

5. Fitting an Octopus into the Serbian welfare state: the Hobotnica initiative

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5.1. The “story” of the case

The "Hobotnica" project ("Octopus" in English) is a social innovation initiative in Serbia aimed at addressing the unpaid labour burden faced by rural women. Developed by national-level gender activists and implemented by a regional women's association, the project was designed to alleviate caregiving and household responsibilities, enhance physical and psychological well-being, and empower women in rural communities. The program provided modular, flexible services across various areas like health, education, legal aid, digital literacy, and social support, allowing women to tailor support to their specific needs. The service also generated broader positive impacts on the users, such as increasing their social connectivity and opening new economic opportunities to them.

A unique aspect of Hobotnica is its structure, designed to be adaptable to local contexts with limited resources. By targeting rural women, who are often marginalised in both social policy and economic opportunities, the project highlighted the intersectional challenges of gender, economic inequality, and geographic isolation. Through a user-centred design, it gathered insights on the needs of the women it served, underscoring the importance of addressing specific community needs, which are often overlooked in the more standardised social policy approaches.

The project's short-term funding model limited its sustainability in the original format, but it demonstrated to local communities the value of localised, intersectional social investment-oriented delivery of social services. The challenges of running Hobotnica after the expiry of two rounds of donor funding (GiZ and UN Women) highlight structural limitations of the Serbian welfare state. The existing legal and institutional framework hinders social service delivery that is oriented towards social investment and away from cash benefits for the poorest of the poor, making it very difficult to sustainably invest in people's wellbeing and capabilities.

Hobotnica's impacts also extended beyond immediate localities it served, stimulating dialogue on unpaid female labour and inspiring new activist ideas for the project stakeholders. The case study thus highlights the importance of considering both direct and indirect impacts in evaluating social innovation projects and calls for the development of more supportive institutional and governance frameworks to enable the delivery of cross-sectoral and modular services that can support the adaptation of marginalised communities to the new megatrends.

5.1.1. The case and its context: Modular support for unpaid female work in rural areas

Hobotnica (Octopus, in English) is an innovative, gender-responsive service developed as a donor-funded project by national-level activists and consultants specialising in gender equality, social protection, and gender-responsive budgeting. The project was implemented by a Serbian regional female association called Žensko udruženje kolubarskog okruga - ŽUKO (Women's association of the Kolubara region). This initiative emerged as a grassroots activist effort to address the issue of unpaid female labour in rural areas. It was developed in the wake of the COVID-19 pandemic, during which the topic of unpaid female work gained urgent attention from the national gender-focused activist community.

The service was targeting women in small municipalities and rural areas of Serbia who are overburdened with caregiving responsibilities and unpaid household work. These responsibilities come at the expense of their leisure time, income generating activities, and even their physical and mental health. The project responded to the reality that women's work is unending, draining their resources and limiting their ability to sustainably improve their socio-economic status. The coronavirus pandemic presented a crucial opportunity to launch the service in 2021, as the already disproportionate care burden on women worsened when the state withdrew even the minimal support services previously available. The project was carefully designed to protect participants' safety, with adequate precautions—such as holding initial support events online, wearing masks at in-person meetings, and strictly following health guidelines.

Hobotnica's design consists of eight elements, or sub-services, that work together to reduce the burden of unpaid household and care work on women. Interviewee 1 emphasised that the eight elements represent eight arms of the octopus, visualising the constant multitasking expected of women in their stereotypical gendered roles. Interviewee 2 echoed the same symbolism, saying that women are often expected to 'be like an octopus'. She added,

“We always tell our families and our kids, I don't have 10 hands, I'm not an octopus”.

The eight elements of Hobotnica are:

- Love Yourself – Support for the physical and mental health of women. Two general practitioners and two psychotherapists were engaged to provide this service.
- Support Knowledge – Provides assistance to children of the beneficiaries with homework and studying at home.
- Empower Yourself – Provides legal support in various areas.

- Get Trained – Distribution of digital tablets to beneficiaries who, through an initial survey, expressed the need for additional training in the use of IT equipment, while also indicating that they do not own their own IT equipment.
- Unite – Advisory and organisational support aimed at encouraging women from rural areas to form associations.
- Get Transported – Organising transportation for beneficiaries to increase mobility, due to the lack of public transport and private vehicles.
- Socialise – Aimed at reducing social exclusion among the beneficiaries.
- Take a Break – Includes a joint one-day trip for the beneficiaries, fostering the creation of positive and shared memories, and a break from their daily routines (not implemented by the time of the pilot evaluation due to lack of budget).

Figure 5. The logo of Hobotnica



Hobotnica is innovative because it spans multiple social policy areas, addressing health, education, training, digital literacy, employability and gender rights in a holistic way. This approach allows it to respond to various needs that do not fit neatly within one sector. The service is also designed to be flexible and modular, enabling it to 'expand' and 'contract' its services as needed, while maintaining a controlled level of standardised quality. The modular design of the service was created with cost-effectiveness in mind as well, aiming to tailor it to small municipalities with limited social protection budgets and personnel.

The service was designed in consultation with the target users, following principles of social innovation. This involved an initial assessment of their needs and ongoing feedback from the users. The women included in the needs analysis ranged in age from 22 to 81. All interviewed stakeholders highlighted this user-driven component as essential, as it provided new insights—even for gender experts—into the specific needs of women in rural areas and their children. For example, it revealed issues such as the lack of physical or transportation infrastructure in villages, which limits women’s ability to connect and socialise independently of men.

User-driven design also underscored the importance of a modular service structure, as needs varied across households and localities. Additionally, the service design incorporated insights from the initiators’ own practice, introducing some needs that were initially less recognised by the users, such as psychological support. Interestingly, psychological support ended up being one of the most used services although it was not ranked highly in the users’ driven needs assessment (as noted in interviews 1, 2, and 4). This highlights the importance of designing services that incorporate users’ perspectives while enriching them with broader knowledge on gender dynamics and insights from other contexts.

Hobotnica is a local level initiative. The service was initially developed with the support of UN Women and GiZ funding (German bilateral donor) as well as national-level consultants working on gender-responsive planning and budgeting (two of whom were interviewed for this report). It was piloted in 2021 in the municipality of Mionica, in the Kolubara District of central-west Serbia, and the local female association ŽUKO was in charge of implementing it. In 2022, the service was piloted in another nearby municipality Lajkovac, again by ŽUKO, but now with the additional support of a national level NGO, Gender Knowledge Hub. In this second round of funding and change of location, support was provided directly by the GIZ project "Social Protection Services for Vulnerable Groups", without involvement of UN Women. The goal of the repeated piloting was to scale the initiative by expanding its coverage and duration, allowing for an evaluation of the service. Additionally, it provided an opportunity to initiate brainstorming and consultation activities aimed at achieving managerial, financial, policy, and institutional sustainability for the service.

5.1.2. Key impacts and ways these are being addressed or shaped: A potential for future scaling and a strong ideational legacy

According to all interviewed stakeholders, the future of Hobotnica in its original format is uncertain, as the service was formally discontinued once the GiZ funding was exhausted. However, inspired by the Hobotnica model, the municipal authorities in Mionica have taken a positive step by issuing a public call

to the local community, inviting them to suggest services they would like the municipality to provide. This municipal initiative, which targets not only women but all citizens, demonstrates that Hobotnica showcased to the municipal authorities the value of assessing user needs when deciding on community services.

Beyond this immediate impact on the local municipality, Hobotnica served as a broader "ideas-generating laboratory" (interview 5), acting as a catalyst for growth, capacity building, and increased national visibility for the regional association ŽUKO, which implemented it. Additionally, it sparked a broader national conversation on unpaid female labour in the Serbian society, which ŽUKO is now a part of. It also revealed new perspectives on the position and needs of women in rural areas of Serbia, even to gender experts, thus promoting policy learning on important socio-economic topics.

The interviewed stakeholders expressed a shared interest in making the original Hobotnica service more sustainably available to the pilot communities in the future. They are continually exploring opportunities to scale its methodology to other localities across Serbia, and potentially beyond. However, they hold varied perspectives on governance challenges and the initiative's most desirable outcomes—a common occurrence in social innovation projects. While some consider the continuation of the original service in the original localities as key, others are more focused on developing long-term strategies that would involve a wider range of organisations in delivering services inspired by the original design in places which can obtain funding and personnel to administer it.

In other words, while ŽUKO remains committed to the mission and concept of the Hobotnica project, they are seeking more favourable institutional and financial conditions to enable its continuation. In the meantime, they are developing a strategy to involve other organisations and expand the service to new local contexts. They are also using insights gained from Hobotnica to evolve their work on other issues, including national advocacy campaigns related to unpaid female labour and gendered inheritance rights for agricultural land.

5.1.3. Methodology

The selection of the case study was informed by personal inquiry and consultation with key stakeholders in Serbia, including policymakers and members of the NGO community who are actively engaged in addressing social issues. These stakeholders provided valuable insights into social policy projects, allowing for the identification of a relevant case that exemplifies a notable social innovation initiative for the Serbian context. Additionally, we ensured that the chosen case aligned with the megatrends explored in the broader WeLaR project.

A total of six interviews were conducted with key project stakeholders, five of whom have been directly involved in the project.³² The first interview was conducted with a gender expert and originator of the project idea, who identified the local organisation and context for its implementation. She also participated in the initial evaluation efforts aimed at preparing the project for national accreditation as a social service. The second interview was with the head of the regional women's association ŽUKO, which is responsible for implementing the initiative. The third interview was with a social innovation expert and consultant, who worked closely with ŽUKO to design strategies for ensuring the project's sustainability. The fourth interview was conducted with an employee of ŽUKO who was directly involved in providing services to the women participating in the initiative. The fifth interview was with a gender expert from the Gender Knowledge Hub, another female association that participated in the fundraising for the project, and who supported ŽUKO's donor management efforts. The final interview was with an external stakeholder, a former government employee with extensive experience in mainstreaming social innovation at the local municipal level in Serbia. No interviews were conducted with representatives of the local authorities, since none of the interviewed stakeholders felt they would add value to our understanding of the Hobotnica project.

Although the interview questions were preplanned according to ZSI guidelines, the interviews themselves were conducted using a semi-structured approach by the principal investigator, who has extensive experience with interview-based research. This approach allowed interviewees to freely share their own perspectives on the project while ensuring that information relevant to WeLaR was gathered.

Five interviews were conducted online and one in person. All of the interviewees signed the consent form and agreed to be recorded, following which transcripts were produced personally by the author of this report. Interview contents were coded using NVivo software, ensuring that key insights were captured systematically and comprehensively, including both complementary and overlapping perspectives.

³²I would like to sincerely thank Sanja Nikolin, Jelena Ružić, Aleksandra Vladislavljević, Katarina Ranković, Višnja Bačanović, and Aleksandar Rončević for their invaluable contributions to this case study. Their willingness to be interviewed and provide candid, detailed insights on both the strengths and challenges of the Hobotnica initiative has been essential to this research.

Although no interviews were conducted directly with the end users of the service, this report additionally draws on an unpublished evaluation study which includes interviews with beneficiaries and provides direct quotes from them. Additionally, the project's unpublished sustainability plan was also consulted. These references are listed at the end of the report.

5.2. Megatrends

Hobotnica is a supply-side intervention aimed at reducing the negative impact of household responsibilities on women's employment and earnings. In addition to alleviating unpaid care work, the service focuses on improving women's digital skills, enhancing their access to healthcare, strengthening their legal rights, and fostering cooperation and networking among them. Provision of such services can be categorised as social investment, equipping women with better training and tools to enhance their earning potential and life quality, i.e. contributing towards their social and economic inclusion. By simultaneously reducing mothers' childcare burdens and providing children with access to educational support, Hobotnica additionally strives to improve opportunities for the next generation. With its focus on women (and their children) in rural areas of Serbia, which are facing depopulation risks and demographic change, the service highlights the importance of intersectionality by addressing the multiple, overlapping labour market, social policy and demographic challenges, and the need for modularity in service design for addressing them. The Hobotnica project thus addresses several key issues highlighted by the WeLaR project.

5.2.1. Globalisation: Regional inequalities and support to small farmers

Regional inequalities, intensified by globalisation and, in Serbia's case, economic decline of the 1990s and failed privatisations of the 2000s, have left many areas economically vulnerable. While some regions have since managed to reindustrialise through foreign direct investment (FDI), others have seen limited or no such recovery, deepening geographic disparities. Alternative sources of growth have not systematically emerged in those places either, although there have been some attempts to invest in sectors like tourism. As a result, local government budgets in many regions and localities remain strained, with increasing numbers of people in need and limited resources to address social and economic challenges. As interviewee 3 described it, they are currently forced 'to keep re-financing their problems without solving them.'

Furthermore, areas that are experiencing depopulation and economic decline have been hit particularly hard by austerity measures imposed by the central government during the mid-2010s, as well as the

reduction of municipal administration personnel, which has weakened their administrative capacities. This situation was effectively illustrated by interviewee 2:

“When I come to the Mionica municipality, there is just one person in finance who is in charge of everything. When I ask who is in charge of LED, she say’s – I am, And youth and sports? I am... So this person is at breaking point”.

This combination of reduced social policy budgets and diminished capacities has reinforced ‘one size fits all’ solutions. These top-down approaches offer little room for local decision-making and consultation with the community, as they involve imposing policy prescriptions without assessing the specific local needs or evaluating which local resources could be repurposed to meet new social risks.

By providing a composite and modular service that spans across several social policy areas, Hobotnica was designed with the idea to make it particularly suitable for smaller, less developed municipalities because it is tailored to contexts with low administrative capacities and availability of personnel. According to interviewee 1, the modularity of its design enables optimisation of small municipal budgets for social services while also being user-needs driven. At the same time, through the interviews, it emerged that cross-sectoral coordination efforts and administrative capacity are still needed to deliver such composite and flexible social services. Therefore, additional hidden costs were generated over time for those delivering the service (this is discussed in greater detail in section 5.3.1 below).

Another contribution of Hobotnica to the challenge of globalisation is reflected in its support to small-scale female farmers. The government's approach to developing agriculture and rural areas is heavily skewed toward supporting larger agricultural enterprises—a trend closely tied to globalisation. While there is significant state aid directed at agriculture, the focus is on promoting large-scale landholdings, reinforcing the ‘winner takes all’ mentality (interview 1). Globalisation’s emphasis on efficiency and large-scale production further reinforces the marginalisation of small-scale farmers, particularly women, by favouring larger players in the agricultural sector.

Programmes aimed at supporting small landholders also often overlook women. In Serbia, only 16% of agricultural land is owned by women, and these plots are typically less than 2 hectares in size (interviews 1 and 4). Even when government subsidies offer additional points for farms owned by women, this is often treated as a box-ticking exercise for gender inclusion. These women rarely have genuine decision-making power on their farms, nor do they achieve economic security and independence from the land they work on.

Women who do own land tend to manage small gardens with diverse crops, like tomatoes, which require extensive manual labour and minimal technological input. This type of labour-intensive and unmechanised farming makes it difficult to generate substantial income. Additionally, the small size of these plots leaves women more vulnerable to weather disruptions and long-term challenges like climate change (interviews 1 and 4; also see section 5.2.4 on climate change).

Hobotnica steps in to address these lived realities of women in rural areas. As interviewee 1 put it, “Life in a village is a form of punishment for these women”, because they remain invisible to the policy makers. By focusing on providing the women with legal and psychological advice, digital literacy, advisory and organisational support to form associations and socialisation opportunities where they can exchange ideas and experiences, Hobotnica seeks to provide small-scale female farmers and gardeners with the support they need to improve their mental health and socio-economic conditions. By investing in their children's skills, such as English language proficiency or digital literacy, the programme has also worked towards building capabilities of the next generation (also see section 5.2.3).

While providing a foundation for tackling the challenges of labour-intensive small-scale female farming and gardening, the project stops short of providing direct support for these businesses. It does not participate in the formation of female cooperatives, for example, or in providing economic advice for setting up higher-value-added production. The ŽUKO association, however, is engaged in another complementary initiative in the same region: a digital marketplace for selling and delivering products from female agricultural producers. This initiative appears to align more closely with the Hobotnica participants' immediate financial needs, and also addresses their more structural economic conditions. Interviewee 5 emphasised the importance of also spending time and resources on local projects with such an immediate economic impact, noting that it makes sense for ŽUKO to prioritise developing such a service over Hobotnica, as it offers an ongoing and immediate economic benefit to the entire community, including to some of the women working in ŽUKO. It seemed to interviewee 5 that such efforts are more beneficial to the community than working on short-term donor-funded projects on activities that do not generate additional income and which are thus more difficult to sustain in the longer run.

In short, although supporting overburdened women's leisure time and general education and self-care through Hobotnica is valuable, it is important to also acknowledge the liberal perspective on development where women's economic empowerment can also help them to lead more independent lives, reduce exploitation of their unpaid labour, and encourage their learning and innovation. These different perspectives reveal an interesting almost philosophical tension. On one hand, the Hobotnica project hopes

that, given more free time and information, women will be able to organise themselves effectively, lead sustainable lives, seek out what interests them, and innovate. On the other hand, more recent debates which are interested in the role of institutions in the ‘little d’s of development’, would suggest instead that more structured activities and institutionalised incentives may be needed to enable economic self-empowerment and community innovation (e.g. see Avlijaš and Gartzou-Katsouyanni 2024). It is a moot competition to what extent income generation and social reproduction activities can generate synergies, and to what extent they are necessarily in an either/or relationship.

An explicitly positive role of globalisation was also identified in the interviews. While the stakeholders primarily emphasised Hobotnica’s role in mitigating the threats of globalisation to their target group, they also acknowledged that the ideas generated by the initiative took on a life of their own. This was made possible by the increased interconnectedness and the exchange of ideas among stakeholders involved in the project, which represents a positive side of globalisation. Communication and collaboration between them contributed not only to the success of Hobotnica but also positively impacted their other projects and activist efforts. This suggests that, although globalisation presents socio-economic challenges for marginalised areas and communities, it also enables connection and networking for them. This can drive creative solutions and amplify social impact, extending the project’s reach and influence beyond its immediate environment. This finding invites reflection on the potential of building social innovation ecosystems made up of many similar small-scale initiatives. However, it also raises questions about what is necessary to create a critical mass of these projects and whether scattered project-based donor funding alone is sufficient to catalyse these ecosystems into existence.

5.2.2. Digitalisation: Empowering rural women through connectivity and information access

Hobotnica’s provision of tablets and digital skills training to rural women helped these vulnerable populations adapt to the global trend of digitalisation, equipping them with skills for an increasingly digital world. The women used digital tools to access legal information, connect with other women through online groups, exchange experiences, and socialise. Having a tangible service that included a material gift, like a tablet, often increased household support for the project, as family members could see its broader benefits. Owning tablets also enhanced the women’s social connectedness, enabling them to stay in touch with family and friends across the country and even abroad. In the words of one user interviewed for the project evaluation report:

"I received a tablet and learned how to use it. Now, I’ve put my SIM card in it, and it’s useful to me. When I sit down to have coffee, I call my sister, and we video chat while drinking coffee

together, as if we are together in person. I also visit the municipal website, which they showed us how to use, to check if there's anything new for us farmers, and I check 'Lajkovac at a Glance' to see what's new, as they post updates there. Now we have a group on Viber, us women who attended the training sessions. It's great that we're connected because now we have someone to talk to, and they also notify us about anything new from the municipality. I never used to follow or know about any of this before.”

According to interviewee 1, opening these opportunities also revealed some women's 'hunger for new knowledge', sparking their interest in additional training and adult education services. Their interests ranged from learning new agricultural and plant growing techniques, to history or the arts, or even to starting a business. This illustrates how increased contact with the outside world can generate new ideas for improvement of one's own and community circumstances and create more meaningful, creative lifestyles for rural women. Therefore, although adult education was not a primary focus of Hobotnica, the digital access it provided arguably facilitated new learning opportunities for those who sought them.

The evaluation report, however, shows that most women used the digital tools, along with legal and associational support, to access information that could directly and immediately benefit them, such as information on subsidies, social assistance schemes, or something directly related to building a small business (e.g. manicure, hairdressing), rather than adopting a broader, exploratory approach to learning. Many of the women also pointed to the value of getting the tablets for themselves to use for leisurely pursuits, such as watching TV shows, talking to their friends, or searching for information on Google. This is a quote from a user interviewed for the 2022 evaluation report:

"I couldn't believe it when they called me for the training and the tablet. Even my family couldn't believe it. I've never received anything like this before."

This aligns with well-known research on how poverty shapes decision-making, often leading to short-term thinking where immediate needs often take priority over long-term investments like education or health. As notably shown by Banerjee and Duflo (2012), scarcity can limit cognitive bandwidth, making it challenging for individuals to engage in activities that don't provide immediate returns, such as broader learning processes and investment into their futures.

5.2.3. Demographic change: Building rural resilience and providing alternatives to migration

More women than men leave rural areas in Serbia, primarily due to limited employment opportunities and their traditional exclusion from land inheritance (according to interview 1). This disproportionate

migration of women from already depopulating areas worsens existing demographic challenges, as their departure accelerates population decline and weakens rural communities, which rely heavily on women's unpaid care and community work. Furthermore, there are no government initiatives to support social activities or improve quality of life in villages. For example, while a government programme offers houses to young people who return to rural areas, there is no investment in complementary activities. As interviewee 1 noted, everybody eventually leaves because "a house is not enough to keep you in a village".

Hobotnica tackles this megatrend by providing lifestyle content and empowerment to women in rural communities, making them more likely to stay (also see section 5.2.1 on globalisation). It also connects their children to the world from their own communities, encouraging them to imagine the possibility of starting their own rural or agricultural businesses one day that could generate good income and contribute to local development, rather than viewing migration as the only option.

The evaluation report contains interviews with a number of project participants, many of whom expressed how valuable it was to access new information through Hobotnica, socialise with other women, and get psychological support to cope with the everyday challenges of rural life without adequate state support. As one service user shared:

"We learned a lot through this programme. We have an association of mothers of children with autism. Through the programme, we took initiative, and the women from ŽUKO taught us how to write statements that we sent to the media and the municipality. We received a tablet, which I now use for the association's work; it's the only thing I don't let the children use, so they don't break it."

She then went on:

"A psychologist is something that everyone needs, but especially those of us who care for other sick individuals, so this was particularly meaningful to us. The municipality should provide us with a psychologist because we will survive everything, but in the end, we will go crazy."

5.2.4. Climate change: Climate resilience and sustainable tourism education can be integrated into the project in the future

Although tackling the impacts of climate change was not a primary focus of the Hobotnica initiative, interviewee 1 believes that this megatrend could easily be integrated into the programme. The programme could be adapted to include education on climate resilience strategies for rural farming communities. By equipping women with knowledge and skills to adapt to changing climate conditions, the initiative could

promote more sustainable agricultural practices. This could include training on drought-resistant crops, sustainable farming techniques, and methods for reducing the environmental impact of farming activities.

Incorporating climate resilience and sustainable tourism education into the existing framework would not only improve the women's economic stability but also enhance the long-term sustainability of their rural communities. As rural areas are often disproportionately affected by climate change due to their dependence on agriculture, such measures would align the initiative with global efforts to combat climate change while supporting social and economic inclusion. Moreover, by supporting small-scale female farmers who are particularly vulnerable to climate change impacts in other ways, the Hobotnica project has already contributed to local adaptation efforts to this megatrend.

5.3. Impacts

Hobotnica was a small scale, highly localised initiative which was implemented only in two locations over a period of less than two years. As of November 2022, when a qualitative evaluation study was conducted, the composite Hobotnica service had been used by a total of 89 women, 30 girls, and 27 boys. The total number of services used by the beneficiaries was 245, meaning that women, on average, used 2.7 or nearly 3 services. This evaluation results suggest that this service, within 5-7 months in each location, contributed to alleviating the burden of unpaid labour for women and improved their overall well-being and quality of life. The evaluation report, however, does not contain a quantification of these effects, but is based on qualitative testimonies from service users collected via interviews and focus groups. Based on these data, users reported improvements in their mental health and that they felt better about themselves. Some women finally underwent medical examinations they had been postponing and received answers to health-related questions and explanations from doctors. The users reported feeling better informed on topics of interest, gained new skills, and had more motivation. Their social lives became more enriched, and they had the opportunity to prioritise themselves, even if only briefly. Participants also reported a greater readiness to try new things, and a growing desire among women to initiate positive changes in either the private or public sphere. All these micro-changes collectively contributed to improving the quality of life for rural women and their children. In addition to the direct users, the evaluation report notes, unfortunately without providing additional details, that schools also recognised the value of the service, noting improved grades among the children who participated in the "Support Knowledge" service.

The initiative also improved the users' access to information and made them better connected to the community as well as a wider network of people. This aspect was achieved by increasing their access to information and connectivity, not only via digital tools but by providing them with other forms of support,

including legal, psychological, and associational expertise. Quoting one of the users from the evaluation study:

"We don't have anything in the village, and we aren't that educated to know much. Whenever I need something, I either give up or I have to spend 10 days figuring out how things work. It meant a lot to me to have someone I could call to ask about subsidies, loans, and I even called for information for my mother, who is a person with a disability."

Interviews with the stakeholders also revealed additional unintended labour market effects of the initiative on those who were implementing it, which are discussed below.

5.3.1. Labour market: Indirect impact on participants and hidden costs for service implementors

Indirect impacts on the local labour market

Although Hobotnica's primary aim was to support women with unpaid care work rather than directly impact their labour market adaptation to the new megatrends, some participants reported positive effects on their economic activities. Many women gained access to new information, legal assistance, and community support, which helped boost their income-generating activities in small-scale farming. Additionally, the evaluation report highlighted that a few participants used the tablets and legal aid provided by the programme to start their own businesses.

"I use the tablet to search on Google, mostly for information on agriculture and manicures. I gather ideas and knowledge. I attended a manicure training, but I had to stop because I couldn't afford it. I haven't started working independently yet because the materials and tools are expensive."

"I got married after school and never had my own hair salon, but I did hairdressing for people in the neighbourhood at their homes. During the program, with the help of a lawyer, I registered and opened a shop in a space where I converted a garage and received some support. Now, with the tablet, I watch everything related to my work on YouTube and use it to order consumable materials."

In this sense, the initiative also contributed to the digital literacy and upskilling of the target group and helped reduce information gaps that they faced when seeking income-generating opportunities. Several participants noted the positive impact of having more free time as a result of the programme (e.g., reduced time spent on transport, support for children's learning, and easier access to legal and administrative information), which could potentially enhance their labour supply by freeing up time for income-generating activities.

Additionally, Hobotnica created indirect, long-term labour market benefits for the next generation by exposing participants' children to individuals with diverse life experiences. Interviewee 4, who taught English to children in the community, reflected on how sharing her educational experiences and the benefits of learning English helped inspire the children. Many of these children come from rural backgrounds, where their families expect them to follow similar paths. However, she noted that these children have potential beyond what their parents might envision, even if they remain in agriculture. Learning English allowed them to connect with people from outside the community, gain new ideas, and access knowledge that could support their futures, including adopting new agricultural technologies or developing rural tourism. Interviewee 4 emphasised that speaking English was key to unlocking these opportunities. Through casual conversations during lessons, instructors who had studied abroad—one through Erasmus in Italy, another in the United States—helped broaden the children's perspectives, exposing them to ideas beyond their immediate surroundings. These indirect project effects illustrate how even small learning opportunities can provide new meaning and perspectives, creating ripple effects for everyone involved and providing alternatives to migration from rural areas.

[Hidden labour market costs for service implementors](#)

Interviews with the stakeholders also revealed a mix of positive and negative labour market impacts for those involved in implementing Hobotnica. Although the interviewees primarily focused on the experiences of the end users, important institutional and social policy governance related lessons can be drawn from examining how the project affected the service providers.

On the positive side, Hobotnica provided innovative employment, learning and national visibility opportunities for women from ŽUKO and their collaborators involved in the service delivery. However, as the initiative was designed as cost-effective and highly modular, so that it could be implemented in smaller, less developed municipalities, delivering it resulted in unsystematic implementation due to the hidden costs for those implementing it. This issue, indirectly raised by interviewees 2 and 4 and more explicitly by interviewee 5, reflects a concern that Hobotnica's budget did not fully account for the true costs of implementation.

Namely, Interviewee 1 also noted that delivering a flexible and modular service is generally challenging because, when hiring someone to implement the service, there is a need to guarantee them a certain amount of work. This creates a risk of precarious employment for those involved in service delivery, as they may end up being hired on zero- or minimum hour contracts. It is thus important for such projects to also consider how to protect service providers, who often belong to the more vulnerable groups

themselves (e.g. low-earning women, single mothers, etc.). This underscores a significant policy challenge, as many implementers face similar vulnerabilities as the populations they serve, despite having better education or social positioning. Calls to solidarity and mutual aid are often the spiritus movens of such initiatives, but they can lead to their burnout and financial unsustainability over the longer-run. During the COVID-19 pandemic, some people were not able to go to their regular jobs, which gave them the flexibility to deliver the service, but to employ service providers properly in the longer term, they would need some job security. Moreover, ŽUKO employees themselves delivered some of the services, such as English language tuition, because they had the knowledge to deliver it at that level, while

„the real professors were too expensive for the available budget offered by the donors” (interview 4).

This issue highlights an economic reality: pro-development initiatives cannot achieve sustainability without adequate resources. Without sufficient funding, these programmes risk depleting the already scarce resources they are intended to replenish. Donors as well as other stakeholders in social innovation projects should be mindful of such challenges when defining project deliverables (this concern was also raised in interviews 3 and 5).

To take this self-reflection on inadequate compensation for the expected efforts further, interviewee 5 also questioned why the project founders and donors hadn't requested additional funding to cover the real costs of the service. She suggested that the urgency of the pandemic may have influenced their decision to accept limited resources rather than risk securing none at all. She added that even major funders, like UN Women, might have missed the opportunity to secure more sustainable funding due to their own reluctance to 'rock the boat' and challenge existing frameworks. This points to a tension between 'putting the blame' on structural conditions which limit access to resources for certain groups and thus nurturing hopelessness, vs encouraging more pro-active 'lean in' and assertiveness related attitudes, which can sometimes work and even generate hope, but are likely difficult to sustain in the longer-run without adequate institutional structures to reinforce them.

Such issues highlight a broader challenge within feminist and social movement contexts, and normatively driven organisations or professions, where the work a person does to help marginalised individuals is 'never enough'. In other words, work aimed at supporting vulnerable and exploited populations can paradoxically lead to self-exploitation among implementers, as the low cost of a service often reflects an undervaluation of the real labour and resources required for these efforts (e.g. see Fraser, 2017).

Therefore, while useful for the service users, modularity and cross-sectoral complexity can have ‘a dark side’ in national contexts with too much labour market flexibility leading to precarious employment which may not ultimately serve the interests of service providers. Interviewee 1 highlighted the structural challenge of delivering flexible social services in a highly inflexible welfare state such as Serbia, by drawing onto the example of Sweden where local organisations can deliver various social services, while they are being trained, monitored and managed by larger non-local organisations that specialise in the supervision of such local service providers. But Sweden is famous for its flexicurity oriented welfare state, where flexible employment is adequately balanced by social security benefits that remove the risk of experiencing precarity due to labour market flexibility (Avlijaš et al. 2021). The Serbian legal framework for labour market regulation and social services provision is very limiting in this regard. There is no flexicurity for the labour force, while the law also does not allow non-local organisations to be financed by local municipalities. Nor does it allow for multi-annual financing frameworks which would offer some stability to organisations that are delivering services (this should change with the adoption of programmatic budgeting which is planned). Instead, organisations working in social service delivery are never sure what is going to happen to their budgets from one year to the next.

In sum, the labour market experiences from the implementation side of the project highlight two interrelated but distinct challenges:

- i) There is a structural undervaluation of social reproduction work, making it difficult to secure sufficient funding to alleviate some women of this burden while not overburdening or exploiting others.
- ii) Delivering affordable, comprehensive, modular and user-responsive services in legal and institutional settings that are inadequate for delivery of such services generates unsustainable ‘hidden’ costs for those attempting to implement them.

While the first challenge was widely recognised and understood by the interviewees who were well versed in feminist ideas, there appeared to be less awareness of the institutional and welfare state foundations necessary to avoid self-exploitation in this type of service delivery. Instead, most of the interviewees spoke about a need for more dedication, enthusiasm, resilience, and even personal sacrifice to maintain Hobotnica’s original vision, though they reluctantly admitted that “it was just too hard to continue this work” (interview 5). This suggests that the implementers may have internalised a social norm that inadequately remunerated work, sustained by passion and ‘flexibility’ should be a sufficient driver of social change, regardless of the institutional setup that does not support social investment.

This underscores the need for greater awareness among donors and experts about the governance challenges which arise not just from a general lack of state capacity but also from structural incompatibilities between certain welfare state models, labour market regulations, and the more progressive, investment-oriented, intersectional approaches to social service delivery that we see in the Nordic countries. Addressing these structural barriers requires much more than simply doing the work within the existing system. It involves pushing back against entrenched economic and political disincentives to shift social policy in the direction of tackling new social risks, which are often reflected in uncooperative and punitive institutional frameworks that are particularly resistant to change.

5.3.2. Welfare state and public finance: Revealing institutional constraints and evolving monitoring needs of social policy delivery

Hobotnica's challenges in sustaining the service beyond donor funding highlighted the shortcomings in Serbia's legal and institutional framework for social policy. It illustrated the ways in which the system has difficulties in shifting toward a more adaptive, social investment-oriented welfare state that can respond to the emerging megatrends studied by WeLaR. The challenge is not solely in the lack of administrative capacity to administer more complex services. If the issue was only in the lack of municipal capacities to deliver the service, non-state actors would be able to sustainably provide the service instead of them. The larger challenge lies in the absence of a supportive governance structure that non-state social policy actors can rely on, even when these actors are willing to offer services instead of the state. This leads to over-exploitation of their resources and their inability to shield themselves and their employees or collaborators from the adverse impacts of flexibility (e.g. by providing a combination of flexicurity arrangements which can offer institutional support for flexible forms of employment).

The project's focus on gender and social reproduction also underscored how addressing the so-called new and complex social risks via social policy is directly linked to the ability of communities to adapt to the emerging megatrends. This points to the important role of social investment in tackling both the adverse effects of the megatrends, such as the deepening regional inequalities, digital literacy gaps, demographic ageing and outmigration from rural areas, as well as their positive impacts such as enabling these communities to benefit from greater connectivity, knowledge exchange, and innovation that characterises this 'new era'.

Additionally, Hobotnica highlights the tension between the need for a more modular and adaptive approach to social policy project design and implementation and the current emphasis of both donors and national authorities on traditional monitoring and evaluation metrics. The project shows how we miss out

on a lot of spillover effects if we solely measure the success of social policy projects by their duration or the number of users served. Their role in demonstrating new possibilities to the stakeholders, fostering learning among all participants, and generating positive spillover benefits for the community and beyond, should also be acknowledged and resources allocated for it.

Uncovering institutional challenges in welfare state design

There are structural limitations in Serbia's welfare state restrict the delivery of services which have the potential to strengthen the adaptability of local populations to the four megatrends. This is the case even when the services are delivered by non-state actors.

The policy and budgetary undercapacities of local governments in Serbia due to globalisation, but also the crisis and de-development of the 1990s (as discussed in section 5.1.1), have been further reinforced by the absence of a future-oriented social investment agenda in Serbia's overall social policy design. This absence has led to significant and growing underinvestment in human and social capital, especially for vulnerable groups, as the system solely focuses on the provision of basic cash benefits to the poorest and to the unemployed. These difficulties in shifting towards a social investment oriented welfare state which would ensure better preparedness of the population for ongoing and future challenges brought on by the four megatrends that we focus on in the WeLaR project, are well established in social policy and political economy literature on Central and Eastern Europe (Avlijaš 2022; Avlijaš, Hassel, and Palier 2021), where many growth strategies closely resemble that of Serbia. Namely, countries in the wider region that have pursued reindustrialisation driven by foreign direct investment (FDI) have not had structural economic or political incentives to reorient their social policy design towards social investment. Serbia corresponds to such a typology of the welfare state, with sporadic social investment-oriented interventions only taking place via donor-funded activities. This social policy focus on the so-called traditional Bismarckian state limits the potential for social policy to facilitate community adaptation to global megatrends and to enhance local resilience to global changes, especially in localities which are negatively affected by the deepening regional disparities.

As already discussed, legal and institutional constraints that are related to the functioning of the welfare state and labour market regulation in Serbia generate hidden costs even for non-state actors who use donor funding to implement services that go against the overarching logic of the Serbian welfare state. Institutional settings, such as the relationship between the deregulated labour market and the welfare state, affect grassroots stakeholders negatively because they keep them stuck in cycles of self-exploitation.

This is not a sustainable setup as it generates many costs for the implementors, as indicated by the inability of Hobotnica to achieve duration in its original form.

The process of implementation of Hobotnica also shows how gender focused social policy interventions that cut across multiple social policy jurisdictions and often require modular design and flexibility can reveal what otherwise would remain hidden social policy needs. This observation is in line with feminist research which argues that the feminist methodology is about uncovering important social processes that otherwise remain hidden. To that end, Hobotnica also inspired national-level awareness raising campaigns on unpaid female labour and inequalities in female access to resources, including the ones ran by ŽUKO itself, and will continue to inform national policy making.

The needs assessment-oriented methodology of the project seems to have achieved more resonance with the local authorities, as it inspired the municipal authorities in Mionica to start asking different vulnerable groups what types of local services they need (these types of efforts likely align with local electoral agendas, so this effect is not that surprising). This indicates that such a user-driven approach resonates with a more rigid welfare state structure, showing an entry point through which social movements can start engaging with the system.

[Monitoring and evaluating composite modular services](#)

The modular and flexible approach of the Hobotnica initiative offers a model for addressing diverse and evolving needs in vulnerable communities. This flexibility, however, brings complexities in monitoring and evaluating by traditional means projects that are based on evolving user needs. This points to a need for developing methodologies and securing resources that can go beyond monitoring short-term service delivery metrics.

The finding from evaluation study that each woman, on average, used around 2.7 (or nearly 3) services support the core premise of Hobotnica: that a single service cannot fully address gender inequalities or meet the needs of women in rural areas. The modular service design allowed women to choose the sub-services that provided the most immediate support, acknowledging that they often lack the time to use all available options, even though they could benefit from them. Over time, the same user may require a different combination of sub-services. The interviewees who were directly involved in project design were committed to defending its modularity, as they were often asked by donors and local authorities why they needed to provide 'so many services' and questioned on whether this approach was truly cost-effective and efficient in terms of resource use. Moreover, some stakeholders also questioned the need for some of the services after the pandemic, especially transportation and support for children's online learning.

Interviewee 5 specifically questioned the necessity of making the service so modular and multi-faceted, arguing that while this approach was beneficial for end users, such complexity may have limited the service's long-term sustainability and its potential adoption by local municipalities.

Responding to such concerns, Interviewee 3 explained that the most innovative aspect of Hobotnica lies in its structure: it has a stable “head” of the octopus representing the core foundation and concept of the service, while the “tentacles” are modular and adaptable, responding to specific user needs and changing external circumstances. Such design encourages the women to prioritise their own needs and adjust these priorities as necessary. Other interviewees also argued that the modular design and the variety of sub-services allows Hobotnica to maintain relevance and resilience over time.

For example, two interviewees noted that the English lessons they provided to children, which were initially meant to support online learning during school closures, ended up addressing a broader need of preparing children for their futures. Therefore, this need turned out to be not only related to online schooling during the pandemic, but also to the general lack of access to high-quality English classes, even within the regular school system (interviews 2, 4). Another interviewee pointed out that the importance of transportation for women ended up being less about getting to work, but about

“shopping or going to meet with their friends and support groups in town. You have a tavern in every village where men drink, but you don't have a patisserie where women would get together” (interview 5).

In other words, their transportation needs evolved from simply providing mobility during the pandemic to meeting a broader need by helping women with social activities and personal errands they wished to handle independently, without male involvement.

This draws attention to the fact that in order to monitor social policy interventions whose goals and deliverables are continually adapting to changing circumstances, on the one hand additional space and resources in project design are needed for learning and adaptation activities, rather than providing just delivery of the service and basing evaluation only on numbers of users and services. On the other hand, it points to the fact that there needs to be some balance between perfect flexibility and modularity and real-life constraints of service delivery, which includes an institutional and legislative framework that reinforces self-exploitation of those delivering the service (as discussed in section 5.3.1).

Demonstrational value and spillover effects

The case study also draws attention to the limitations of traditional project evaluation methods, which focus on quantitative outputs (such as the number of services delivered). Instead, it suggests that the value of such projects might lie in the qualitative changes they inspire, the knowledge exchanged, and the long-term shifts they stimulate in the community.

Interviewee 5 and interviewee 6 found that Hobotnica brought a lot more value to the local community and activist circles than seems to be the case if we only look at the project metrics. Their take was that social innovation is about experimenting and exposure of communities to new ideas and ways of doing things, and that its purpose is to showcase new possibilities, foster creativity, and stimulate problem-solving within a community. Both interviewees emphasised that social service projects as pilots or experiments can inspire change and lead to scalable solutions even after they are over because their ideas can spill over to other initiatives. Interviewee 5 expressed their enthusiasm for the demonstrational value of Hobotnica in the following way:

"We are always dreaming about how things should look, what needs to happen. I was thrilled that this could actually happen, this Hobotnica, and that it could show the local community that it is possible, that it's not unattainable." Interviewee 6 backed this view by stating that "the point of social innovation is not for you to take over the core functions of the state, it is supposed to serve as an input for public policy design, because it allows you to make mistakes and take risks that you cannot take with government funds."

Both interviewee 4 and 5 also pointed out that they were frequently using Hobotnica as an input and a best practice for other projects they were working on. Hobotnica was thus demonstrating to other contexts and environments how women can support one another, share resources and access external ones.

Interviewee 5 also found it very educational to learn about the specific needs of women in rural areas from the experiment, lessons that she could then integrate in her other policy consulting work. Another illustration of spillover effects for those who were involved came from interviewee 4, who stated the following:

"We were connecting with others and trying to implement the general goals of the association. Sometimes I feel like I'm going in circles, dealing with the same topics, but then I realise how interconnected these issues really are. I found the experiences from Hobotnica especially useful for working on the "What Is My Share?" social media campaign at the national level (an awareness

raising campaign focusing on the gendered nature of land inheritance). I have referred to insights on unpaid work and undervaluation of women from Hobotnica countless times to this end.”

The interviews thus revealed two main perspectives among those involved in the project. Some participants express disappointment that the service has not become a sustainable, long-term solution for the involved communities, while others emphasise its value as a learning model with potential for adaptation and transfer to other contexts. Notably, those more engaged in on-the-ground service delivery were more focused on its experimental and transferable components. This aligns with earlier observations (see section 5.2.1) on how certain positive aspects of globalisation—such as exposure to national-level policy discussions—have allowed local groups to gain visibility, learn from broader social policy initiatives, and explore ways to expand their own impact beyond limited, underfunded local service provision.

In contrast, those who originally conceptualised the project are understandably more invested in seeing it continue in its initial form. This difference in perspective is natural, as implementers are often more attuned to the evolving nature of such projects and the constraints they face in practice. Recognising these different viewpoints can enrich future approaches by balancing the need for sustainability with flexibility for learning and adaptation to the evolving needs of all project participants (in line with Hobotnica’s motto), and not just the end users of the service.

Hobotnica thus also served as a valuable social experiment, showcasing the complexity involved in managing social innovation projects that aim to build human capabilities through a mix of services and require coordination among multiple stakeholders (see section 5.4 for more details on governance). Beyond benefiting end users, it also empowered the local women involved in delivering the service. The design and implementation challenges identified through this experience offer valuable lessons that can be applied more deliberately in future similar projects. Moreover, these additional effects show the limitations of only narrowly monitoring and evaluating service delivery instead of its broader impact on the community and beyond.

5.4. Social innovation

Hobotnica also generated important insights and lessons on the challenges of governing social policy innovation in the age of the new megatrends. The interviewed stakeholders expressed a shared interest in making the original Hobotnica service more sustainably available to the pilot communities in the future and in exploring opportunities to scale its methodology to other localities across Serbia and potentially further afield. However, they also had varying perspectives on what ‘true success’ of the initiative would

entail, which is rather typical for social innovation projects. While some see continuation of the original service as a key token of Hobotnica's success, others are more interested in developing longer-term strategies that would involve a broader range of organisations in the process of delivering services to women that are inspired by the original design, but more sustainable in terms of the design that can realistically be supported by local communities. ŽUKO has been attempting to secure government funding for the continuation of the service, but they have thus far been unsuccessful. Part of this difficulty, they feel, stems from issues related to state capture in Serbia, where political connections are often essential for accessing government resources, and feminist projects like Hobotnica are not prioritised (interview 2). At the same time, ŽUKO also acknowledges that securing funding solely for service delivery in its original form hasn't been their top priority. From a strategic perspective of their own organisation, they are more interested in scaling the Hobotnica model to other municipalities and working with other local organisations to train them for service delivery, rather than continuing fundraising and direct implementation in the existing locations by themselves. This links back to the discussion in section 5.3.2 where there are also evolving needs of the organisations involved in the implementation, but also hidden costs for them from continuing to stay tightly bound to the original concept.

When it comes to the role of local authorities, interviewees 1 and 2 believed that having them fully take over service delivery would be a key step towards sustainability 'in an ideal world.' However, all interviewees expressed significant doubt about the government's ability to manage such a flexible service design, even though they were not unfriendly to the initiative and took some generic interest in its activities. In fact, the Mionica municipality learned through Hobotnica about the value of conducting a needs assessment before delivering services to its population is already an important contribution of Hobotnica for raising local social policy capabilities. Moreover, interviewee 2 told me they had a meeting with the Ministry of Labour and Social Policy over something else, where they mentioned the initiative Hobotnica without realising ŽUKO were the ones implementing it, "and they were shocked that Hobotnica was actually us".

This shows that Hobotnica has become genuinely visible among the social policy bureaucracy, and that they are interested in its principles. These insights support the claim that was made in section 5.3.2 that a lack of state capacity or interest is not the only problem, but that the institutional design of the existing welfare state in Serbia presents a bigger challenge to generating economic and political incentives for social investment policies. If Serbia were an EU member state, the Recovery and Resilience Facility (RRF) could be drawn upon as a supranational institution and source of funding, to recalibrate some of the existing ways of approaching social policy design.

At the micro-level, interviewee 3, who developed a sustainability plan for the initiative, suggested that there are several other ways to finance the service, including private sector involvement, contributions from users (as not all are in precarious financial situations), and community-level crowdfunding efforts. No efforts have yet been taken to explore these alternative sources of funding in practice.

Interviewee 1 felt that the donors were also “complicit” because they were not interested in pursuing sustainability of social innovation services that they fund. Once they complete their project and they get an award and “brownie points” for implementing it successfully, they move on without actual concern for the users of the service and what happens to them afterwards. They expect small local organisations without any capabilities, who are burdened with their own survival, to have the power and time to lobby the central and local government to accredit the service and mainstream it. Interviewee 1 summarises this issue as a stand-off where those who understand what the service is meant to do have no budget and capabilities to deliver it, while those who have the capabilities and could find a budget (because the budget is there and can be used from various sources) do not understand why the service should be implemented or have interests that are not aligned with the interests of the end users.

The overall impression from the interviews is that the initiative was created as an urgent response to a growing need during the pandemic, using leftover donor funding and goodwill to get it off the ground under extraordinary circumstances. However, there were no clear and formal expectations from the onset that the initiative would lead to the development of a long-term institutional infrastructure. Those delivering the service, however, never really promised to the end users a sustainable service that they would continue to deliver in the long run. The sustainability plan was developed later during the second pilot phase but wasn't paired with a funding source substantial enough to allow members of the local organisation to fully commit to ensuring a transition to sustainability over several years. Additionally, the plan didn't provide an option for the local organisation to choose a path other than sustainability without it being perceived as a shortcoming in terms of the project's vision. As a result, the limited resources available for pursuing sustainability, along with an ambitious plan that didn't fully align with those resources, may have created some tension among participants. This dynamic highlights the importance of aligning sustainability goals with realistic funding and planning to maintain collaborative trust and ensure that all partners feel supported in their roles.

To counterbalance this dynamic between the stakeholders, and taking a broader central government perspective on social innovation, interviewee 6 explained that it is nobody's job to do the work that the government fails to do, but that the idea behind social policy experimentation is to provide some examples

of what is possible, and ideas and inspiration to policy makers, which then might or might not then be taken on board. This cannot be done by the risk-averse public sector and its social policy budgets and institutions where there is not much room for “making mistakes and learning from them”. They also pointed out to social innovation is generally a long-term effort which requires “pushing the stone uphill” without getting easily discouraged or believing that you have failed just because the stone is not on top of the hill. Interviewee 3 made a similar point:

“Donor funds are very important for piloting purposes because they allow something to be tested and experimented around. It’s very difficult for a local municipality to separate funds for experiments.”

In summary, the ambitious expectations set by the project’s conceptualisers played a crucial role in getting Hobotnica off the ground. However, the vision for long-term sustainability was built on limited resources and faced significant institutional constraints, leading to hidden costs for those implementing the project. Some interviewees expressed that these concerns about sustainability sometimes overshadowed the initiative’s actual achievements and the valuable, though less tangible, knowledge spillover effects it generated. This focus on measurable outcomes is understandable, as we often seek concrete results and lasting changes when aiming for social impact. However, it’s important to recognise that social innovation projects, like Hobotnica, offer unique value precisely because they provide space for experimentation, learning, and growth beyond immediate expectations. Such initiatives not only benefit end users but also empower implementers by equipping them with new skills, insights, and connections. This capacity-building effect enables them to address other community challenges that align with their interests and motivations, potentially leading to new and impactful solutions over time. In the words of interviewee 4:

“I think we are also learning throughout this entire process, and it really meant a lot to me, and I am happy to have been a part of it.”

However, adapting this more comprehensive social innovation mindset would require programmes, institutions and organisational human resources which recognise the value of these indirect effects and open-ended processes of capacity building, and which plan and allocate resources to them. This is precisely what a social investment framework would hope for, as it is not only concerned with social investment into the poorest of the poor, but in raising people’s capacities more broadly.

5.5. Conclusions

What's New: Hobotnica introduces a modular, user-responsive service model in Serbia, specifically tailored to the needs of rural women burdened with unpaid care work. This approach is innovative within Serbia's social policy landscape, where traditional welfare services are inflexible, compartmentalised by sectors (e.g. health, education, social assistance), and typically focused on cash benefits for the poorest. The initiative emphasises the importance of the more holistic and encompassing social investment for adaptation of rural communities to the new megatrends. Such an approach addresses not only the immediate needs of the community members, but also enhances their long-term well-being, develops skills, and builds their community engagement and resilience. Improvements in social connectivity, personal empowerment, and enhanced economic opportunities for rural women were also observed.

What's Surprising: While the project was designed to alleviate unpaid labour, it also sparked demand for adult education, entrepreneurship, and community engagement among participants, illustrating the ripple effect of services that support social reproduction on the one hand. On the other hand, the project revealed a significant gap in Serbia's institutional and legal frameworks that generates hidden costs for the implementation of such progressive, adaptive social services. This finding suggests that innovative social experimentation often reveals structural limitations within certain welfare states, that go beyond inadequate state capacity to deliver services. In addition to that, these structures generate extra hidden costs for those attempting to implement such services.

What the Case Stands For: Hobotnica serves as an example of how grassroots social innovation and experimentation can address challenges arising from globalisation, digitalisation, and demographic decline, and especially those that affect intersectionally marginalised groups, such as rural women. It illustrates the potential of composite, modular, and flexible social services that are driven by user needs to support communities while also leveraging digitalisation and positive aspects of globalisation, such as increased connectivity and knowledge exchange among various stakeholders, including international donors, local organisations, and national-level experts. The case also has a demonstrational value in showing what a shift from a purely cash-based welfare system to one that invests in human and social capital would entail, while also highlighting how the overarching legislative and institutional framework of the state can constrain the sustainability of such efforts.

What's to Be Learned: The case raises the question of whether providing more free time and access to information is enough to significantly strengthen users' socio-economic capabilities, or whether such services should include a more direct focus on income-generating activities to empower users through economic advancement. WeLaR might seek to explore policies that balance both aspects, recognising that economic empowerment, through job creation and secure employment opportunities, is also essential for sustainable socio-economic development.

Examining how the provision of these services impacts those delivering them has highlighted how an unsupportive legislative and institutional framework (e.g., deregulated labour markets and lack of flexicurity) can hinder social service providers' ability to deliver flexible and modular services, generating hidden costs. This project thus emphasised the importance of evaluating the impact of social services not only on recipients but also on providers, particularly non-state actors.

Moreover, it underscored how traditional monitoring and evaluation metrics may overlook broader impacts and both negative and positive spillover effects, suggesting the need to consider these 'uncontrolled' effects as they contribute to or inhibit the formation of a larger ecosystem of innovative social investment approaches. Addressing structural issues in social policy requires not only adequate resources but also a shift in governance to valuing both service adaptability and the well-being of providers as much as that of end users. Shifting from an exclusive focus on immediate service needs of the marginalised toward broader, long-term social investments like education or health calls for a reassessment of the broader positive impacts of policy efforts and a deeper understanding of the hidden institutional costs that burden service providers.

This draws attention to the need for evaluating the impact of social services on service providers, particularly when these are non-state local actors, not just on the recipients. It also reveals how traditional monitoring and evaluation metrics can overlook the broader impacts and spillover effects of initiatives, suggesting that these 'unintended' effects contribute to building a wider ecosystem of innovative social investment approaches.

Implications for the WeLaR project

Several findings from the case study are relevant for WeLaR's exploration of welfare state resilience and social innovation. The pros and cons of modular, flexible service provision tailored to local needs in contexts with limited state capacity and welfare states that are institutionally and legislatively incompatible with the social investment agenda could be valuable in WeLaR's broader exploration of social service delivery. The identified challenges provide input for WeLaR's goal of identifying and addressing structural barriers within welfare states.

Hobotnica also highlighted the hidden costs for non-state actors in delivering social services, especially in precarious labour markets. For WeLaR, this underscores the importance of evaluating not only the benefits of a policy for service recipients but also the sustainability and well-being of the service providers. Addressing this could involve designing policies that offer better labour protections and resources for non-state actors, especially given the rise of non-traditional employment structures. Considering the well-being and support needs of welfare service providers could also improve the sustainability of labour policies and foster a stronger, more empowered workforce capable of driving social change.

The case study also emphasised the existence of qualitative spillover effects of Hobotnica, such as empowering all stakeholders and encouraging local innovation, which traditional metrics might overlook. This aligns with WeLaR's objective to develop more holistic monitoring and evaluation frameworks that capture the broader social impacts of welfare programmes.

Since Hobotnica leveraged globalisation’s positive aspects—such as connectivity and knowledge exchange—to strengthen local initiatives, WeLaR might explore how similar community-driven innovations could benefit from international collaboration, particularly by connecting local actors to a wider network of support and resources.

5.6. References

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