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ONLINE FINANCIAL EDUCATION INITIATIVES BASED ON CROSS-SECTOR PARTNERSHIPS AS SOCIAL INNOVATION IN SPAIN: *REDEDUCACIONFINANCIERA.ES* AND *ECONOMIASOLIDARIA.ORG* AS CASE STUDIES

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Abstract:
The main objective of this teaching case is to understand online financial education initiatives based on cross-sector partnerships in Spain from the perspective of social innovation. Cross- sector partnerships are new expressions of collaboration that boost the development of social innovations. This case focuses on business–nonprofit–government collaboration and explores its influence as a source of innovative solutions in the field of financial consumer protection in a context of economic crisis. *rededucacionfinanciera.es* and *economiasolidaria.org*, both online digital platforms promoted directly by private and nonprofit sector actors to improve the financial education of (vulnerable) consumers and society as a whole, are explored here as case studies.

Resumen:
El principal objetivo de este caso docente consiste en entender las iniciativas online de educación financiera basadas en alianzas intersectoriales en España desde la perspectiva de la innovación social. Las alianzas intersectoriales son nuevas expresiones de colaboración que impulsan el desarrollo de innovaciones sociales. Este caso se centra en la colaboración público-privada-no lucrativa y explora su influencia como fuente de soluciones innovadoras en el campo de la protección al consumidor financiero, en un contexto de crisis económica. *rededucacionfinanciera.es* y *economiasolidaria.org*, ambas plataformas digitales online promovidas directamente por actores de los sectores privados y no lucrativos para mejorar la educación financiera de los consumidores (vulnerables) y de la sociedad en su conjunto, se exploran aquí como casos de estudio.

1. Introduction

Cross-sector partnerships, here defined as collaborative alliances among businesses, governments, and civil society that address social causes, have experienced an increased prominence within the socioeconomic relations (Austin and Seitanidi, 2012a, b; Warner and Sullivan, 2004). According to Selsky and Parker (2005), four are the main categories of this kind of partnerships: *business–nonprofit*, *government–business*, *government–nonprofit*, and *business–nonprofit–government*. In this paper we focus on *business–nonprofit–government* partnerships, represented by large-scale international, national and/or subnational projects specifically oriented to solve economic, social, and environmental problems through collaboration (Crane, 1998), and emphasize the "imperative to realize benefits for the wider community rather than for special interests" (Skelcher and Sullivan, 2002, p.752). These cross-sector social-oriented partnerships (CSSPs) - involving the three main societal sectors, i.e. business, government, and civil society - are established explicitly "to address social issues and causes that actively engage the partners on an ongoing basis" (Selsky and Parker, 2015, p. 850), by addressing institutional and regulatory directives (Fransen and Kolk, 2007), and/or providing solutions to socioeconomic challenges as health care, economic development, environmental sustainability or education (Warner and Sullivan, 2004). As result, collaboration and interdependency emerge as necessary conditions to cope with global problem solving, since "traditional sector solutions cannot address certain challenges and therefore must be enhanced by learning and borrowing from organizations in other sectors" (Selsky and Parker, 2015 p. 853), employing a combination of capacities and resources across the different sectors.

The existence of new forms of collaboration among actors from different sectors is one of the characteristics of social innovations (Sanzo et al., 2015). Social innovations (SI) defined as "the development and implementation of new ideas (products, services and models) to meet social needs and create new social relationships or collaborations. It represents new responses to pressing social demands, which affect the process of social interactions. It is aimed at improving human well-being. SI are innovations that are social in both their ends and their means. They are innovations that are not only good for society but also enhance individuals' capacity to act" (European Commission, 2013, p. 6). For their successful implementation, SI require collaborative efforts cutting across organizational, sectoral or disciplinary boundaries (Mulgan, 2007) together with the combination of capacities and resources across the different sectors. Specifically from the perspective of nonprofit marketing literature, collaborative successful relationships can be exemplify by nonprofit organizations providing support with the help of key stakeholders contributions, as corporative donations or volunteering (Arnett et al., 2003).

2. Online financial education initiatives based on cross-sector partnerships as social innovation in Spain

Economic crisis led to a general distrust towards the traditional banking system and financial markets from its beginning in 2007. As result, social economy-based Third Sector Organizations (TSO) together with civic platforms and hybrid organizations from third and business sectors, started to emerge frequently in Spain and provide alternative financial services to citizens (Hyánek et al., 2015). The development of SI in periods of economic upheaval is not a chance result, in such a way that the their prevalence in current societies is an ''essential factor for fostering sustainable growth, securing jobs and increasing competitive abilities, especially in the midst of the economic and financial markets crisis'' (Howaldt and Schwarz, 2010 p. 6– 7).

In response, and specifically in the field of consumer protection in finance, the *Organization for Economic Co-operation and Development* (OECD) created in 2008 the International Network on Financial Education (INFE)[1] establishing a set of directives and recommendations to foster the improvement of basic financial education of citizens. As a result, digitals tools (i.e. portals, platforms, websites, apps, etc.) started to emerge in Spain with the main objective of initiating and improving the financial literacy of consumers in general, and of those groups specially affected by the abusive behavior of the traditional banking sector in particular. Some of these initiatives also aimed at increasing the

[1] INFE involves public experts on financial education aiming at developing analytical work on priority policy issues as well as guidelines and good practices in the field of financial education. This network currently gathers more than 240 public institutions from over 110 countries.

awareness about the use of alternative financial services, that is, "a socially more embedded and responsible alternative to the traditional banking system, which is during crisis less accessible for lower-income consumers and as well as potentially threatening concept for those socially vulnerable groups" (Hyánek et al., 2016, p. 1).

Several were the central actors involved into the cross-sector partnerships materializing online financial education initiatives in Spain, mostly coming from public, business and third sectors (Hyánek et al., 2016):

1) From *public sector*, supervisory and regulatory bodies as *Bank of Spain* and the *National Securities Market Commission* were remarkable, from the moment they elaborated the first Financial Education National Plan in response to OECD guidelines[2]. Other national partners contributed to the aforementioned Plan, such as the *General Insurance and Pension Funds Directorate*, *Treasury* and governmental authorities as the *Spanish Ministry of Education, Culture and Sports*, which played a policy makers and regulators role. At an international level, OECD, the *G20 Finance Ministries*, the *Central Bank Governors* and the *European Commission* led the promotion of financial education in Europe.

2) From *business sector*, it was remarkable the *Spanish Confederation of Savings Banks* (CECA), a hybrid organization resulting from nonprofit and business sectors; hybrid organizations defined as "those incorporating elements from different institutional logics" (Pache and Santos, 2013 p. 972). CECA acted as a major partner within the Financial Education National Plan, together with its member entities namely banks, saving banks, and banking foundations[3], which acceded to an agreement with the Financial Education National Plan and played an active role as providers of financial education activities. Another central private actors contributing to financial education in Spain were mostly banks and savings banks, private universities, high schools, and educational centers developing financial education initiatives in the context of their collaboration with hybrid organizations.

3) The role of TSO was also central promoting SI in the field of consumer protection in finance in Spain. Moreover, this sector emerged as an elemental source of SI initiatives, especially within the areas where existing commercial and public sector organizations failed (Santo et al., 2015). The case of the *Network of networks of alternative and solidarity economy* (REAS for its acronym in Spanish) was very significant. This organization gathers a constellation of territorial and sectoral networks involving TSO interested in issues as fair trade, responsible consumption, ethical finance, and solidarity-based economy (Hayek et al., 2016). *National Union of Credit Cooperatives* (UNACC), *Junior Achievement Foundation* together with several TSO as consumer organizations e.g. *General Association of Consumers* (ASGECO), *Spanish Confederation of Consumers & Users* (CECU), and *Spanish National Institute of Consumer Affairs* (INC), also contributed remarkably to financial education in the country.

Cross-sector alliances aiming to improve the financial education through digital initiatives were particularly oriented to vulnerable groups, since these "groups are threatened by over-indebtedness and the subsequent poverty and other social, economic and even criminal problems" (Hyánek et al., 2016 p. 57), but also to society as a whole. In this sense, the beneficiaries of the online financial education initiatives resulting from the business-nonprofit-government collaboration were (potential) users of financial services, specifically elderly people, youth, children, students, entrepreneurs, unemployed, victims of eviction and preferential, and groups at risk of social exclusion.

According to the implementation dynamics of these online initiatives, two different alternative paths were revealed: "top down" and "bottom up" (Sabatier, 1986), representing broader patterns in the Spanish context. On the one hand, financial education has been encouraged by initiatives undertaken by

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[2] In 2008 the National Securities Market Commission (CNMV for its Spanish acronym) and the Bank of Spain elaborated the first Financial Education National Plan (2008-2012) in Spain, in response to the recommendations and guidelines of the OECD to improve financial education.

[3] Abanca; Bankia; Banco Mare Nostrum (BMN); Caixabank; Banco de Caja España de Inversiones, Salamanca y Soria S.A (Banco CEISS); Colonya Caixa d'estalvis de Pollença; Fundación CajaSol; Fundación CAI; Fundación Caja Badajoz; FUNCAS; Ibercaja Obra Social; Liberbank; Fundación Unicaja/Unicaja Banco.

public authorities, corporate and hybrid actors. On the other, by TSO highly involved in social issues, through the participation of their social bases not only for support, but also contributing in the decision-making processes.

'rededucacionfinanciera.es' Financial Education Online Platform

Aware of the necessity to lookout the activity of the real agents in financial education, and once joined the first Financial Education National Plan in 20092, the CECA launched the online platform *rededucacionfinanciera.es.* This online platform constitutes a meeting point for the member entities of CECA3 to share and exchange experiences, best practices, and action plans on financial education oriented to public in general but also professionals. The platform is also open to the collaboration of external actors interested in joining the social commitment with the financial education of citizens in saving and finances, through the contribution of knowledge, news, articles, activities and events to widely disseminate them among the different targets of beneficiaries. With this purpose in mind, indirect collaboration with public-business-nonprofit actors was also established, as universities, professional colleges, volunteers and associations, among others (Red Española de Educación Financiera, 2017).

Figure 1. Online financial education programs offered in the platform

Source: [http://www.rededucacionfinanciera.es/programas/], as available at 25/10/2017

From its very beginning, the online platform *rededucacionfinanciera.es* has been funded and managed by CECA, providing the necessary budget, material and human resources to successfully run it. Users are normally students, professionals from the finance sector, teachers, children, volunteers and people interested to have detailed information about courses, workshops and seminars in financial education. It was very useful as well for those groups in risk of social and economic exclusion, as unemployed or people in prison, including specific programs for the assistance of the prisoners towards work, social and particularly economic reintegration.

The value of the platform *rededucacionfinanciera.*es as online project is two-fold: on one hand, it allows access to a huge variety of financial education programs, contents and ongoing activities through three specific sections: 'News' (*International* and/or *National* range), 'Contents' (*Newsletters*, *Games*, *Podcasts*, *Publications* and/or *Videos*) and 'Programs' (*Online* and/or *Face-to-face*). On the other, users can search and screen particular information using *keywords*, *date*, and a set of financial topics categories (i.e. *Saving/Expense*, *Subsidies*, P*ayment methods*, *Financial Education*, *Employment and Unemployment*, *Entrepreneurship*, *Investment Products and Services*, *Family Budget*, *Banking and Financial Products and Services*, *Insurances*, and *Others*). In this line, they can use a common categorization of targets (i.e. *Entrepreneurs*, *Youth*, *Teachers*, *Adults*, *Children*, *Elderly people*, *groups in risk of socioeconomic exclusion*, and *general public*). *rededucacionfinanciera.es* has also impact in the most popular social networks with significant levels of followers, particularly 2.745 users in Facebook, 1.654 followers in Twitter and more than 500 contacts in LinkedIN on October 25, 2017.

'economiasolidaria.org' Financial Education Online Platform

Promoted by REAS in 2007, economiasolidaria.org was born with the main objective to fulfil communication requirements intra and inter networks, in the following terms:

- sharing agenda on REAS activities;
- serving as an operative tool for the daily activity of its member entities (i.e. as database);
- reflecting networking information, news, events, instructional materials as reports, specific documents, literature and audio-visual tools;
- having access to specific databases on responsible consumption including social market information;
- having access to an intranet for sharing an exchanging internal documents as well as an extranet including open information on the financial education activities conducted by territorial and sectoral networks together with the central network.

The nature of the financial education promoted by REAS as TSO on a basis of a "bottom up" logic, differs with the one disseminated by the "top down" logic of public and nonprofit-corporate institutions through the Financial Education National Plan. The specific aim of REAS is to encourage a way of understanding the human relationships based in a collaborative, away from profit socioeconomic model. Thus REAS, and as result its online platform, is not just focused on financial education but on any economic issue that might lead to a change towards a fairer and more social economy. In particular, fair trade, responsible consumption, ethical finance, social market and solidarity-based economy are the main topics users can access through this online platform.

Figure 2. Homepage of *economiasolidaria.org* online platform

Source: [http://www.economiasolidaria.org/], as available at 25/10/2017

All the entities adhered to REAS - organized in territorial and sectoral networks - are actively involved in updating and spreading the contents within the platform. The variety of contents hosted is vast and have been considerably increasing, gradually incorporating new information technologies tools such as audiovisual media (e.g. audiovisual catalogue on best practices since 2008), or specific information and instructional materials on financial education in alternative financial services for personal and academic uses. *economiasolidaria.org* is as well an useful channel for disseminating and joining the dispersed offer of initiatives in the country based particularly on alternative financial services (i.e. local economy experiences based on the use of social currency). Electronic newsletters are monthly sent to around 20,000 individual users and entities subscribed.

The online platform hosts an extensive amount of contents since 2008, categorized by type of resources, specifically 1.400 activities; 4.000 news; 1.200 documents; 135 bibliography references; 1.335 posts and 120 videos. Users can search and screen information by Keywords, Networks, Territories, Topics, and Categories (i.e. *ethical finance, fair trade, responsible consumption, open culture, solidary economy, work integration, environment, REAS* and *others*). The platform also includes monographic sections on Ethical Finance, Social Market, Responsible Consumption, and Fair Trade issues.

3. Questions for discussion

Question 1. In line with the cases analyzed, which is the main role of cross-sectoral actors within the development of SI in the field of online financial education?

Online financial education platforms as SI in the field of consumer protection in finance, are characterized in Spain by having been developed through the collaboration between organizations, (both intra and intersectoral) from business–nonprofit–government partnerships. Within the case studies analyzed, actors from public sector appears as crucial players in the development of this SI, since they are in charge of establishing the rules playing regulatory and supervisory roles. Hybrid organizations are also of particular relevance in the development and implementation of SI in this field. This type of organizations, - that incorporates elements (i.e. combination of roles and resources) from different institutional logics (i.e. mostly nonprofit and business sectors) - exemplify the necessity of combining collaborative efforts beyond organizational, sectoral or disciplinary boundaries for the successful implementation of SI. Finally, the engagement of TSO in the field is substantial since SI are largely produced by organizations from nonprofit sector which brings in higher flexibility and broader scope of the use of financial education via structural resources as new media and digital tools (Hyánek et al., 2016). Main actors of the first case exposed arises from the corporate domain, but their distinctive parts are often articulated through the legal forms of nonprofit associations; main actors from the second case study come from the nonprofit sector, in particular from the alternative and solidarity-based economy ecosystem.

Question 2. Are these innovative solutions in online financial education resulting from cross- sectoral collaborations in Spain reactive, proactive or adaptive?

Cross-sector alliances are expected to develop innovative solutions for economic, social, and environmental problems (addressing the social responsibilities of involved partners) from a reactive perspective - in response to external conditions or pressures –, proactively - in anticipation of potential social issues –, and finally adaptively - as result of the adaptation to emergent conditions - (van Tulder et al., 2016). The development of online financial education platforms analyzed here illustrates the extent to which cross-sector alliances develop innovative solutions from specifically both, reactive (i.e. the case of rededucacionfinanciera.es online digital platform) and proactive perspectives (i.e. the particular case of economiasolidaria.org online digital platform).

4. Conclusions

Successful collaboration between *businesses* (under their CSR strategies and corporate foundations), *nonprofit organizations* (getting first-hand knowledge on the social needs and main challengers to solve), and *public administrations* (establishing the rules through the performance of regulatory and supervisory roles), is necessary to cope with the "growing magnitude and complexity of socioeconomic problems facing societies" (Austin and Seitanidi, 2012a, p.727).

Online financial education platforms as SI in the field of consumer protection in finance are characterized in Spain by resulting from business–nonprofit–government partnerships. Actors from public sector appears as crucial players since they are in charge of establishing the rules through the performance of regulatory and supervisory roles. Hybrid organizations, mostly from nonprofit and business sectors, are also of particular relevance in the development and implementation of SI in this field, incorporating elements (i.e. roles and resources) from different institutional logics. Nonprofits organizations develop a very substantial role in this field, since SI here analyzed are mainly produced by TSO, which brings in higher flexibility and broader scope of the use of financial education via structural resources as new media and digital tools (Hyánek et al., 2016).

The development of online financial education platforms also illustrates the way in which cross-sector alliances develop innovative solutions to solve economic and social problems. This illustration especially addresses the social responsibilities of involved partners from a reactive - in response to external conditions or pressures – materialized for instance in the case of *rededucacionfinanciera.es*, and proactively perspectives - in anticipation of potential social issues – with the case of *economiasolidaria.org* digital platform (van Tulder et al., 2016). This makes special sense having in mind that financial education in Spain had been traditionally considered within the field of the social responsibility of financial institutions, not participating of broad presence in the Spanish legal system (Romero et al., 2014).

Under the right conditions, partnerships involving companies, government authorities and civil-society organizations seems to be an effective means to reduce the investment risks, foster community development and produce better and more sustainable results than traditional approaches (Warner and Sullivan, 2004). These collaborations prove that “available resources are used more effectively, new resources are mobilized, the scale and scope of solutions broadens and systemic change is achieved” (Rey-Garcia and Mato-Santiso, 2017, p. 9).

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