment.

Here is highlighted the special role of the local employment service in Varaždin, which is not only evident by in their off-chart capacities in implementing the project, but also in the way they introduce new elements to the programme, and expand and improve its framework. The economic dimension of innovation is the attempt to overcome the problem of inactive and barely employable people, especially in local communities. There is a considerable lack of programmes to activate those groups in the labour market, particularly in local communities.

In addition, the project proved to be successful in active cooperation with the local social system of Varaždin, working together with local politics and their stakeholders. At this level, Varaždin had significant success, as recognition of the project’s success has shown that a national programme can be implemented and enhanced at the local level.

¹ These are data for Varaždin County. It is relevant to show the scope of the programme as it is a unique operating principle and CES Varaždin is conducting the programme not only in Varaždin but all counties because it is their operating area. Distinct data for the city of Varaždin are shown later in the text.

2.1.2. Conceptions of and ways of addressing users

For people involved in the programme, in the opinion of experts from the CES, satisfaction was observed because they began to work again after long-term unemployment, they were useful to the community and gained new friends. Municipalities and cities consider this form of employment very useful because these people perform those tasks that otherwise may not have been performed. Although there were minor problems in the work (due to reduced ability of employees, alcohol, etc.) people involved in the process agree that the inclusion of long-term unemployed in public works is immeasurable wealth for cities and municipalities. Almost all employees were satisfied with the programme and all of them have achieved positive results in dealing with the maintenance of green areas, especially in the caretaking of the elderly, where the work of long-term unemployed women who have been trained at the Red Cross was particularly noted. Employers were very satisfied with the programme and workers; they especially noted people with disabilities as good workers.

We find that desire to participate in this kind of project have increased, and the stigma often associated with public works programmes, which can be a reason for their failure, has been overcome in case of Varaždin. Users of public works tend to have reserves about participation in the work because it may be considered somewhat shameful or unworthy work. In Varaždin, they recognised it as helpful and opinions and attitudes in the local community towards participation in that type of activation have changed.

As one of CES representatives said,

As for the impact on users, they were initially sceptical. Certain prejudice existed against this type of engagement. They were thinking in the style of a small town, they were worried what people would think and would say when they saw them cleaning the town or something like that. Even outside of Varaždin in some smaller municipalities, mayors of municipalities have had to engage people and literally dragged them by the sleeve to engage them in public works.... Now everybody would like to participate. We have experienced the boom of interest. People have realised that public works are useful.

Public works have affected users in a positive way. Not only do they recognise values of the effects of the performed work, but also through activation, a certain degree of socialisation have happened. As stated: "It is particularly important for public works, what we noticed in dealing with them, there is a certain re-socialisation, and they realise that they are in some way useful. This is an extremely positive aspect."²

2.1.3. Internal organisation and mode of working

In the creation of a national plan to boost employment, the state and public administration, who are the bearers of labour market policies, developed measures for activation in coordination with social partners and representatives of civil society. Public works is one of the measures that aims to increase employment participation. Work on that programme is unprofitable and uncompetitive in the local market, improves the financial situation of people who are out of work, increases their employability and motivation for employment. The city of Varaždin, in collaboration with CES Regional Office Varaždin, is conducting this programme for 4th year in a row. Programme participants have been working for various employees groups, Varkom, the Muscular

² CES representative

Dystrophy Association, the disabled and children's cerebral palsy and other physical disabilities associations, in a home for victims of domestic violence, "St Nicholas" Varaždin and others.

The programme is usually applied to the less employable and long-term unemployed and people seeking to enter the labour market because they have lost certain knowledge and skills due to their long-term unemployment. Public works and programmes like this are an ideal opportunity for these people to return to the labour market, for them to gain money, but also to return the confidence to people that they are useful to society.

Table 1. Number of participants in public Works in Varaždin 2008-2012

YEAR	Persons	Man	Women	Funds in HRK ³
2008	0	0	0	0
2009	0	0	0	0
2010	9	9	0	176.466,92
2011	5	3	2	79.981,41
2012	19	13	6	281.080,61
All	33	25	8	537528,94
All %	100%	75,76 %	24,24 %	

There are three distinct segments of public works. The first segment is a socially useful work. It is oriented towards the employment of persons in humanitarian-type services in local units. First, we have the environmental groups and various associations that help people in one or another form. Another type is the municipal public works⁴. There is not much interest in that kind of works. In fact, there is the problem that employers must keep the person engaged in public works for twice the duration of the project after their engagement through public works is finished.⁵ The third type of public works is the so-called "Individual projects". They are also mostly realised in socially useful areas. They are intended for civil society organisations and institutions. They are significant positive shifts in the collaboration of CES Varaždin with civil society organisations in developing and implementing various projects.

2.1.4. Interaction with the local welfare system

It is shown that in the implementation of public works, CES Varaždin established good coordination with all relevant stakeholders in the local social system from local politics, public administration and civil society organisations to end users. As one of the users said:⁶

Responses to the programme were excellent, cooperation with all stakeholders is at the highest level. Not only with the CES, but even with the police and family centres. Here you can see an example of proactive work in the community. Public Works ... in this form are very flexible, provide a certain freedom in action. We have good communication with CES. I think that in this case, the

³ 1 EUR = around 7,5 HRK

⁴ Often in jobs like cleaning the city or public areas.

⁵ For example, after 6 months working in public works they must engage them in another 6 months on personal expenses and that is not economically acceptable for the vast majority.

⁶ He is one of the users in "Individual projects section of the public works".

basics are well placed so something like this can take place and continue.

That good cooperation is shown in implementing public works and various project within it, but the CES representative is shows some doubts about the intentions of some of the stakeholders “City is interested in these projects, but they were interested in politics also and, therefore, in certain situations they get involved and support this only to be photographed for a PR and many do not have real interest.”

However, at the same time, there is a positive impact on the local welfare system regarding cooperation and support by all stakeholders and also by widening the scope of the project every year and the positive influence that it has on the users.

We can see the impact of public works in the local community. We at CES often visit and control public works and go to see how they are doing. Moreover, our boss often goes to control and tries to convey the importance of this type of engagement. We see the impact, especially in the area of civil society organisations. They certainly do useful things. It means a lot to them that, in the public works programme, they can realise certain things. Every year we have more and more organisations with whom we work and we have more and more interest. One can say that this is a reality.⁷

The conclusion is that the Public Works in the City of Varaždin achieved and are achieving positive results thanks to the good cooperation of all - CES, city, municipalities, NGOs, public and private companies. The participants are preparing a new public works programme with the hope that they will continue to succeed in their programme in improving the quality of life of the long-term unemployed in this area and encouraging their activation. They are fulfilling the purpose of public works in activation of the users and have an impact on their re-socialisation. In addition, they are reshaping the modes of operating and are producing positive influences on system in hole with their innovative organisation and immersion in the local welfare system.

As one of the users said,

Public Works provided us with the wind at our backs, and they have shown that they can be of great benefit. So I think that in these situations, and in general, the wind in the back should also be given to them because they are doing something useful and meaningful.

2.2. Her Second Chance

2.2.1. Short description

The Croatian Employment Office has developed a grant scheme "Women in the Labour Market" within the Operational Programme "Human Resources Development", financed by the IV. Component of Accession Assistance (IPA). Projects funded through this grant scheme are designed to include in the labour market those women who are faced with special difficulties in employment, such as long-term unemployed women, unemployed women aged 40-65 years, unemployed single mothers, unemployed Roma women, unemployed women belonging to ethnic minorities and working women that are inactive. Project activities include participation in programmes of personal development and education tailored to individual needs, strengthening the motivation for participation

⁷ CES representative.

in educational programmes and employment programmes, and providing psycho-social support.

Development Agency North has applied the project "Her Second Chance" in partnership with the City of Varaždin, Varaždin Open University and the regional office of the CES Varaždin. The value of the approved project to Development Agency North is 118,058.56 euros.

The very composition of the project stakeholders emerged as a new network of hybrid cooperation between stakeholders from different sectors. Here we have a city government that provides support for the project and demonstrates the political will for this type of project to take place in the city. The main organiser was the development agency North, which has considerable capacity for developing projects in the Varaždin area. They specialise in innovative projects, which they operate in the meso-environment of the Varaždin County. Stakeholders were also from the spheres of education and training. Open public college provided education services. In addition to supporting organisations that participated in the preparation and realisation of the project, CES District Office was also involved as a representative of a centralised national organisation, which is responsible for active employment policies. Already from the structure of the stakeholders we can see, given the size of the city, that a new type of project network has developed that includes local stakeholders and national institutions, development agencies and educational institutions.

The project aims to improve the socioeconomic conditions of disadvantaged women in the Varaždin County through their empowerment, training and development of business skills. Through the establishment of associations of women, they will seek to encourage them to actively seek work. The Association provides assistance in finding a jobs, raises awareness among members about the opportunities offered in the labour market and will provide a focal point for information exchange between women job seekers and potential employers. Social innovation in this case is a new form of organisation that was founded from the programme, especially regarding their knowledge and capacity in dealing with the problems of marginalised women. This is seen as an innovative way of self-organisation of one of the disfavoured groups in the labour market with the concept that it will enhance their chances for employment. A new type of organisation is created, with new forms of services that are clearly different from that which existed up to now on the ground. Women as a disadvantaged group in the labour market did not only get training and acquire new skills making them more competitive in the labour market, but are also provided relationships with people who are in similar positions. The association provides them support in a difficult employment situation but also provides new opportunities for activation and interaction in the development of new projects, increase of personal and group abilities and capacities.

This innovation has elements of top-down and bottom-up approaches. The IPA has launched a grant scheme and mediation of CES shows that innovation is somewhat raised by the guidelines of EU funding that is specifically allocated in some areas and thus opened up certain sectors to innovate. But innovation is bottom-up because the second part of the project, after the training and capacity building, turned into an association that is guided and controlled by the users themselves, and can raise effective incentives for the development of further activities in women's employment area.

We can distinguish between the economic and political aspects of this invention. The economic dimension of innovation is the attempt to overcome the problem of female unemployment, especially in local communities. There is considerable lack of programmes to activate and assist women in the labour market, particularly in local communities. The

political dimension of the action is realizing the project through the CES as a mediating factor, which is directed by IPA funds of EU but also in recognizing the needs and support local authorities who have proved willing to help in the realisation of the project.

2.2.2. Conceptions of and ways of addressing users

For the purpose of capacity building, training was conducted in which women were educated for several occupations. Women received additional knowledge and competencies to compete for new jobs. In addition, research was undertaken to evaluate the motivation of women to participate in various aspects of the programme. By doing this, valuable information was obtained that enabled modification of the project to effectively and adequately meet the needs of programme beneficiaries. Initial training included most participants; 133 beneficiaries of the project were included in the education sessions on “Basic computer skills” and “Fundamentals of Entrepreneurship.” Here are some thoughts about the first users training, quotes that illustrate elements of empowerment, innovation and usefulness of the programme for capacity building and raising the labour market chances,⁸

The first day we started with a workshop “Fundamentals of computer”. It was almost, well, terrible. I kept repeating in my head, “I cannot do this, what am I doing here, will I’ll finish this?”, but after we became familiar with what we were doing. Now I am more than satisfied with the project. Lots of good topics and activities were covered that will later come in handy in employment and life in general. From education to the next project, I expect as much as possible from this - opportunities that will lead us to the employment.

These quotations were singled out as indicators of the participants’ thoughts about the visible impact of the project and training for women in Varaždin. Women with a lack of confidence may become more confident and start to believe in their abilities and chances for employment. There is also an element of friendship and unity, which shows that the project aims to support the achievement of women in similar situations.

The project’s participants were also involved with the training/workshop on gender sensitivity. Special attention is focused on empowering and encouraging women to actively work within their communities. Beneficiaries of the project received additional training. They attended the training programme to become certified nurses (15 beneficiaries), and were given a new title, which is entered in a work booklet. Also 48 members have passed the training programme for business - grower of medicinal and aromatic plants, accountants, and cooks of simple dishes and desserts. Over time, 63 beneficiaries successfully acquired new professions that made them more competitive in the labour market. Besides education, users were addressed in new way by providing to them association that arise from this project and their interest for self-organisation in local community to develop women capacities and enhance their chances on labour market.

2.2.3. Internal organisation and mode of working

Innovative capacity is shown in the transformation of the project in which the association is still involved in education in order to increase its capacity and took proactive action in their environment. For this purpose, they have participated in courses on “Marketing and management of non-profit organisations” as well as the 5-day workshops that helped stakeholders to understand the importance of the associations. This showed orientation on

⁸ Quotes were found on workshops reports on web page of association

further development and progress, taking the necessary steps to establish associations to be adequately prepared and competitive in their work. Their awareness of future challenges and opportunities for action in the EU funds and synergic performance networking are included in the workshop on “Networking and the development of regional partnerships.”

After they have completed the theoretical and practical parts of training on the project Civil Society Organisation “Her Second Chance” (H2C) was established on 10 June 2011. The establishment of the civil society organisation is foreseen as one of the required activities within the project. Initially, H2C had 124 members.⁹ A couple of months later the Office of H2C began with the work. It was anticipated that the office would apply for tenders to attract funding, perform office administrative tasks, and carry out a partnership with civil society organisations, local and regional self-government bodies, businesses and other organisations. The aim of the association is to support the rights of unemployed women through the implementation of their own and other programmes/projects, in order to raise their competitiveness in seeking and obtaining employment. Activities are addressed in order to achieve the following objectives: exchange information and experiences, creation and implementation of joint programmes and public initiatives related to the topic of employment and self-employment of women, promotion of employment and self-employment of women through formal and informal education, and cooperation with national and international organisations and institutions whose primary goal is employment and self-employment of women.

Social innovation in this case is a new form of organisation that was founded from the programme, especially their knowledge and capacity in dealing with problems of marginalised women. Self-organisation of one of disfavoured group in the labour market is an innovative concept that will enhance their chances for employment and ensure continuing of the work on that goal.

They employed two people in office, to establish a central point in a small town where the women can go, get information, have support and will continue to implement projects. Unfortunately, after the first period, they did not manage to get funds to continue with the employment. As one of the members said:

So it was planned that our salaries were funded for 3 months. Unfortunately, no more than that. In this period, we should provide some form of self-financing or continue without employed persons only on a voluntary basis. It was of course a short period of time and it seems to me that it was not really thought what objectively could be done in the 3 months period.

They did not manage to get funds for salaries due to the difficult economic situation during the economies crisis, but also due to their relative inexperience in developing new projects. They now operate on voluntary basis but they continue with the relative scope of the activities. As their member said: “My opinion is that it is not necessary that someone is employed at the association, but we must have enthusiasm and desire. For a while that stagnated. Now some new members have joined and a new president who has the desire and knowledge”. They lost some of the members over time and now they have 26 active members. Many more women are in some way associated with the organisation. Some of the women stop being members when they become employed, some of them just lose

⁹ Peak membership numbers were seen soon after that when the association counted 140 members.

interest. Nevertheless, the association is in communication and open to larger numbers of non-members.¹⁰

2.2.4. Interaction with the local welfare system

To ensure future visibility and effective networking with key stakeholders involved in the employment of women, members of the association participated in various conferences and round tables that were thematically relevant. They achieved visibility for their efforts, including establishing goals, raised the interest of the public and made contacts that useful for further cooperation, facilitation of work and support for new projects. In addition, an association that was derived from the project has become a new participant who advocates women's empowerment and to the specific perspective of women in the community. They were particularly actively presented in the local environment. They operated through word of mouth of satisfied beneficiaries involved in project but also on participation Špancirfest, which is the most visited and most important event in Varaždin and other similar events.

Sustainability on the local welfare system: After the completion of the project, the organisation that was established guarantees the sustainability of project objectives for the target group of women. It has emerged as a guarantee that the end of the programme will not neglect further work on encouraging and strengthening the capacity of women to be competitive in the labour market. Also it opens up new space for dialogue, cooperation and networking with other partners in all areas. Women have a new place where they can turn for support, to increase opportunities for employment and for the activation of new projects, which would bring job opportunities directly or indirectly by acting on the microenvironment and improving conditions of employment opportunities for all women. As said by their prominent member "Association holds us together in some way".¹¹ They showed the capacity to connect with local government and become one of the important stakeholders in the part of the welfare system dealing with active politics of employment.

In conclusion, social innovation in this case is a new form of organisation that was founded from the programme, especially their knowledge and capacity for new ways of dealing with the problems of marginalised women. The main result is self-organisation of one of the disfavoured groups in the labour market with an innovative concept that will enhance their chances for employment. This is a new way of addressing users because it was developed from the users themselves, the project activities were generated not only to educate but to empower women, increase their skills and also to create possibilities for employment opportunities for women in Varaždin. Such an approach carries the potential for innovation because it relies on new work culture. Unlike most previous centralised programmes, through self-organisation and association, proactive communities become the dominant aspect of the work and activities culture. Management style it is completely decentralised in order to let users to decide on the future work on the assembly with democratic principles.

For now, the impact of new forms of organisation of this type on the employment system as a whole is not clearly distinguishable. Nevertheless, we can say that this is certainly a decentralised attempt to create new and innovative capacity at the local level. Taking that into consideration, it has the potential to be transferable to other cities as example of local initiative that has changed modes of operation and ways of addressing users in field

¹⁰As president of H2C stated: "As they eventually got employed they exited the Association but we are still contact with them. They come back to us when they feel the need and when they are not pleased with the current work and with our support they want to change or improve their working environment"

¹¹ H2C member

of women's unemployment. Its long-term sustainability depends on capacities of the organised women and their continues efforts towards achieving their goals.

2.3. Gardens of life

2.3.1. Short description

“Gardens of life” is a project that started in 2011, and which was initiated by the CSO network “Green network,” and delivered in cooperation with Development agency “North”, City of Varaždin and the City Market Varaždin. The project was targeted at the socially vulnerable population in Varaždin, users of social assistance of the City of Varaždin, tenants in social housing and unemployed, with the goal of improving their quality of life and income conditions. Although the project was primarily targeted at the users of the City's welfare measures, it was not restricted to them only, and other socially disadvantaged citizens could apply too.

The idea was that users of welfare measures grow their own vegetables on public land (of the City of Varaždin). The expected benefits were twofold: this way they produce their own food and thus save on their budget (with the possibility to sell surplus on the marketplace), and at the same time, they increase their self-esteem and are empowered to influence their own life circumstances. In addition, the project aims to raise awareness among citizens on environmental protection and sustainable development, including food production for one's own needs in an organic manner.

The City of Varaždin gave its land, on the outskirts of the city, to their disposal. It spreads over 9,000 m², which was then divided into 40-50 smaller parts, with the prospect of widening the space. At the moment, there are approximately 60 users of the Gardens. The Gardens are located in the city district *Hraščica*, a rather segregated city area due to the social housing stocks that are near the gardens.

The City of Varaždin made a list of users of the land, based on the call for interest. The users have a right to use the land as long as they continuously work on it. The City Market assures that users can sell their surplus on the marketplace. The “Green network” organised free workshops for all interested participants in the project on how to grow vegetables in an organic and biodynamic manner.

“Gardens of life” is seen as innovative practice of dealing with social exclusion, emerged from the local initiative, but is also innovative in terms of new modes of cooperation between the local government, public company and civil society organisation.

The initiators of the project recognise it as innovative in a sense that the City put the land to their disposal free of charge, which was formerly rented on the market and was not oriented towards civil society and community. Secondly, in this way the community is oriented towards changes, learning and activity. On an individual level, it aims to empower socially vulnerable citizens in order to become independent and pursue self-employment.

Apart from the “Gardens of life” project, another similar project emerged a year later, called “Magic gardens”, initiated by “*Gredica*” - an association for the promotion of sustainable living in Varaždin.

As well as the “Gardens of life” project, it was also inspired by the global urban gardening movement, but in this initiative came from the citizens themselves, who shared common values and the idea of production of their own food in an organic manner. In contrast to

the “Gardens of life”, the project “Magic gardens” is targeted at the general population in Varaždin, regardless of their socio-economic conditions.

Even though there are similarities between the two projects in terms of general idea and partly in goals, as noted, these projects have had different trajectories, types of users and value baselines. In contrast to the “Gardens of life”, this was a bottom-up initiative, coming from the citizens who first organised the association (*Gredica*) and then engaged in cooperation with the local government, which also provided them with the public land. The project has had great success since it was launched. It was awarded the highest donation in the category for innovations from *Zagrebačka banka*, one of the biggest banks in Croatia, and they were recently nominated and selected for the second round (as one of 35 projects, among 308 nominated) for an international award for social innovation “*SocialMarie - Preis für Sociale Innovation*”, awarded by the *Unruhe* private foundation from Vienna.

2.3.2. Concepts of and ways of addressing users

As stated by the representative of the Green network, the initiator of the project, the idea pursued by the project was activating approach to the users of welfare measures, where they would not only expect to receive assistance from the City. Contrary to the initial suspicion showed by the city officials that the users would not be willing to participate in such project, there was good response to the project. The interest shown by the potential users was higher than expected. The project has indisputably activated the users, it could be even said they “found themselves” in it, this was new daily occupation for them.

The idea of the project was that the partners provided the incentive, assured resources (land and facilities), organised training and foremost, to empowered users in order to become engaged, responsible, skilled in gardening and self-advocating. With the land assured, the project had a firm basis from its inception for sustainability. It was foreseen that with time, and after the project is formally over, users will continue with gardening and thus, the benefits of the project would be sustained.

Therefore, it was on the users to take over the coordination of the project follow-ups and continue work independently. The coordinators were not to supervise the users in the later phases. However, they offered them further support in terms of legal advice, training, etc. They advised the users to form associations or cooperatives, so they could self-employ and further improve their socio-economic position, but also strengthen their advocacy position.

In addition, the City market offered them a bench on the market, aprons with their logo, which would make them recognisable. However, this was found to be difficult to implement. The users were not interested in forming associations and thus, reach greater scope and value of the project. Food growth was simply a sufficient goal for them. Furthermore, there was a lack of cohesion among the users; they were not used to cooperation. Some users showed a certain level of distrust toward others. As some representatives of users state, not all of users deserve to get the land, as some of them were not seriously interested in gardening. Instead, according to them, those places should be given to those who would really be engaged in gardening. Some users cooperate, help and socialise with others on individual level; they have built benches and common facilities for having time together, but there is a general lack of strategic cooperation and action towards common goals. However, it seems that some were inspired by the “Magic gardens” project and their results, and they are becoming more aware of the importance of forming cooperatives.

The users do not have a representative or leader of the group. As the representative of the project initiators state, they should continue to work with the users so that they become a

“good community”. If they were a more cohesive community and oriented toward each other, that would have produced added values. As one of the users stated, “poverty is not a lack of material resources, but poverty in people’s souls”. They are often still envy each other. Users respond very positively to the activities organised for them, such as training, and in these examples results are visible. However, reaching tangible results assumes continuous work with the users; they expect strong leadership. Notwithstanding, results in terms of activation of users are noticeable. The users express content and are proud of their achievements. As the results of their work (food production) are seen as short term, the users were motivated. The project is recognised as a good example of self-help. This innovation has made the users feel economically safer, strengthened, they can produce food for themselves. They themselves report great benefits from the project, foremost in terms of improving financial situation. As one user states, his gardens is his life. He is long-term unemployed, and due to his age (over 60) he can be considered difficult to employ. His wife is retired, and their total income is low. Another user is retired, and she still has a bank loan to pay off. Food they grow in their gardens brings savings to their budgets, but they are moreover interested in selling surpluses on the market in order to further improve their budgets.

Although the project was primarily aimed at users of local welfare measures, there was a great interest, if not greater, showed by other citizens who are economically deprived, also eligible to the land. As some users state, those who are on welfare are frequently not interested in such a project, as they get assistance and are not willing to participate.

Generally, the project was conceived in a way that it results in empowerment of users and their activation. It moreover counts on changing the attitude of users, in a sense that they need to offer something in order to expect to receive - “give something to the community, and you will get something back from it”. As such, it was a top-down initiative, from experts and with the support coming from the politics, but it can be said that the approach of the project coordinators to the users was not based on power relations and instructions. They provided continuous support to the users, rather than supervision and control. It was on the users to carry the project further on. However, this concept failed in a way, as it was shown that they lacked human and moreover social capital to sustain and further develop the initiative. To a certain extent, they still seek the leadership from the “top”, which limits the scope and potential of the project.

2.3.3. Internal organisation and modes of working

The project was inspired by foreign urban gardening projects and communities. Citizens in urban areas have no possibility of growing food, and the city, on the other hand, has unused land resources. It was further triggered by the circumstances of rising unemployment and lowering purchasing power.

The network of CSOs “Green network” was the initiator of the idea for the project, which was delivered in partnership with other local stakeholders - the City of Varaždin, Developmental Agency “North” and the City Market. The initiators describe the cooperation and management of the project as horizontal. They have held numerous meetings during coordination of the project. The City of Varaždin and the City market, as owners of the land, had first the task to parcel out the land and to assure the watering system (two water pumps). City market was further responsible for organizing that users get a bench on the market where they could sell their surplus. During the project, the coordinators had organised numerous training sessions for the users on gardening and permaculture, which increased their skills and knowledge.

When initiating the project, all partners embraced the idea and engaged in the project, including the (former) mayor, who promoted the project in the media when it was

launched, so that more potential users get the information about the call for interest. Support coming from the media was also great. The City Market and Development Agency North also applied for additional funds on a tender “*Idemo*”, to build a greenhouse, but the proposal was not successful.

Besides the formal partners in the project, it heavily relied on voluntary work and help from the others, which the organisers coordinated. For example, one farmer voluntarily ploughed the land for them, and a horse club nearby provided manure. Foresters also engaged; they donated wood to build tool storage.

2.3.4. Interaction with the local welfare system

It is noticeable that this project has made an incremental impact on the wider governance system. It is assessed as a good example of horizontal governance and cooperation, where the initiative came from civil society network, with a viable potential for up-scaling and institutionalisation in the welfare system. This is evident in the project of “*Magic gardens*”, which followed the “*Gardens of life*”, and which is comparable in certain aspects in terms of innovation in the welfare system as a whole. They are both good examples of innovative initiatives, which were recognised and supported by the local government, and in a way introduced new movement of urban gardening in Varaždin.

The project further gave incentive to strengthening of a new practice of management of the city’s property and resources. It is seen as “win-win” model: the local government is removed its obligation to take care of and maintain unused land, where citizens (users) are given free resources at their disposal. This model, seen as good practice, was also followed in the second example of the project “*Magic gardens*”. This is seen as a new trend, where the local government puts its resources in function of public good.

Both projects have also had an impact on changing a general culture of welfare system in Varaždin; they have to a greater extent promoted the practice of activation, self-help, mutual help and cohesion, and where spheres of welfare policy, urban planning, environmental policy are intermeshing, also opening space for acknowledgement of particular lifestyles.

Generally, from the 2000 onwards, civil society in Varaždin and the region has developed significantly and has become important policy stakeholder. The number of registered CSOs has increased most notably in this period. However, some find that it is still in its early stage of development. Some of recognisable areas of civil society impact are organisations for children, professional organisations, organisations of retired, environmental organisations and health organisations. Those areas are examples of systematic work, instead of ad hoc actions. Also, due to the economic crisis, the local government offer CSOs free spaces for lower rent, which were earlier rented to private business for economic prices.

The local government has also become more responsive and open to initiatives from civil society. They also initiate partnerships to CSOs on projects. However, political turbulence and changes in power structures over last couple of years pose a threat to the development of systematic cooperation with civil society and its role in governance.

Varaždin was shown to be receptive to the urban gardening movement. This is an example of good cooperation between initiators of such projects and the local government. Generally, civil society and citizens’ engagement seems to have strengthened over last decade in Varaždin. Civil society organisations in certain fields have become stakeholders

in policymaking. On the other hand, unstable political structures results in unfavourable environment for building systematic relations to civil society.

The “Gardens of life” project is seen innovative in several aspects. First, it introduced new or unconventional type of activity - gardening - into the welfare system, thus breaking traditional borders between different policies and systems. Secondly, it has promoted and put into practice to a greater extent the principles of activation, self-help and promoted the value of “community” in peoples’ well-being. Thirdly, the project has contributed to strengthening the practice of horizontal governance, openness in policymaking and mobilisation of voluntary contribution. Not least, both described projects have contributed to changing the culture of management of public good, and to a certain extent, the mindsets of citizens about public good and public spaces as something they are entitled to.

The two projects well illustrate the differences in their scopes and achievements, as one was a top-down, and the other a bottom-up initiative. It can be said that social capital plays a crucial role and is a key explanatory factor for the projects’ outcomes and success. “Gardens of life”, being a top-down initiative coming from experts to users (socially excluded citizens), developed successfully; however, it reached limitations for its further development and sustainability. Such a top-down initiative, albeit resulting in notable improvements of well-being and in activation and empowerment of users, seems to have lacked crucial prerequisites for its further development: cohesion and trust among users and their entrepreneurial orientation. On the other hand, the “Magic gardens” project was the result of citizen mobilisation for a common goal, their entrepreneurial skills, and is characterised by a high level of social capital among them. As the representative of Green network illustrated, “one can even feel the difference in the atmosphere between the two gardens; whereas in the ‘Gardens of life’ users are more inclined to mutual criticism, in the “Magic gardens” one can feel the spirit of community”.

2.4. Case of non-profit housing organisation development

2.4.1. Short description

Institutional arrangement for housing policy at the local level, after the political turmoil in 1990, has been changed profoundly. Housing policy as a clear responsibility of different levels of state administration helping people to meet housing needs has disappeared. In that time, they were responsibility of local administration to sell public housing stock to setting tenants. From that privatisation of public housing stock, part of fund should be used for investment in social housing. City of Varaždin was one of the first in the country with the professional capacity to implement this policy measure of social housing construction.

From that time, the city has been recognised as active stakeholder in housing policy looking for innovative solutions and being open to learn from foreign experience. The Housing cooperative, as a non-profit organisation, existed in Varaždin in the beginning of 1990s with the remit of helping people to buy their first homes. A stable partnership with the city was of crucial importance for the success of this housing cooperative. In 1993, the government stopped tax incentives for housing cooperatives as non-profit organisations and it was the last part of the dismantling process in the field of housing.

During the 1990s, technical assistance offered in the development of non-profit housing organisations from western countries has been seen as a direction of modernisation of housing policy.¹² Lack of political will and expectations that the market will resolve all housing problems were big obstacles to accept offered modernisation of institutional arrangement in the field of housing. However, also important for this innovation was that several professionals in the country learned about the importance of non-profit organisations and that concept has been part of the professional knowledge on housing policy.

The department of city administration in Varaždin, which deals with urbanisation and housing issues, was very responsive, active and open for the implementation of new initiatives. In the 1990s, they developed and implemented housing programmes for victims of the war. Also, from the very beginning, they became one of the best partners in the implementation of the POS housing programme, which started as a top-down and centralised programme helping people from younger generations to buy their first flat under favourable conditions. The programme is open for social rental programmes, but initiative should come from local authorities.

From the very beginning, the centralised POS programme has been exposed to serious criticism in terms of efficiency, effectiveness and requests for implementation of subsidiarity principle (Bežovan 2008; Tepuš 2005). The government, faced with operational issues on the local level, changed the legislation for implementation of the POS housing programme and recommended the concept of setting up of local non-profit housing organisations at the city level. As a result of professional legacy from previous times, one of the first such organisations in the country was been created in the city of Varaždin 2004 under the name “Gradski stanovi”¹³ (City flats). Here, in fact, circumstances of crisis of top-down programme implementation provided the opportunity for innovation and mobilisation of local resources and for putting housing on the local agenda. A non-profit organisation is in position to assess housing needs of different populations and to make a plan for housing investment.

The recent financial crisis also influenced the implementation of this programme, and there were more housing units waiting for the first buyers but the obstacles for them were financial capacity to get loans from the banks. In such situations local government, being aware of crisis of local housing market, with about 200 newly built housing units unsold, provided legislation and created the programme of public housing renting. Therefore, unsold housing units from the POS programme are available for renting. In this case, crisis on the housing market opened the space and provide legitimacy for social innovation.

On the other side, the supply of private rental flats, mostly “black” market, are in the hands of local politicians and well-off families. These owners were very strongly opposed to the programme of public rental housing construction. Related to the context, the crucial fact for emergence and development of this innovation is the level of local social capital, visible level of trust of the professional capacity of people in non-profit organisations, which contributed to the creation of fertile soil for social change.

¹² In Croatia, such offers were coming from Austria and the Netherlands and there were several study visits to learn about the concept of housing policy in these countries and the recognised important role that non-profit housing organisations play. In that time, the concept of housing saving banks has been introduced as modernisation of housing infrastructure being supported by the vested interest of foreign banks.

¹³ <http://www.gradski-stanovi.hr/>

2.4.2. Conceptions of and ways of addressing users

Three types of user are evident here and they have benefits from non-profit organisation. The largest numbers are homeowners, the majority of them are first buyers from young generation, and their benefits are evident in favourable condition: control level of housing prices, decent housing with good location and affordable housing loans.

Groups of vulnerable families from social renting programmes received decent housing through competing procedures on the waiting list. As it was started before in the assessment of social housing needs, more and more families are forced to look for this solution because of the economic crisis. This part of the programme inside the non-profit organisation is a real challenge in different ways. These housing units are owned by the city and the non-profit organisation is responsible for management and maintenance. Also, there is a problem regarding segregation of these social housing blocks. The non-profit organisation here is in charge to control tenants as users than to help their integration in the community. The low level of rent in social renting housing is under the control of the government, and is critical for the sustainability of this tenure; thus, for the larger impact of this innovation.

The new group of users, and this is the core part of the social innovation in this organisation, are tenants in the public rental programme. This programme is entitled to young households, with more children and who are sub-tenants on the non-regulated private rental market or living together with wider family but in unfavourable housing conditions. These families, because of unviable housing situations, are in fact prototype socially excluded peoples. They cannot afford housing loans to buy decent housing and are not eligible for social rental housing. In this innovation, users selected via public calls for application, receive a contract for 3 years with the possibility to extend it. They pay less for the rent than on the private rental market and they have very decent, sufficiently large enough flats in newly built neighbourhoods. The intention of this programme is to sell flats to tenants and in cases where they decide to buy these units, 80 per cent of the rent paid in the first year, 60 per cent in the second and 40 per cent in the third year will be calculated against the price of the flat.

In the concept of development of this non-profit organisation, tenants in the public rental programme are much more respected and they are stakeholders with a vested interest to contribute social capital for future development of this organisation. It should be a benefit of this innovation and firm basis for future development.

An interviewed user of this programme has a family of three members and before they were sub-tenants with in an old, badly maintained flat on the eighth floor. Housing costs were very high, more than 30 per cent of the family's income, and because of district heating provision, they were not in a position to control the costs of heating. Rent was 200 euros per month. Problems repairing the elevator frequently forced them to walk to eighth floor. Now, being a tenant in public rental housing, their quality of life is much better, as a family they are happier and finally, they are in position to plan their future, to invite friends and guests and to enjoy their lives. What is important is that they reduced their housing costs by almost 50 per cent and they can control their heating costs. The flat is 78 m², they have a garage and space for hobbies in part of the yard and it costs 243 euros per month.

This one family has already developed a strategy to buy a flat in the near future. According to the opinion of this tenant, other neighbours from public renting programmes are very satisfied and are also looking to buy flats.

2.4.3. Internal organisation and mode of working

The internal organisation of the innovation, in fact, is a response of the non-profit organisation or more appropriately, the leader of the organisation and knowledgeable and skilful person well connected with all respective stakeholders. The process of obtaining the status of users in one of the three programmes is very transparent and all families who are eligible according to the mentioned criteria can apply.

Tenants in public rental programmes agree a contract and make a down payment of two monthly rents as a guaranty to pay rents regularly and to keep the flat in good condition. Such a down payment, as pedagogical measure, is a type of innovation in the local social welfare system.¹⁴

Here social innovation involves different social groups and the practice of the non-profit organisation welfare system is reoriented towards the needs of a diverse and pluralistic population. Empirical evidence on social return, separately in the public rental programme, is clear and it contributes to social integration and social cohesion.

Activities of non-profit organisations are very visible on the local level and organisations receive public recognition. The board of the organisation is composed of local politicians, mainly members of city council, is not so competent and invention on this level is needed. It should be important to involve users in the board and also professionals how are not in politics. The unstable political situation in the city, resignation of the mayor and recent local elections prevented social marketing and national promotion this innovation.

2.4.4. Interaction with the local welfare system

This innovation arose in synergy with top-down offer and bottom-up initiatives and with the clear vision and entrepreneur spirit were definitely a very new style of governance for local welfare systems in the country. Innovation is embedded in the local system and, as they serve a more diverse population than other welfare organisations, they have a stronger position in the local welfare system.

Innovation raised the issue of the role and composition of the board of non-profit organisations. Also, at the city level, they recognised increasing needs for housing of the elderly and opened a debate on that topic, offering some new solutions. In this social innovation, there is evidence of social investment programmes with very viable return and strategic plans of development.

This non-profit organisation is a case of path breaking in fragmented housing policy and it is putting a new style of management on the local agenda, which influences other departments. Non-profit housing organisation here appears as a key stakeholder in the housing market with the mission of mediation between housing needs of certain vulnerable social groups and housing supply made through governmental housing programmes. In addition, this innovation shows the capacity to become the model for other cities with diffusion capacity. From other side, the economic crisis has influenced the fiscal capacities of Croatian cities and there is less capacity to spread out this innovation.

¹⁴ Tenants in social housing programme, in this non-profit organisation, very often are not willing to pay rent and others costs related to housing (electricity, gas, heating, water, communal fee). Besides that, internal maintenance the social flats is a problem for owners.

CONCLUSION

Selected examples of social innovation and insights discovered via the research, show that in the city of Varaždin the area of social policy public administration has developed the capacity to understand the relevant issues. Their active work provides a framework for cooperation and encourages development of new programmes. In our case, it turned out that the public administration and other stakeholders, such as the Croatian Employment Service and development agencies, provided considerable support for social innovation in Varaždin. Of course, they work within their budget and situational constraints. Civil society organisations and other stakeholders of social innovation also recognise the public administration as a cooperative stakeholder and they are developing partnerships. They know that, in them, they can find reliable partners for their initiatives.

Examples of social innovations in Varaždin showed that a certain amount of social capital is evident in the local community. Citizens, mostly younger and better educated, are willing to join and act for their own interests, respecting the interests of others, particularly of vulnerable social groups, and being aware of public good. There have been a number of new initiatives, not only in our observed fields but also beyond.¹⁵ There is a critical mass of stakeholders that are recognisable and have the capacity to act. Those in the local community can create a structure of action that will develop new projects. The potential for the future action is that they recognise each other and have created certain social networks that can stimulate action by using common resources, trust, norms and values that they share. Certainly, it helps that Varaždin is a smaller community and most of them know each other. Thus, they have established contacts on almost a daily basis and they are turn to each other in many situations. This facilitates the flow of information between them and facilitates the coordination of action. Projects that they develop certainly contribute to strengthening social cohesion of local communities.

On the other side, the attitude of the city government towards social innovation is somewhat detached. In the space of discourse of the city council, we did not find awareness of social innovation as a concept. In their discussions, such issues do not receive adequate attention. Therefore, it seems that the stability of future support for social innovation, primarily financial, will largely depend on the city administration. We do not see signs that city government will soon embrace and recognise social innovations. However, some financial support exists and solid funding decisions are mostly delegated by public administration. They have significantly greater competence in this area. Therefore, the fact that social innovations are not recognisable in the discourse of city council and politicians, it may not necessarily be bad. Social innovations would not obtain additional support, but at least existing support is channelled by delegating responsibilities to public administration that make efficient use of it.

For further sustainability of social innovation it would be necessary to prove the usefulness of this kind of action to the city government and/or raise public attention and awareness to generate interest. That may demand increased management or marketing skills of people involved in social innovation projects. There is also space for the involvement of the private sector that is for now unrecognised. In addition, there is an opportunity for applying for EU funds for such projects. Action in these areas would certainly help to increase the stability and opportunities for sustainable social innovation, relying on capacities and support of public administration and developed level of social capital among all of stakeholders in local welfare system.

¹⁵ A good example is the Association Gredica that became the winner of the third prize at the SozialMarie contest for social innovation for their Magic Gardens project.

INDEX

empowerment, 8, 9, 11, 13, 14, 16
good practice, 2, 16
housing needs, 17, 18, 19, 20
local community, 2, 5, 7, 10, 21
network, 8, 12, 13, 15, 17, 21
orientation, 2, 10, 16

participation, 2, 4, 5, 8, 11
partnerships, 2, 10, 16, 21
social capital, 2, 15, 16, 18, 19, 21, 22
social innovation, 2, 11, 13, 18, 19, 20,
21
social investment, 20