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Collection of Country Reports

Social innovation Policies and Hubs

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# INTRODUCTION

This report is the collection of the Social Innovation Country Reports compiled with the help of the Social Entrepreneurship Master (SEMA) program students at Tallinn University (TLU) in the framework of the COST Action CA18236. Each country report briefly explores the social innovation policies in that country and provides an example of an innovation hub or lab. The social innovation policies are divided into the following categories: Policies; Regulatory and Legislative Framework; Funding and Investment; Education and Upgrading Skills; Awareness Raising; and Supporting Infrastructure. For each of the hubs or labs, a closer look is taken at the: Activities, Financing, and Impact.

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# COUNTRY REPORTS

## Austria

**Policies**

**Regulatory and legislative frameworks**

The community establishment has been established since 2013 under the framework of the Public Investment Package, which addresses social investment and the modernisation of social capital. Launched in 2013, the EU Public Employment and Initiative (EaSI4) program is a funding tool designed to promote high quality and sustainable development, adequate and equitable social protection, poverty alleviation and social discrimination, and improved working conditions.

The European research and innovation promotion program Horizon 2020 highlight the need for research on new social concepts and their practical application including measurement concepts and is particularly supportive of research projects. European Research Project Creating a Social Initiative for Social Development (CRESSI6) aims to study the economic and political framework that governs social innovation.

**Funding and investment**

In its work program 2013-2018, the Austrian Federal Government conceded to testing imaginative social arrangement approaches by means of Social Impact Bond (SIB), with an end goal to take on current social strategy changes, close possible holes, and fortify social attachment in Austria through new activities. In participation with the territory of Upper Austria and the Federal Ministry for Education and Women's Affairs, the Ministry for Social Affairs dispatched the SIB model undertaking on "Financial and social strengthening of ladies facing violence.

The Funding Agency for Social Entrepreneurship (FASE) facilitates and oversees chosen investment and subsidising programs in the field of the social business venture. It recognizes speculators and lenders from the whole range: private financial specialists, family workplaces, establishments, and social financial specialists just as banks, the public sector, and organizations. Consortia having a few Investors with various subsidising segments and innovative model-type financing approaches play an important role. FASE is has helped Austrian social organizations.

Crowdsource funding is a recent, elective instrument for financing the beginning stage of an organization, has made progress likewise in Austria (for example, respect.net, conda.at or greenrocket.com). The necessary lawful variations have been made: in 2015 the Alternative Funding Act (Crowd Funding Act) defining legal framework was amended. In 2017, the Federal Government set up Innovationsstiftung für Bildung through the Innovation Foundation Act. Sponsored EUR 50m, the essential focal point of this establishment is on training. Its command is to advance development in instructive foundations from kindergarten to schools and long lasting learning, to set out on novel pathways in academics, and to bring the academic level up in Austria.

**Education and upgrading skills**

The Zentrum für Soziale Innovation (ZSI) is an establishment which has been examining the social inserting and effect of advancement to adapt to social difficulties on a worldwide scale since 1990.  
As an objective stage, Social City Wien10 helps the City of Vienna create and recognize territories of improvement in the fields of youth, training, social issues, and care.

With the Social Entrepreneurship Center, the Vienna University of Economics and Business participates in exploration and to further build up this field. For quite a while it has been offering address courses just as additional schooling programs on social Entrepreneurship. Since 2012, the Danube University Krems has been offering masters in social innovation.

“Environment and Sustainability Management”, the IMC University of applied sciences in Krems teach students sustainable management and innovation and change management. As a feature of its examination needs "CRS and innovation", the Krems University of Applied Sciences has also evolved instruments and apparatuses for organizations which help Austrian organizations to take advance innovation through stakeholder involvement.

**Awareness raising**

The latest activities for the advancement of social development incorporate 'Ö1 Open Innovation Forum' (a co-activity between Austria's essential radio channel Ö1 and ZSI), a multi-partner highest point on social advancement and social business and another expert's program:

In spring 2013, the radio listeners of Ö1 were welcome to choose imaginative tasks in their networks that they think about significant for serving the public benefit. Participants from around 400 submitted activities were invited to create recommendations for the help of social innovation in Austria at the Ö1 Open Innovation Forum in October 2013; additionally, costs were granted to chosen activities.

In 2005 the private Unruhe Foundation set up SozialMarie, To honour social advancements in the general population, private and third areas in Austria (with principle prizes somewhere in the range of 15,000 and 5,000 Euro), and various neighbouring nations. The yearly function is coordinated in participation with the public broadcast station (ORF).

**Supporting infrastructure**

In 2014, a co-activity of Ashoka Austria, Hub Vienna, the Federation of Austrian Industry along with Austria Wirtschaftsservice (a public bank for business improvement and financing), the Austrian Council for Research and Technology Development (a counsel body of the Austrian government) and bdv Austria (an umbrella and backing association of social endeavours) arranged a multi-partner highest point on social advancement and social business venture. Starter ends were introduced in June 2014: Spurring social development in Austria would along these lines require particular hatchery programs, further instruction openings, uphold program for social business visionaries and the preparation of private capital by charge motivations just as the execution of the European Social Business Initiative and the Directive on open obtainment.

In 2010 Platform Innovation Management, a co-activity between Austrian organisations, research foundations and development advancement offices, set social development on their plan.

**Hubs and labs**

ZSI (Center for Social Innovation)is an independent non-profit institute for applied social sciences in Vienna (Austria). ZSI implements research and application projects in social embedding and the impact of all forms of innovation and contributes to the creation and distribution of innovative and sustainable new and innovative products to meet global challenges.

ZSI links systematic theory to practice, research and application. Many ZSI projects not only transcend scientific fields, and are therefore diverse; they also involve working with experts and technicians from non-scientific fields and are therefore disciplined. ZSI advises policy planning and implementation programs and projects focusing on new social programs that contribute to addressing major challenges such as transformation, isolation and poverty. ZSI also assists in the development of Ministerial research policies in Europe and in international networks, provides administrative support, provides evidence-based analysis to support decision-making, and conducts monitoring, monitoring and evaluation studies. It has a strong track record in supporting and analyzing RTI cooperation between the EU and Western Balkan countries, Central Europe, and the EU Eastern Partnership.

ZSI activities are divided into three departments.

Work and Equal Opportunities:

(including labor market management, migration research; aging; new labor market policies and inclusion)  
Projects in this thematic sector focus on changing workplaces (e.g. digitalisation outcomes), new employment policies and measures (e.g. policy strategies linking various policy sectors) and building social change in relation to major social challenges such as changing people. Projects in this thematic field focus on the effects and implications of immigration, migration policies, social inclusion (e.g. in the education sector), anti-apartheid (e.g. at the company level) and research involving urbanisation.

Technology and Knowledge: (including collaborative technology testing; advanced technology learning; scientific and social dialogue; scientific communication - eg nanotechnologies).

Research Policy and Development.

(including techno-globalization technology; international R&D; foresight; testing; capacity; innovation support; science-technology-community studies; scientometrics;), The Research and Development Policy Unit (responsible for BLACK SEA HORIZON) operates on a number of national and international sponsored projects. Its core competencies include S&T social policy studies, techno- globalization patterns, S&T international management, RTDI testing, collaborative analysis and more.

**Financing of the lab**

The main funders and clients of ZSI are ministries, municipalities, EU, OECD, ILO, UNECE, other public bodies and NGOs. ZSI also performs project-based agency functions for the Austrian Federal Ministry of Education, Science, and Research (BMBWF) in promotion and support of international STI cooperation.

## Belgium

**Policies**

Belgium is a small European Union member country. Its economy is strongly service-oriented and it has a number of internationally competitive technology sectors (e.g. chemicals, life sciences and ICT). Belgium is a federal country composed of three communities: Flemish, French and German- speaking, and three regions: Brussels-Capital Region, Flanders and Wallonia.

Sources: https://www.innovationpolicyplatform.org/www.innovationpolicyplatform.org/content/ belgium/index.html

**Regulatory and legislative frameworks**

**Legal status of social enterprises**

Belgium has created a social enterprise related legal status which can attach to a number of legal forms provided certain prescribed conditions are met. In Belgium only companies with Social Purpose structures are able to distribute a dividend and are therefore more attractive to investors (and thus, have greater access to finance) than non-profit legal forms that are prohibited from making distributions. However, there are caps on the distributions Companies with Social Purpose is permitted to make.

Source: Synthesis report on Social Enterprise Ecosystems

**Publication: STI in Flanders: Science, Technology & Innovation. Policy & Key Figures - 2017**

The aim of the publication is to present in depth information on Science, Technology and Innovation policy in Flanders, display important figures or indicators, describe the broad context and the performance of the research and innovation landscape, and list the main actors as well as public entities in the field of R&D and innovation.

It’s mentioned that The Government of Flanders is aware of the importance of research and innovation as a necessary condition for maintaining wealth and well-being in Flanders and the annual budget for research and innovation is about 282 million euro.

Source: https://www.vlaanderen.be/publicaties/sti-in-flanders-science-technology-innovation- policy-key-figures-2017

**Department of Economy, Science and Innovation of the Flemish Government**

Their strategic aims regarding STI are: stimulate innovation and creativity; putting Flanders on the map internationally in the field of economy, science and innovation; develop itself as knowledge centre within the Flemish authority for delivering and use of insights in the field of economy, entrepreneurship, scientific research and innovation.

**Cluster policy in Flanders**

On 4 March 2016, the Flemish government approved the resolution that defines the support for the innovation clusters in Flanders. The goal of the cluster policy is to unlock unused economic potential and to realise competitiveness growth among Flemish companies through active and sustainable collaboration between actors.

This cluster policy concentrates on collaboration agreements of Flemish companies with growth ambitions, innovation awareness, an international attitude and a willingness to collaborate with other companies and knowledge centres, both for the realisation of their individual company targets and to contribute to competitiveness growth among a large group of Flemish companies.

The Flemish cluster policy distinguishes two types of clusters, namely the spearhead clusters and the Innovative Business Networks. Regardless of the initiatives’ scales, ambition levels and time horizons, the following features are deemed essential for the envisioned clusters:

* Active commitment and management by the companies;
* Active and sustainable collaboration as a central thread in the operations of the cluster;
* Supported vision and custom action plan of and drawn up by cluster members;
* Performing cluster organisation that acts as a facilitator and representative of cluster members;
* Clusters focus on removing common thresholds and unused common business opportunities; Clusters establish a link between knowledge creation and marketing and implementing new knowledge;
* Clusters have an international attitude.

**Funding and investment**

**Crédal Social Innovation Fund scrl**

Crédal is a cooperative for social purposes which proposes, in Belgium:

1. Ethical investment: around 3,000 investors/co-operators have chosen to invest money in Crédal which, in full transparency, uses these funds to finance projects.
2. Alternative credit: in addition to credits for associations and companies that bring social added value, Crédal finances sustainable enterprises, entrepreneurs excluded from bank resources and individuals with modest incomes.
3. Project support: Crédal provides the social economy consulting and accompanies entrepreneurs that want to create their business.

Change is a Belgian impact investment fund operated by Credal. Their vision is to transform the current economic world to make it more sustainable and fair. They would like to make Belgium a hub for social innovation through the emergence of new companies that contribute to the positive transformation of our society.

**King Baudouin Foundation**

Main Foundation providing funding to social enterprises in Belgium is King Baudouin Foundation. It was established in 1976 on the occasion of the 25th anniversary of King Baudouin's reign. It is an independent foundation, administered by a Board of Governors. Annual budget is 40 million euros.

**Education and upgrading skills**

**Ashoka Belgium: Education Innovation Programme**

Ashoka was launched in Belgium in 2008. Since then they have selected 15 social innovators as Ashoka Fellows, are working with 14 Changemaker Schools and are supported by 17 philanthropic business leaders as part of our Ashoka Support Network.

Between 2013 and 2018, Ashoka Belgium has launched a yearly Impact Programme. This accelerator initiative aims at identifying socially innovative organisations with strong change- making potential in a specific field to help them to grow and spread their impact.

Education Innovation Programme selects and supports projects that contribute to the development of these soft skills. This Program Enables:

* the identification of changemakers in the education sector
* spreading a replicable framework to a large number of schools and teachers that will enable them to make systemic change from the bottom up
* scale those replicable educational solutions throughout the country
* the promotion of an educational system and a community that fosters social innovation

**DIGITAL4YOUTH: Together looking for 10,000 laptops for vulnerable students**

Several partners have joined forces to collect 10,000 laptops for students who today have no computer at home. In this way, learning disadvantages among the most socially vulnerable pupils can be avoided. There are already 1,000 laptops available through Close the Gap and DNS Belgium, several governments support the project financially, but the help of companies and citizens is also needed.15,000 new laptops for pupils unable to follow lessons online.

Schoolchildren at risk of falling behind in the latest lockdown because they cannot take part in lessons at home will receive new laptops from the government of Flanders. Education minister Ben Weyts announced that 15,000 new laptops would be provided to the most at-risk pupils, with 4,000 available as early as this week.

The government will spend some €10 million on the new laptops, which will become the property of schools. It will be for schools to decide who receives the new equipment, and for how long. The commitment comes on top of the 12,000 second-hand laptops that the government made available during the last school year.

Meanwhile, internet providers Telenet and Proximus will continue to provide free internet connections for pupils who are not connected at home. Families can request internet access through the schools.

**Awareness raising**

#yes2Belgium  
#Yes2Belgium is a project by The American Chamber of Commerce in Belgium to showcase Belgium as a great place to invest. What better way to do this than through the stories of member companies, who continually invest and say Yes2Belgium in many different ways. They have gathered testimonials from diverse companies across sectors to ask them what their Belgian story is. From Research and Innovation to Manufacturing and Logistics, these stories show the ongoing projects and investment that contribute greatly to Belgium’s economy.

**Mass campaign: Social Protection for All**

In 2014, a coalition of Belgian civil society organizations launched the “Social Protection for All” national campaign to promote the human right to social protection. The aim of the Campaign is to raise awareness on the importance of social protection worldwide and convince Belgian and European policy-makers to take action to put the right to social protection for everyone across the world into practice.

**Supporting infrastructure**

**The Social Innovation Factory**

The Social Innovation Factory is a support structure for early-stage businesses support that also raises awareness about social innovation and social entrepreneurship.

**hub.brussels** hub.brussels, the Brussels Agency for Business Support, offers a wide range of free advice, services and tools to a candidate entrepreneur, start-up, scale-up, small, medium or large companies.

**Flanders Innovation & Entrepreneurship**

The Agency for Innovation and Entrepreneurship (VLAIO) is a governmental organisation of the Flemish government for all entrepreneurs in Flanders. In 2016, Enterprise Flanders and the company activities of IWT were merged into VLAIO. The mission of VLAIO is to stimulate and support innovation and entrepeneurship and to contribute to a favourable business-climate in Flanders.

Flanders Innovation & Entrepreneurship is the contact point for entrepreneurs in Flanders. They encourage and support innovation and entrepreneurship, and contribute to a favourable business climate. By being a one-stop-shop, they build a bridge towards stronger entrepreneurship.

## Czech Republic

**Policies**

Most important policy document is Policy Statement of the Government of the Czech Republic. https://www.vlada.cz/en/jednani-vlady/policy-statement-of-the-government-of-the-czech-republic-168 237/ The term social innovation is not used there. Although they say they want to work together with many parts of society.

"The Government stands ready to involve the opposition’s experts, social partners’ representatives, professional associations, interest groupings, other similar organisations, and local government in the implementation of government priorities and the Policy Statement in a bid to find the maximum possible consensus. At the same time, Government declares that it will accommodate monitoring by the Parliament of the Czech Republic, to which it is accountable for its activities."

A research paper (<https://www.siceurope.eu/sites/default/files/uploads/documents/country_profile_czech_republic_20> 1 6.pdf) says that the history of social innovations in the Czech Republic is not long. The concept was first mentioned in the evaluation of innovativeness of the Operational Programme Human Resources and Employment (OPHRE) published in 2012.

A comprehensive toolbox (together with an intense and individualized support) was created to guide the social innovators through the process starting with evaluation plan and finishing with final evaluation report. All the social innovation actors were learning continuously which practices work and which do not, what risks are imminent, what constrains are threatening.

The key role in the support of social innovation in the Czech Republic has been played by the structural funds. Based on the international comparative analyses undertaken within the SIMPACT (www.simpact-project.eu) project, the position of the Czech Republic in terms of social innovation capacities is quite favorable, though more can be done to turn the existing potential into measurable social innovation performance. (Source: "SOCIAL ENTERPRISES AND THEIR ECOSYSTEMS IN EUROPE. Country report CZECH REPUBLIC, 2019)

**Funding and investment**

The main driver has been the availability of European funding, which in the Czech Republic is mostly administered by the Ministry of Labour and Social Affairs (MoLSA). Although EU funding has to date supported mostly work integration social enterprises (WISEs), the spectrum of social enterprises in the Czech Republic reaches more broadly and includes environmentally and community-oriented initiatives. The challenge for the future lies in taking a broader view and to furnish support not only for WISEs, but for other types of social enterprises, their umbrella and support groups, and perhaps also local municipality activities in this sphere.

**Education and upgrading skills**

\* OPE (The Operational Programme Employment) support schemes have focused on improving

the situation of people socially excluded or at risk of social (and labour market) exclusion. They

have supported the establishment and development of social enterprises along with activities aimed at ensuring easier access to finance, education and counselling, promotion and groundwork required for developing the sector, e.g. responsible public procurement. Primarily they provided non-investment type funding.

\* Several banking institutions have launched programs for social enterprises, typically in cooperation with experts from the non-profit sector. Česká spořitelna (CS), a member of the ERSTE Bank, has reached out in support of social enterprises since 2011. CS has gradually developed from providing education and training to providing financial instruments to social enterprises, accompanied by consultancy.

**Awareness raising**

\* Several government and non-profit bodies actively raise awareness on responsible public procurement in the Czech Republic. Dissemination activities include websites and publications as well as educational events: such as lectures, conferences, and e-learning courses for (potential) actors involved in responsible public procurement. Interesting aspect came up - despite all the efforts in raising awareness on responsible public procurement, many still perceive them as unsatisfactory and unsystematic. Social enterprises too often do not know how to offer their products and services and at the same time, public institutions do not know how to approach social enterprises. The complicated and overly bureaucratic system favours more experienced actors. At the moment, these opportunities often depend on individual "enlightened" civil servants.

\* The Agency for Social Inclusion, a department at the Office of the Government, bears responsibility in developing socially excluded areas and actively promoting social enterprises, both at the central and local levels. The Agency supports municipalities in disadvantaged areas to

develop local partnerships, raises awareness about social enterprises and socially responsible public procurement and social clauses.

**Supporting infrastructure**

\* Alongside direct support to social enterprises, EU funding also helped to create or strengthen the existing supporting infrastructures such as the work of several umbrella organisations, especially the Thematic Network of Social Economy (TESSEA), further networking initiatives and sharing examples of good practice. All these activities contributed to growing recognition of social enterprise and its role in society.

\* Impact Hub, a social enterprise, runs co-working spaces in several Czech cities. It also organizes a yearly process called the Social Impact Award—a business incubator and educational program on socially beneficial entrepreneurship for people under 30.

\* To a limited extent, social enterprises also make use of innovative crowdfunding financial instruments, e.g. online platforms such as www.hithit.cz (public support of various creative projects) or www.darujme.cz (donations for non-profit and various publically beneficial organisations and projects).

**Hubs and Labs**

The history of social innovation in the Czech Republic is not long. The problem of low governance quality at all levels of public administration, including its low knowledge capacity, and high risk aversion makes the social innovations more difficult to undertake or get supported (https://www.siceurope.eu/countries/czech-republic/profile). Some of the challenges social innovators in the Czech Republic face include the ageing population and increasing social costs, including inefficient health, pension, and labour market systems. Luckily universities still deal with social innovation. A good example is the Innovation Laboratory at the Hybernská Campus (Partner: Charles University) (https://www.inovacnilaborator.cz/). The Hybernská Campus is a collaborative project of the Prague City Hall and Charles University. Funding comes from there.

„Innovation Laboratory is a practical project seminar designed for the students of the Charles University. The main goal is to experience what it actually means to bring some new product to the market and if that is the right career choice for the student. And to build some great things along the way,” says Jan Vesely who leads the lab. In the home page it says: In the Innovation Lab you will experience the creation of a new service or product from idea to implementation. You will try: - prototyping new products and services - come up with a business plan for them - test them with real customers - Collaborate effectively in a team of 2-4 people. Students work in teams using the approaches of the startup world and the world of the non-profit sector. Emphasis is placed on various verification methods, thanks to which risks can be eliminated within the innovation process. Examples of projects during this school year:

\* They want to create a rehearsal room for musicians. Why? Because young musicians, and not only them, face an economic and affordability barrier when looking for rehearsal rooms. And the innovation team thinks it is them who take on the task of creating an alternative to expensive commercial places.

\* The digital platform Missing Studies connects students of various disciplines based on common interests and topics. It opens up university structures, enables a greater shift in the topics addressed and creates the basis for later interdisciplinary cooperation.

\* Goal: direct high school students in the process of choosing a university. This avoids a lot of inconveniences, such as study failure, stress or frustration from a wasted year of study. The result

should be a student who enters a new stage of life with the feeling that he has chosen the right path in which he can put his further efforts.

## Denmark

**Policies**

Denmark, located in Northern Europe is known for its inclusive and large welfare system. The system in the State allows its institutions to function effectively with citizens being provided with equal levels of services. There is a high need for social innovation as the Danish welfare system is deteriorating.

In June 2014, the Danish Parliament passed the “Act on Registered Social Enterprises”. As of 2015, it has been possible to register as a social enterprise with Danish Authorities. As at 2018, there were recorded 206 active social enterprises in Denmark. However, these enterprises must fulfill social purpose for the benefit of the society, be involved in significant commercial activity, independent of public authorities, have inclusive and responsible governance as well as social management of profits.

As regards to policy schemes which the government uses in attempt to support social innovations, extracts from the Social Enterprises and Their Ecosystem in Europe with Country report on Denmark reports that the government supports the idea of social innovations and Encourages Social Enterprises. It states the following policies:

* Support measures addressed to all enterprises that fulfil specific criteria (and which may benefit social enterprises)

The Ministry of Industry, Business and Financial Affairs, alongside the Social Capital Fund, has recently received 26 million DKK (approximately 3.5 million EUR) from the European Social Fund to promote “Social Inclusion through Growth Partnerships” at the municipality level. The project aims to establish 22 growth partnerships where municipalities, private actors and social enterprises work together to employ 148 long-term unemployed.

* Support measures addressed to social economy/non-profit organisations (and which may benefit social enterprises)

Some support measures targeting NPOs are also beneficial to social enterprises. The Danish Centre for Voluntary Effort (Centre for Frivilligt Socialt Arbejde) is a national independent Centre established by the government. It employs 19 persons and aims at strengthening voluntary work in Denmark and generating knowledge about the civil society. While not directly targeting social enterprises, many of the resources provided by the Centre are useful support measures for them.

* Support measures specifically addressed to social enterprises

Support measures for social enterprises in Denmark range in their focus, form and capacity. The Social Growth Programme, run by the Social Capital Fund on behalf of the Danish Ministry for Labour Market and Recruitment, ran from April 2013 to July 2016. The programme provided a mix of financial support as well as counselling and training for social enterprises that worked with the unemployed and most vulnerable. The total funding provided by the programme was 23.2 million Danish Kroner (roughly 3.1 million EUR). According to the programme website, the programme received applications from several hundred applications from social enterprises, and in the three years of the programme, a total of 32 Danish social enterprises received support from this measure. The Social Capital Fund (SCF) was launched in 2011 by a major foundation related to insurance (Trygfonden), together with the founding director’s active engagement in the formative years of an institutionalised field of social enterprises in Denmark. The CEO of Trygfonden that funded and initiated the Social Capital Fund has been the President of the Board of Directors in the SCF since the beginning. During the years of a national policy interest in social enterprise, the foundation targeted particularly social enterprises in the sense of the EU operational definition. However, in 2018 the SCF has turned towards the broader area of socially responsible enterprises: “the SCF invests in and develops enterprises which can unite social success with

business success”.

Since its foundation as a small local credit institute in the most Northern Province of Denmark in 1982, Merkur Cooperative Bank has become one of, if not the most important provider of financial capital to social enterprises in Denmark. The objective of Merkur is “that everybody should be responsible for our society and common livelihood. It is our position that money does not do anything in itself. In Merkur we want to use the tool of money to promote a sustainable societal development”.

Among other initiatives, Merkur has actively engaged in the EU programme for Employment and Social Innovation (EaSI) by lending out capital to social enterprises. Accordingly, Merkur has adopted The EU Progress Microfinance programme, a specific tool within the EaSI programme. Progress Microfinance provides support for building the capacity of selected microcredit providers and contributes to the field by sharing the providers’ potential risk of loss. With this support and guarantee, Merkur engages actively and strategically in lending out money to social enterprises. Although the EaSI programme / Progress Microfinance leaves room for a more diversified field of organisations to seek support, Merkur has focused on social enterprises that are or could be registered with the RSV Registration tool.

**Regulatory and legislative frameworks**

In Denmark, there are three legal models which are actively dominating in the social enterprise sector. These models make it possible to start up a social enterprise in accordance with the European union model. These models consist of the Foundations, Associations and Limited Liability Companies. However, an enabling legal framework and technique is needed to create a shared and systematic nurtured experience that is well balanced between the Local, Regional and National Level. Raising financial capital by social enterprises have been difficult because activities that are not motivated by providing a return on investments are not regulated on the basis of fiscal benefits. However, there are no obvious legal or regulatory barriers for social enterprises especially or those who want to have relations with mainstream enterprises in Denmark.

**Funding and investment**

The public sector Denmark plays the major role in funding social innovations. Many Social enterprises are granted funding by the public sector for specific projects however, this is mostly based on short or medium term basis and at such affects the long term sustainability of social enterprises.

In Denmark, Charity organizations as well as private foundations support projects which are related to societal challenges such as poverty, domestic violence, mental and physical disability. Although, these establishments would rather give their financial supports to already established enterprises who are experienced thus making it difficult for start-up enterprises.

Various banks also target specific institutions or projects which support Social, Cultural and/or environmental objectives. An example of this would be the Merkur Cooperative Bank and Folkesarekassen.

**Education and upgrading skills**

The Danish Educational system has indoctrinated educational programs related to Social Enterprises, Innovations and Entrepreneurship into various levels. The Center for Social Entrepreneurship at Rosklide University is the first of its kind. It offers a two year masters programe in social entrepreneurship. The Copenhagen Business School has also offered for specialization in Social Entrepreneurship. The Danish Technological institute has also led an international research project which revolves on social enterprises. They use this medium to provide the Danish citizens with new knowledge of strategies in order to promote social enterprises in Denmark.

Teachers are also educated on the topic of Social Enterprises and innovative teaching projects are also supported by The Danish Foundation for Entrepreneurship.

**Awareness raising**

The Registered Social Enterprise has been a useful tool in the hands off the Danish government to create awareness regarding social enterprises. Social Entrepreneurs in Denmark also carry out projects in Denmark and internationally in order to create awareness about the Danish model of social Entrepreneurship and to also compare it with international standards. They do this through Newsletters, and social media platforms.

Furthermore, a “Municipalities that want to support social enterprises” campaign was carried out in 2015 which led 14 Danish municipalities to receive funds from the government. This program has thus become a primary platform for the enhanced awareness and development of the social enterprise sector.

**Supporting infrastructure**

There are various Categoriessupporting infrastructures and different actors within these categories in the Danish Social Enterprise ecosystem.

The category of Providers of social enterprise start up and development support services and facilities (such as incubators) have the following actors

* Reach for Change
* Kooperationen
* KBH+
* Social StartUp
* SED
* Greencubator

The category of Social enterprise (support) networks, associations have the following actors

* Kooperationen
* Selveje Danmark, an interest organisation targeting self-owned institutions, many of which are formally established as social enterprise
* SED
* Socialøkonomi Nordjylland
* Small networks for social enterprises in Roskilde, Odense,
* Vejle, Silkeborg, Jammerbugt and more municipalities.

**Hubs and labs**

Denmark is well-known for its enormous and inclusive system of welfare. Institutions generally function well with everyone receiving equal amount and level of services. Social innovation in Denmark is a lot more about supplementing or improving existing public sector-led initiatives.

The Danish welfare system began to have problems with providing a satisfactory level of support for its citizens due to its ageing population, thus, the need for Social innovations. Social Innovations were therefore put in place to supplement the universal welfare of the citizens. However, there is a lack of infrastructural support for social innovators and social innovation due to the conditions of the public sector and this has in turn put the social innovation under pressure

**Activities of the lab**

The Danish Design Centre (DDC) look for ways to promote the value of design for Danish business and industry by giving companies and organizations an opportunity to test how design practices can boost innovation and development.

They qualify investments in design as well as the recruitment of designers and help all actors navigate in the design landscape.

The DDC offers access to tools, knowledge and inspiration for the development of businesses and innovations through design. Companies and organizations who partner or participate with the DDC can share their own efforts with design and learn from others, for example through large-scale communication initiatives such as the Danish Design Award.

Through one of its strategy that is based on respect for history and the qualities represented by Danish design, but which is also clearly oriented towards the future, the DDC’s focus in the coming years is on conducting systematic experiments with design-based value creation in companies. The DDC envisions to make design one of the three main positions of strength for Danish companies. It is Saddled with high ambitions but also a sense of humility and a clear understanding that the task of increasing companies’ use of design can only be addressed in open partnerships. Therefore, the DDC targets to launch resilient and innovative partnerships with appropriate stakeholders, both in Denmark and abroad.

They also support Danish Small and Medium-sized Enterprises to generate growth via designs. The 200SME Challenge is one of their projects which focuses on a 2-day design-driven sprint process that helps small and medium sized companies solve digital challenges and create concrete solutions. The DDC also runs the Design Cities project, the future welfare project, design start-up and design resource as current project.

The Lab gets most of its financing from sponsorships of various programs it runs. They also have grants from the European union development funds and structural funds.

The DDC measures its societal impact through the use of Empinno Monitoring Smart Specialization Strategies which is a partnership between regional authorities and business promoters in different regions and countries around the Baltic Sea.

Their aim is to cultivate better methods for monitoring projects supported by EU Structural Funds. The project is a continuation project for the Empinno project and is sponsored through finance from the EU's Interreg Baltic Sea program.

They Partner with the Denmarks Tekniske Universitet, AAL Borg Universitet, and Copenhagen Business school to help facilitate these projects.

## Estonia

**Policies**

A national level policy document that touches upon the topic social innovation is titled “Development/Policy plan of civil society 2015-2020”.

https://www.valitsus.ee/sites/default/files/content-editors/arengukavad/kodar\_2015-2020.pdf

The development plan covers multiple ministries' areas of governance but mainly from the Ministry of Social Affairs. It also includes fields of governance from the Ministry of Education and Research, Ministry of Culture, Ministry of Justice, Ministry of Finance and Ministry of the Interior's other fields of policy.

The development plan's principles are aimed towards shaping the entire civil society. The smaller target groups within the plan are more specifically determined with different goals and objectives.

The role of civic associations in society can be divided into three: 1) they help prevent and solve social issues, 2) they participate in the decision-making and implementation of decisions that affect the community and the country and 3) help improve trust, co-operation and the cohesion of society. Thus the civil society is diverse and the civic associations differ by their goals and needs.

The document also covers the most important statistics about the civic associations Estonia, such as their total amount in the country and their division between foundations and religious associations, as well as the numbers concerning donations and volunteers.

Four types of future trends were considered during the creation of this development plan.

1. The public sector's support in the future will be decreasing and the competition for them among civil associations will rise.

The governments non-financial aid will become more important as well as their efforts to improve the environment for civic associations to function.

1. Importance of civil associations as service providers will raise because public sector needs and searches for partners, who would be able to offer high quality and professional services.
2. The civil associations role and responsibilities will increase with their bigger involvement in shaping politics. In the following years, it is important to pay attention to the internal democracies of civil associations and their roof organizations' work transparency.
3. Differences between sectors are becoming smaller. That means that the use of business models in civil associations is on the rise, first and foremost for earning their own funding, and the need to increase their competency in their service providing and developing.

Among other terms they also describe social innovation. What is meant under the social innovation term are creative solutions that create new value and have a long term effect and which increase people's well-being and provide a clear economic output. Social innovation means new ideas, products, services and models that fill the needs of society (while also doing it in a more efficient manner than the alternative options), while creating new social relationships and opening up possibilities for co-operation and business. Thus, social innovation is both a mindset and a process that ties ideas with practice.

The main problems are the following: the civic associations lack skills in self-funding and courage to diversify their sources of funding. There are issues with collecting donations, using volunteers and general motivation - the former issue is due to the fact that the civic associations do not see gathering donations as a serious alternative to public sector's funding and the latter is related to the poor management of volunteers. There are also bottlenecks in the justice part of things, first and foremost with promoting the public sector's funding and the civic associations knowledge of earning their own funds.

Innovation Task Force’s practical suggestions for the public sector and the betterment of social innovation can be found here:

https://www.riigikantselei.ee/sites/default/files/content-editors/Failid/kaust/inno\_rakkeruhma\_loupparuanne.pdf

To gather and work on ideas that promote innovation, a public sector's social innovation task force collaborated with the Government Office from March 2016 until June 2017.  
The task force which consisted of people from the ministries, organizations outside of the government and universities was tasked with generating propositions on how to provide better services and increase the capabilities for innovation for creating better policies in the public sector and how to improve society's readiness for social innovation.

Good examples of innovation mentioned in the document:

1. Around the world as well as in Estonia, idea contests are generating new innovations. NULA is an idea contest for social initiatives, where everyone can apply with their innovative ideas to solve social problems.
2. Estonia could give out a public sector innovation prize.
3. Failure day - Every innovation is risky. To encourage entrepreneurship in private and public sector, Finland celebrates Failure day, when the focus is on failed initiations and lessons learned.

Initiatives that support the propositions are task forces and expert panels, reorganization of the governmental institutions, assessing impact and creating efficiency plans.

**Hubs and labs**

Social Innovation Lab was founded in Estonia, almost four years ago (10.01.2017). This non-profit organization is located on the following address: Telliskivi 60a, Tallinn. The founder of Si-Lab is Rasmus Pedanik and he works with a team of five. They have many different partners, for example: Tallinn University, Archimedes Foundation, Viimsi parish, Ministry of Finance and many others (Sotsiaalse Innovatsiooni Labor, 2020).

**Activities of the lab**

Projects: Social Innovation Laboratory development project and Social Innovation Laboratory Growth Strategy. In the first case the aim of the project is to increase the capacity of the of Social Innovation Laboratory in solving wicked problems. More precisely: to import into Estonia, to adapt to local conditions and to test scenario-based planning, which has proven to be a tool for policymaking in Finland, for example. Also: to develop and empower the social innovation network, involving new members, sharing knowledge, skills and experience in the network etc. In the second case the aim of the project is to reach the following goal: Social Innovation Laboratory is a leading service provider and development center in cooperation with local governments and NGOs in designing, managing and advising on the processes of co-creation (development and provision) of services. They are developing a new co-creation methodology (regional service model plan with service model plan). Testing this methodology in two different municipalities.

They also have the “Practical co-creation training of the Social Innovation Laboratory”. The training is intended for local government and state officials working with the involvement of civil society organizations and citizens in the public sector, as well as for NGO leaders. They can be a manager or an employee, but their goals should be to promote involvement and cooperation between different parties (to achieve common goals). The training provides practical skills and tools for this.

**Financing of the lab**

The first mentioned project (Social Innovation Laboratory development project) was funded by Aktiivsete Kodanike Fond, EEA and Norway Grants. The second mentioned project (Social Innovation Laboratory Growth Strategy) was funded with 752 EUR by Ministry of the Interior and Kodanikuühiskonna Sihtkapital.

The mentioned training is at least partly paid by the participants. The participation fee is 150 euros for a representative of NGOs. 225 EUR for a public sector employee and 350 EUR for a representative of the business sector.

**Impact**

The ones who have passed it will know: what co-creation is and how it differs from inclusion, when it is necessary and reasonable to use co-creation, how to map and involve stakeholders. How to design a psychologically safe participatory process, how to lead co-creation partners to better co-operation, how to create a common vision and action plan by co-creating. As mentioned, the training is intended for local government and state officials, as well as for NGO leaders.

## Finland

**Policies**

Social innovation 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 wellbeing. Social innovations 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.

Finland has a very long tradition of social innovation. We can find some references to social innovation already at the end of 1960s. The debate on social innovation gained momentum, when the report of the State Science and Technology Council Knowledge, Innovation and Internationalization made social innovations a priority of innovation policy alongside technological innovations at the beginning of new millennium.

**Regulatory and legislation frameworks**

*a) Title of publication: Outlook for Finland's innovation policy. Published by the Ministry of Economic Affairs (Työ- ja elinkeinoministeriö) and Employment of Finland on 12.3.2019.*

This publication is an outlook review by officials at the Ministry of Economic Affairs and Employment regarding the objectives and challenges of innovation policy, and of the actions required in the next electoral term and beyond. The report outlines the main themes and principles of innovation policy, and the key development actions to reach the objectives. The analysis drew particularly on three key policy documents: the OECD Review of Finland’s Innovation Policy (2017), the vision and roadmap for 2030 of the Research and Innovation Council (2017), and the Agenda for Sustainable Growth prepared by the Ministry of Economic Affairs and Employment (2018).

Creative people and communities: Increasing work-related immigration and the employment of existing experts, students and graduates in Finland by expanding Talent Boost activities.

Digital age value creation: Improving the availability of data for companies and other innovators,

taking into account the specificities of the sectors, and clarifying the rules from a business, societal and user perspective. Supporting the use of data through legislation, agreements and industry self- regulation.

URL: https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/161437/TEM\_Innovaatiopolitiikan\_lahtokohdat\_tavoitteet\_ja\_keinot\_2020-luvulle.pdf

*b) Title of publication: Innovation policy to renew the economy and society. Published by the Ministry of Economic Affairs and Employment on 28.2.2019.*

The report examines the most common background trends of a renewal-oriented innovation policy and maps out new approaches to innovation policy in Finland, in other countries and within the European Union. These laid the foundation for the specification of the key content, elements and practices of an innovation policy that renews the economy and society.

Innovation for the needs of society: Significant national change processes, such as the forthcoming SOTE reform and carbon neutrality goals at city and state level. New, more efficient and high quality service, production, product and business innovations at the interface between citizens, the public sector and the private sector. Therefore, the innovation policy perspective should also be strongly taken into account in the design and implementation of reforms.

URL: https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/161407/TEM\_7\_2019\_Taloutta\_ja\_yht

eiskuntaa.pdf

There is a regularly prepared report regarding social innovation, where in detail described global trends and the necessary measures to promote social innovation in Finland. An example of such a report can be found here: https://media.sitra.fi/2017/02/27172618/raportti76-2.pdf

Finland is one of the fewest countries, which made a deliberate policy choice to not develop bespoke schemes for social enterprise. There is one legislative framework for social enterprises: “Laki sosiaalisista yrityksistä”.

**Funding and investment**

*a) Suomen Kulttuurirahasto, Democracy and social innovation (Argumenta-hanke).*

The aim of the series of seminars was to form a high-level international interdisciplinary Discussion Forum that produces new information both nationally and internationally. The project

brought together top researchers from different cultural backgrounds and created links between the international scientific world and Finnish researchers. The aim of the networking was to establish long-lasting cooperation relationships and research programs that would later be formed on the basis of them.

URL:

<https://skr.fi/demokratia-ja-sosiaaliset-innovaatiot>

*b) Social Security in Finland*

In Finland, the social security system aims to safeguard sufficient economic security in all life situations. The social security system consists of services and cash benefits that provide economic security. The Finnish social security system provides basic economic security in situations where a person is unable to provide for himself or herself. The system provides benefits and services in the following situations: old age, incapacity for work, illness, unemployment, childbirth, death of the family breadwinner, rehabilitation or studies.

URL: <https://www.kela.fi/web/en/social-security-in-finland>

To support the development of social innovation in Finland, there are government development funds that support various initiatives, most of which are financed from EU funds: <https://www.rakennerahastot.fi/sosiaaliset-innovaatiot>.

Along with government funding, there is Finnish Innovation Fund SITRA (https://www.sitra.fi/), an independent public foundation which operates directly under the supervision of the Finnish Parliament. SITRA was founded in 1967 as a part of the Bank of Finland, on the country's 50th anniversary. However, most of the value of its current endowment comes from a donation of Nokia stock from the Finnish Parliament in 1992.

**Education and upgrading skills (e.g. education programs on various levels)**

*a) METKA, officially the student union of Metropolia University of Applied Sciences*

It is the student union that represents all students in Metropolia UAS. Student unions in Finland

that are legally constituted bodies that make sure that students’ voice is heard across the university, wherever the decisions concerning student rights are made. The main task of METKA is to look after and advocate student rights. This is done in many ways: having student representation within the university, helping students in problem situations and also lobbying outside of the university for political decisions that affect students’ lives.

URL: http://metkaweb.fi/metka/what-is-metka/?lang=en

*b) The Tuglas-seura (society) is a friendship between Finns and Estonians.*

The Ministry of Education and Culture awards general grants for the activities of national twinning clubs, i.e. operating grants for annual activities. For example, Tuglas-seura teaches Finnish language to Estonians so they can integrate better into the Finnish society.

URL: https://www.tuglas.fi/

In Finland, great attention is paid to the development of social innovation at the academic level. Many universities and colleges offer different curricula related to the new task, emphasizes social impact. For example, Tampere University, Jyväskylä University (Faculty of Economics) and college XAMK has programs about social entrepreneurship.

**Awareness raising**

*a) Punainen Risti (Finnish Red Cross), Ei Rasismille -campaign.*

By challenging individual people, organisations, government agencies, schools, educational institutions and various communities and sports clubs to participate in the common week against racism campaign and share with their followers on social media platforms why and how they combat racism. By holding anti-racism events open to all and sharing photos of them on social media with hashtag #rasisminvastainenviikko #weekagainstracism

URL: https://www.eirasismille.fi/asennetalkoot/attitudeworks

*b) Ilmastonmuutos haltuun -communication campaign.*

The aim of the communication campaign is to awaken citizens to prepare independently for the effects of climate change. Preparing for change is a new civic skill, and even small actions can have a big impact on everyday life, comfort, safety and health. The effects of climate change and preparedness tips are described both on the campaign website and with a video related to the campaign.

URL: https://valtioneuvosto.fi/en/-//1410837/ilmastonmuutos-haltuun-viestintakampanja-

kaynnistyy-jalleen-vinkkeja-erityisesti-arkeen-ja-asumiseen

**Supporting infrastructure**

*a) Oodi Helsinki Central Library*

Oodi is a meeting place, a house of reading and a diverse urban experience. Oodi provides its visitors with knowledge, new skills and stories, and is an easy place to access for learning, relaxation and work.

URL: <https://www.oodihelsinki.fi/en/services-and-facilities/>

*b) Helsinki XR Center – the home of Extended Realities*

Helsinki XR Center (HXRC) is an incubator for talent, a cultural hub for co-creation and learning for all XR artists, entrepreneurs, engineers, scientists, students and enthusiasts. Supports Finnish XR startups by for example offering office space and equipment, mentoring and access to the Finnish XR community. Organizes various XR events for networking purposes. Carries out RDI (research, development & innovation) projects with universities.

URL: https://helsinkixrcenter.com/

An innovation hub located in Helsinki: https://www.metropolia.fi/en/rdi/innovation-hubs

The Social Enterprise Coalition in Finland which is an initiative of social enterprises and other interest groups to form an organisation with the objective of giving a voice for the sector. The Coalition is effectively a loose network, which has been used as a ‘discussion forum’ regarding A map of social enterprises and their eco-systems in Europe 76 issues pertinent to social enterprises, such as how to raise their profile and how to best influence social and industry-related policies. At present the coalition is in the process of forming a Union of Social Enterprises. The decision to form the Union was made in October 2013. Unionisation will give the organisation a voice to negotiate directly with the Confederation of Finnish Industries.

**Hubs and labs**

**Sitra**

Background

Innovation and social innovation are both well-known and supported fields in Finland. Social innovation definition and substance has widen over the years. There are many different organisations involved in this field and support(eco)-systems in Finland is well developed. It is important to mention than Finland has ranked high in the list to be one the best place to be a social entrepreneur, taking into consideration government support, public understanding and knowledge, access to investments etc. As example in 2018, the European Investment Fund and Finnish bank Oma Säästöpankki Oyj signed the first guaranteed agreement for social entrepreneurship in Finland under the EU Programme for Employment and Social Innovation. Under this agreement the bank supports approximately 100 social enterprises with 10 million euros in loans, focusing primarily on cooperatives that contribute to increased social and economic inclusion.

New types of social enterprises are expected to combine private enterprise business skills with strong social missions. Public administrations expect social innovation to come from the private sector that might have an important role in delivering welfare and employment services, especially labour market integration. In Finland, as elsewhere, social enterprises are expected to improve the quality of public services, generate innovations, improve productivity and have a preventive effect on harmful social, environmental and health problems.

The Structural Funds for 2014-2020 include no particular objective to support social enterprises. However, they are eligible for funding to start or develop their businesses. Funding is available to develop social innovations that can be social enterprises.

Sitra is Finland’s innovation agency. It is one of the oldest publicly funded innovation organisations in the world. It was founded in 1967 as an organisation of the Bank of Finland to honour the 50th anniversary of Finland’s independence. In 1991, it transformed into an independent fund that reports directly to the Finnish Parliament. Since it was set up in 1967, Sitra’s mission has evolved. Until the early 1980s, Sitra focused on financing technological research and development. With the emergence of public funding agencies serving this purpose, Sitra shifted its focus to supporting venture capital activities in Finland (which did not exist at the time). In the mid-2000s, the venture capital market in Finland had developed to such an extent that Sitra once again decided to shift its focus toward its current mission, namely social innovation and systemic change.

The core of Sitra’s administration consists of the Supervisory Board, Board and President. The

Board of Directors consists of six members, incl. The rector of University of Jyväskylä.

**Activities of the lab (how the lab contributes to social innovation)**

Sitra’s mission is to “build a successful Finland for tomorrow’s world”, with a particular focus on pioneering sustainable well-being, through achieving three strategic objectives:

• Creating incentives for meaningful care and for advancing new operating models and business operations for well-being

• Creating the conditions for a resource-wise, carbon- neutral society and for business operations advancing towards this goal

• Advancing sustainable well-being and employment based on new funding and operating models

Sitra roughly splits its resources and activities between two types of projects, with half spent on innovation programmes that incorporate research and practical experiments such as Taltioni and the other half invested in early stage companies.

The second area of Sitra’s work is investments. In 2012, Sitra’s investment portfolio included 32 companies across a range of sectors, from sustainable energy to biotechnology, all aiming to achieve substantial social impact along with a financial return on the investment.

**Financing of the lab**

Sitra’s operations are funded by returns from an endowment originally granted by the Finnish Parliament. According to law, the funds must be invested securely and in a profitable manner. Although the return from Sitra’s endowment fluctuates, it averages approximately 30 million

euros a year.

Sitra has the financial capacity to take on large and complex projects, such as its work on healthcare reform or renewable energy solutions. This capacity was emphasised in an analysis of Sitra programmes, which highlighted that Sitra can “take initiatives and act as a forerunner for new institutional or organisational innovations”, which puts it in a unique position within the Finnish innovation ecosystem.

**Impact**

Sitra’s overarching goal is to positively improve Finnish economy and society. Some of the strongest evidence of impact is the uptake of its research in government policy and in public service delivery. One example is the Ministry of Employment and the Economy using Sitra’s research to address barriers in the uptake of solar energy and other renewable resources amongst citizens and enterprises. Another example is Sitra’s programmes that explore the development of biodynamic and local food businesses; lessons from which have informed the Finnish government’s local food development programme. In addition to influencing policy, Sitra has achieved impact through scaling new services and practical programmes. For instance, its Health Service Voucher has been adopted by more than 100 Finnish municipalities. Another example is their work in sustainable energy and energy efficiency. Collectively, Sitra’s energy programmes are estimated to have saved Finland £1 billion. Sitra’s key indicators are determined individually for each project, and may include the level of adoption of interventions by government and external audiences, changes to policy and legislation and the extent to which projects have delivered cost savings in government and achieved public or consumer satisfaction, and the number of new businesses and pilots generated. Due to its focus on energy and the environment, Sitra also puts a strong emphasis on tracking indicators in this area, such as reduction in CO2 emissions and energy consumption.

Sitra’s progress is tracked using a customised “steering panel”, in which each project has an explicitly stated outcome and impact goals. These goals are analysed on a quarterly basis, at project completion, and three years after project completion to understand what lasting impacts have been created. The methods used are a mix of administrative data, user feedback surveys, focus groups, qualitative interviews, questionnaires or surveys, progress against a logic model or theory of change, and external expert reviews.

## France

**Policies**

This report explores the social innovation policies in a European Union member state France. But firstly, what is social innovation? "Social innovation can be 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. Social innovations 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 Guide to Social Innovation, 2013). On the three social enterprise mappings by the European Commission in 2014, 2016 and 2018-2020 France has been reported.

It is important to identify whether the term 'social innovation' is in fact presented in the national level policy documents of France. In France, social innovation is closely linked with three other fields of intervention such as the social and solidarity-based economy (Économie Sociale et Solidaire or ESS), social entrepreneurship and social impact (which is goal of any organization that is set up for social purpose). Evaluation of the social impact also plays an important role in the social and solidarity-based economy and the enterprises of which it consists of. In general, when talking about social innovation in France, the focus is on entrepreneurial approach, rather than social movements that support citizen projects.

Social innovation is a recent concept, which appeared in the 1990s in the context of the social and solidarity-based economy. In 2010, a year of debate in the ESS, the Social Entrepreneurs' Movement (Movement des entrepreneurs sociaux or MovES) was set up and in 2014, after many discussions between the National Assembly and the Senate, the ESS Act was adopted. Another example of social innovation in France is the program called The French Impact. It is born from a government initiative and brings together the actors of social innovation (public authorities and the private sector) and thus accelerates all the innovative social and environmental initiatives present on French territory. As the Social and Solidarity Economy (ESS) sector remains fragmented and difficult to understand then the key role of The French Impact is to make innovative social and environmental initiatives more visible, more understandable and better financed. In France 2014, the ESS accounted for 10.3% of all French jobs, 13.9% of private-sector jobs, 2.34 million employees, 222,900 employers and EUR 56.4 billion in gross wages. The term "ESS company" covers all ESS structures regardless of their status. Therefore, it can be an association, a foundation, a cooperative, a mutual or a commercial company having the quality ESS. Social and Solidarity Economy (ESS) in 2014 opened the field of the ESS also to non-cooperative commercial companies which respect, like other ESS companies, the founding principles of our entrepreneurial style such as the goal being pursued is other than the sole sharing of profits and the democratic governance.

In the following chapters, this report is looking closely the policy tools French government has used in their attempts to support social innovation. The information gathered for this report is categorized in five different sectors:

**Funding and investment**

Some public and private funding is exclusively reserved for ESS structures like BPI France that offers loans for Social and Solidarity Enterprises (PESS) in the form of participatory loans and the state (Caisse des Dépôts operator) for future Investment Project (PIA ESS). Funding social innovation in France to accelerate its development is today a main concern for any Conseil Régional (Region's governing body) as witnessed by the Panorama 2013 des actions de soutien à 1'innovation sociale en Région' (an overview of actions carried out by the Regions in 2013 in support of social innovation). The Regional Economic Cooperation Centres (Pôles Territoriaux,de Coopération Economique) PTCE is a group of stakeholders within a specific region which implements a common strategy of cooperation. Another initiative that is designed by the policymakers in France to provide suitable funding for social innovations is FISO (Fonds d'Innovation Sociale). FISO is a social innovation fund to promote the sustainable and united activities of tomorrow and to support the creation of jobs and wealth by financing projects offering an innovative solution to meet unmet or poorly satisfied social needs. The 5-8-year Feder Innovation Loan at zero rate is working in the partnership with the Ministry of Ecological and Inclusive Transition and the Volunteer Regions. Another example is focused on youth that are struggling and stay under the age (25 years old) of receiving the social benefit Revenu de solidarité active (RSA) and is called the Experimental Fund for Youth (FEJ Fonds 'expérimentation pour la jeunesse), which was set up in 2009 within the French Youth Ministry. The FEJ is "a public policy laboratory financing innovative intervention for young people, implemented at a small scale and rigorously evaluated". (siceurope.eu, 2014). There is also examples of peer-to-peer loans between private individuals or to provide funding to enterprises or private individuals (e.g. Prêt d'Union, SPEAR, Prêt de chez moi) to support social innovation and Solidarity-based microcredits such as Babyloan, ADIE, XETIC. In general, the key providers of finance to social enterprises in France are Banque Publique d’Investissement, Caisse des Dépôts et Consignations, Crédit Coopératif, NEF, Crédit Mutuel et autres banques coopératives, Crédit du Nord et Société générale, Groupe Associatif France Active, Finansol and Groupe SOS Pulse. In France, the position of the ESS and the historical development of its own financial infrastructure is strongly determining the social investment market. CSR banks also have an influence on these emerging markets.

**Education and upgrading skills**

The ESS Act (July 2014) mandates a review of the governance arrangements within cooperatives, authorizes the creation of SCOP groups to achieve a competitive size, modernizes the legal form of the SCIC (société coopérative d’intérêt collectif) with a view to allowing the development of public-interest private employment, and authorizes producers of goods and services without employee status to become partners. The ESS Act promotes collective entrepreneurship through the creation of the company legal form of CAE (coopérative d’activité et d’emploi), which allows entrepreneurs grouped together within the same structure to enrich their expertise and share their feedback. This solidarity group is generating many development opportunities for social innovation. There is an increasing supply of training within universities and business schools that have created master degrees on social and solidarity economy accessible for both higher and continuing education (Université Paris 8, Paris-Dauphine, Lyon 2 Lumière, IAE Caen, Kedge Business School just to mention a few). Many researchers and masters are members of RIUESS (Réseau Interuniversitaire d’Economie Sociale et Solidaire) and they organize a scientific meeting every year. Some of these researchers are also members of other networks, such as ADDES, AES, CIRIEC and EMES. Institutions, civil society initiatives, think tanks or other social enterprises promoting social entrepreneurship education and training, and presenting role models in France worth mentioning are: Labo de l’économie sociale et solidaire (ESS), AVISE, Fonda, Mouvement Associatif, Réseau des territoires pour l’économie solidaire (RTES) and Mouvement pour l’Economie solidaire (MES) and its regional members.

**Regulatory and legislative frameworks**

It can be a significant roadblock when applying for funding when the social innovation organization does not fit into the traditional institutional forms. France, therefore, has brought about great flexibility when it comes to frameworks that better suit for social and/or solidarity-based businesses. In 2001 new legal forms such as the Société Coopérative D’intéret Collectif (SCIC) and in 2014 L’Economie Sociale et Solidaire (ESS) Act were designed in France in order to adopt social enterprises to already existing legal forms, but also by creating the new status of SCOP (Société coopérative et participative) allowing the employees of the SCOP to hold a majority of the capital and a majority of the decision making (both SMES and bigger groups use this legislative form in France). There are two main distinction when discussing the legal frameworks of social innovation in France: institutionalised forms of social enterprises such as Société coopérative d’intérêt collectif (SCIC), Enterprise for the reintegration of economic activity (approximate to WISE) and Régie de quartier; and for de-facto social enterprises public utility cooperatives; mutuals; non-profit organizations with commercial activities and mainstream enterprises pursuing a social aim. All in all, the governmental departments or institutions designing or implementing policy, support instruments and measures for social enterprises and infrastructures at national or infra- national level are: Ministère de la Transition écologique et solidaire, DGCS (social cohesion), Dispositif local d’accompagnement (DLA) created by the State (DGEFP- training) and the Caisse des Dépôts, CGET (territories), DJEPVA (vie associative), France Stratégie for studies, Conseil Supérieur de l’Economie Sociale et Solidaire, Chambre Française de l’ESS, Conseil National des Chambres Régionales de l’Economie Sociale (and regional organisations) (The last two are in the process of merging). Another legal status in France is a “public benefit organization” status called ARUP (Associations Reconnues d'Utilité Publique), that Fundation, Fund or Association can be granted with and can then receive donations exempt from tax (up to 66%).

**Awareness raising**

Organizations in France that promote, certify and award social business labels are, for example, DIRECCTE releases the ESUS accreditation, CRESS realizes, updates and publishes the list of social economy enterprises as defined by Article 1 of the 2014 ESS Act. Competitions and award schemes are also organized in France to recognize and reward social enterprises, but also to increase the visibility of the concept and to promote the culture of social innovation. One of these events that takes place every year is called The Social Entrepreneur of the Year which is an initiative of the Schwab Foundation for Social Entrepreneurship in partnership with the Boston Consulting Group (BCG) France. Le Labo de l’ESS organizes also regular workshops and conferences (sometimes even in French and English) to discuss topics of Social Innovation but also bring different actors from the ESS field and newcomers together. They also take part in the European Social Economy Summit (next one being in Mannheim, Germany in 2021). UDES (Union des employeurs de l’économie sociale et solidaire) is also worth mentioning since it is representing 30.000 companies and about 1 million workers and is the leading union for employers in the ESS field in France. UDES has for instance roles such as promoting the values of ESS to public policymakers and enhance the types of governing in the companies of the ESS.

Public Authorities are actively playing a role in raising awareness for social innovation in France. Such authorities include:

* Regional Economic Cooperation Centers (Pôles Territoriaux de Coopération Economique – PTCE). They support other projects which includes: Sud Archer (which produces a range of ethical shoes, which in turn is creating new jobs), Eoliennes en Pays de Vilaine(which is constructing the first citizen wind-park), PHARES (Pôle Hospitalité aux Acteurs à Rayonnement Ecologique et Solidaire) (which hosts enterprises working in the educational or training sector).

**Supporting infrastructure**

One of those ‘policy as social innovation’ examples that has been created in France is a lab established on principal ‘Another governance of public policies is possible’ in 2008 called La 27e Région (The 27th District). It conducts action-research programs to test new innovation methods for designing public policy involving all public stakeholders and prioritizes the concrete experience of users, civil servants and citizens to serve as the starting point for re-examining public policy. It is mentionable that the EU Policy Lab’s policy lab mapping exercise was undertaken in a collaboration with La 27e Région. Another example is La Ruche, which is a collective work and design premise targeting the owners of innovative projects in the social and ecological fields and was set up in 2008 by a number of social entrepreneurs such as Ashoka France, Entrepreneurs Sans Frontières, Mozaïk RH, l’Adive, Jeunes Entrepreneurs de France and Equitel. Most notable social enterprise (support) networks, associations are: AVISE, Mouvement des entrepreneurs sociaux (MOUVES), Fédération des Entreprises d’Insertion (FEI), Confédération générale des Scop (et Sociétés Coopératives d’Intérêt Collectif [SCIC]), Chambre française de l’ESS, Union des Employeurs de l’ESS (UDES) and CHORUM. And for incubators that provide social enterprise start up and development support services are: Couveuses, Boutiques de gestion, Plateformes d’Initiative Locale, Réseau Alter‘Incub and Fabriques à initiative, Coopératives d’activité et d’emplois, ADIE, Cigales (that are also providers of finance) and finally Ashoka France.

Social innovation policies have given birth to several projects in France which acts as supportive infrastructure to social innovation, this includes:

* Shared working space and incubation hubs: co working spaces have seen a huge growth over the years in France as a result of social innovation policies. Such arrangement encourages the exchange of knowledge, experience and support which leads to better social innovative projects. Examples of such organization’s include: Scale Up Anthropia, Movilab, Catalis and Realis.
* Crowdfunding: which has seen funding and capital raised from a large number of people who share interest in a common cause. Several types of crowding include: donations, peer to peer loans, Equity based crowdfunding, microcredit and lending.
* Local Ecosystems: This is basically a network of different organization’s that may or may not share a common social cause or interest. Examples; AMAP, Môm’Artre, Les lucioles.
* Participatory Social Media campaigns: examples include: Disco Soupe, Make Sense, Ticket for Change

**Funding and Investments**

The social innovation in France is funded by several organizations which include:

* Grants and credit facilities such as the SOGAMA Credit Associatif which is a guarantee institution granting credit facilities to the social economy in France by guaranteeing banks
* The European Union.
* Different Programs of the European Structural and Investment Fund provides funding and investment targeted at promoting social innovation.

**Hubs and labs**

Before settling on Le Labo de l’Économie Sociale et Solidaire (ESS), ‘Animafac’ (a network of students) and ‘make sense incubateur’ (incubation program for social innovations) were considered that are indeed linked to Erasmus Plus programs and work with students and universities, but do not have a direct link to a higher education institution in terms of partnership or funding. Onward, a short case study about Le Labo de l’ESS is presented.

**Background of social innovation in France.**

In France, social innovation is closely linked with three other fields of intervention such as the social and solidarity-based economy (Économie Sociale et Solidaire or ESS), social entrepreneurship and social impact (which is a goal of any organization that is set up for a social purpose). Evaluation of the social impact also plays an important role in the social and solidarity-based economy and the enterprises of which it consists. Social innovation is a recent concept, which appeared in the 1990s in the context of the social and solidarity-based economy. In 2010, a year of debate in the ESS, the Social Entrepreneurs' Movement (Mouvement des entrepreneurs sociaux or MouvES) was set up and in 2014, after many discussions between the National Assembly and the Senate, the ESS Act was adopted. Another example of social innovation in France is the program called The French Impact, which makes innovative social and environmental initiatives more visible, more understandable and better financed.

**Activities of the lab**

Le Labo de l’Économie Sociale et Solidaire is a think tank that builds, through collaborative work, the structuring axes of the social and solidarity economy from innovative and inspiring initiatives from both rural and urban environment of France. Le Labo de l’ESS has been created in 2010 and its original goal was to come out of the economic crises by changing the means of production and consumption. Since then, it has contributed to national events, and to writing and publishing texts about development of ESS. Some of the most notable activities of the lab are: support in creating regional eco-systems through co-operation of different economic players and the gathering of tools and means to achieve it; empowerment of local distribution networks; assistance with local finance eco-systems; support the transition of energy production into renewable alternatives; boosting the development of the ESS companies that are represented in the field of culture; creation of ESS networks on the European level; and development of sustainable agriculture and food production. In focus, Le Labo de l’ESS is organizing visits to local actors of the field of ESS in order to promote initiatives and help to find solutions together; and organizing study and work groups about the topics mentioned above with gathering citizens, policy makers and entrepreneurs/innovators. As a result of these activities, the lab is creating publications which are to promote the previous work of the lab by the participants and their achievements. Le Labo de l’ESS also organize different kind of events such as: symposiums, public meetings, and presentations of earlier works for debate. Finally, they play a role in public relations by using social networks, newsletters and publications of different topics.

**Impact**

How is the lab measuring its societal impact? One of the ways of measuring societal impact for Le Labo de l’ESS is conducting analysis of the projects in the lab with study groups of researchers, university lecturers, field experts and interest groups. Another way is to re-invite participants of previous or ongoing projects to opened-to-public debates to evaluate and discuss the progress and obstacles of the projects. Le Labo de l’ESS is finishing every project with a report that is being published and is accessible on the website to the public. What is the role of the higher education institution in the lab? Le Labo de l’ESS is surrounded by field experts that contribute to its work by thematic working groups, collective publications and joint public meetings. There are two higher education institutions that are directly linked as partners to Le Labo de l’ESS – Paris Agro Tech and Bordeaux Sciences Agro. Founded in 2007, Agro Paris Tech is the institute for life sciences and industries and the environment. A player in higher education and research, it addresses the major challenges of the 21st century such as feeding people by sustainable management of territories, preserving natural resources, promoting innovation and integrating the bio economy. Created in 1962, Bordeaux Sciences Agro is the national school of agronomic sciences of Bordeaux - Aquitaine, placed under the supervision of the Ministry of Agriculture and Food. Through its training, research and development mission, it participates in the agronomic, food and environmental challenges of tomorrow. Their training is in line with societal needs and the goal is to innovate through research and development to respond to the major issues of tomorrow's agriculture, to bring its expertise to socio-economic players through research development units, and to promote links with businesses for better professional integration of students. Both of the universities participated in a seminar held in 2018 that the lab conducted and was called ‘Agriculture & Alimentation Durable’ (Sustainable Agriculture and Diet). The seminar brought together around sixty actors in the field, local authorities and researchers. They built their reflections around two major issues: "Developing our practices with a view to an agricultural and food transition by 2050" and "The effects of cooperation between actors in the territories for a successful agricultural transition and food ". The end report leads to eight action plans for the players and for the public authorities.

## Germany

**Policies**

According to the synthesis report (Commission, 2015) Germany belongs to the few European countries where “social enterprise reflects much more closely the full extent of activities possible within any economy.” These activities include new business services, sustainable consumer products and services, creative services and digital/internet -based services.

Social innovation is a very active aspect in Germany’s society, but the definition is still developing: it is seen as a systematic solution to a social problem wherein the main success factor is social change and as innovation oriented toward social practice and require reflection on the social relationship structure. (Kunz; Ngo, 2016) Although mostly perceived as an aspect mostly focused on research and development, social innovation has also been mentioned in public policy documents, namely in the Coalition treaty between CDU/CSU and SPD of 2014 and in the Innovation Policy of the Federal Ministry for Economic Affairs and Energy.

**Coalition treaty between CDU/CSU and SPD of 2014**

Social innovation is first mentioned as a part of technology strategy. The coalition treaty promises to support accompanying research in the humanities and social sciences as well as interdisciplinary cooperation in order to strengthen the responsible handling of research and its results. Social innovation is also mentioned in lieu of civic engagement, where it is more active: the coalition treaty emphasises the importance of civil society and therefore deem social innovations by social companies also worthy of support. The treaty seeks to improve and recognize social innovation by making it easier to establish entrepreneurial initiatives based on civic engagement by avoiding inappropriate complexity and bureaucracy and by assigning the German Engagement Award.

**Innovation Policy of the Federal Ministry for Economic Affairs and Energy**

The ministry mostly focuses on innovation by digitalisation by improving capacities of small and medium-sized enterprises, although not exclusively. Social innovation is briefly mentioned in the progress report in funding of non-technical innovation projects and innovation networks. It is tied to several orders from the coalition agreement, for example digital business models, innovations in the cultural and creative industries and the area of social innovations.

**Social innovation ecosystem (European Commission, 2015)**

Regulatory and legislative frameworks: Germany has no specific legally binding legislative or regulatory frameworks. Despite this, share companies can qualify for tax privileged status (gGmbH), if they pursue a social purpose and do not distribute profit. Therefore, there are some preliminary measures to support innovation by granting tax breaks to companies that offer wider social benefits to the general public.

**Legislative framework**

1. CSR strategy promotes social responsibility on a national and international level. It requires responsible behavior from all types of businesses. (bmbf, 2020)

2. The High-Tech Strategy 2025: Supporting research and innovation enhancing strong partnerships on various fields. (bmbf, 2020)

**Funding and investment**

In Germany, publicly funded schemes targeting social enterprises are very limited or non-existent. Despite this, there was a pilot equity financing scheme for social enterprises. The scheme targeted social enterprises that have already established themselves in their respective market and are in the growth phase. There is also a funding programme that aims to foster the innovative capacity of small and medium-sized enterprises (Zentrales Innovationsprogramm Mittelstand – ZIM).

ESF funds available to federal government. Distributed 72.2% to more developed regions and 27.8% to transition regions. Brandenburg ESF: "Investing in education, training and vocational training for skills and lifelong learning". (Commission, 2018)

The Lower Saxony Programme; a multi-fund programme which integrates ESF and ERDF. There are social innovation priority axes. For example: “Priority Axis 6 - Promoting employment through gender equality and regional approaches to securing skilled labour.” (Commission, 2018)

**Educating and upgrading skills**

Germany hosts the Centre for Social Investment in the University of Heidelberg. The Centre for Social Investment (CSI) is a research centre of the Max-Weber-Institute of Sociology in the Social and Economic Sciences Department of the University of Heidelberg (UHEI). CSI was founded in 2006, as a central academic institution at the UHEI, so it has got nearly 11 years significant experience in the fields of social investment, social entrepreneurship impact measurement and social innovation in national and European context. Sozialforschungsstelle Dortmund (the Social Research Centre, Dortmund) is a long-established social science research centre which has also begun branching into the social innovation field. (Kunz; Ngo, 2016)

A non-profit foundation, The Toepfer Stiftung: Strengthening and developing teaching in higher education. Cooperation with the Federal Government. (Ministry of Education, 2020)

Social Entrepreneurship Akademie: “Education for Societal Change.” (seakademie, 2020)

**Awareness raising**

The explicit use of the term “social business” by promotion institutions like Ashoka, the Schwab Foundation and others has considerably raised awareness about the concept of “social enterprise” and its innovative potential (Birkhölzer et al, 2015). The Austro-German ‘Public Good Economy’ (Gemeinwohlökonomie-Initiative), active in several cities across the country, is developing through publications and networking new approaches in ‘solidarity economy’ since 2010, and is advising businesses and mapping their contribution to the ‘public good’. The civic forum ‘Solidary Economy’ (Solidarische Ökonomie) organises conferences and smaller meetings at local level for social enterprises and other projects and stakeholders from the ‘third sector. (European Commission, 2014)

Hackathon #WirvsVirus: “Germany’s first government-hosted crisis.” For the government hackathons can be used for social innovation. This awareness campaign encouraged people to come up with solutions regarding social challenges, in this case Covid-19. Over 20 000 people participated. (ssir, 2020)

JRS Europe’s campaign: I Get You. The campaign included support for refugees and immigrants. The campaign was named as an example of social innovation. In Germany: “Locals in Plauen, eastern Germany call for integration not isolation.” (Jrs Europe, 2018)

**Supporting infrastructure**

Social entrepreneurship is getting more and more often covered in large exhibitions such as start-up conferences. Smaller local initiatives include e.g. the SensAbility conference for students on social entrepreneurship, organised by the student group of the Otto Beisheim School of Management, part of WHU University. The two-day conferences also give a platform for the initiation and development of projects. The site machbarschaft.de was originally set up for an Ashoka conference but has been continued to provide information about Ashoka fellows and organisations that can help future social entrepreneurs. Munich’s WACKSTUM GmbH connects social enterprises (with a focus on the technology sector) to finance providers, including banks, business angels an social venture capital funds. (European Commission, 2014) Social Impact is one of the most important organizations establishing an infrastructure for social innovation. Social Impact focuses on the early stage of social enterprises and supports them in their founding period. In 2011, the organization opened a first Lab in Berlin which offers co-working, space for exchange and networking, coaching and qualification programs, mentoring and access to finance for free. Hamburg followed in 2012, Frankfurt, Leipzig and Duisburg 2015. More than 3.000 social entrepreneurs applied to be accepted into the program. (Kunz; Ngo, 2016). Although social innovation in Germany lacks comprehensive public support in forms of legislation and funding, the scene is still remarkably resilient in strong. There are numerous networks and organisations that focus on improving, researching and developing social innovation events and actions.

Social Impact organization: “Social Impact focuses on the early stage of social enterprises and supports them in their founding period.” First lab was opened in Berlin where people can network, receive coaching and mentoring. (Social Impact EU, 2020)

Impact Hub in Munich: Events and workshops for social enterprises. (Social Impact EU, 2020)

**Hubs and Labs**

Impact Hub Berlin is described as a home for social innovation enthusiasts. Radical ideas that create a positive change among the society are encouraged. They offer consultancy, creative spaces and events for people who have innovative mindsets. The creative spaces include cafe areas, meeting rooms, innovation labs, focus areas etc. These creative spaces can be booked from their website and there are required supplies offered in the creative areas. (Impact Hub Berlin, 2020)

These are the amenities listed in the innovation lab: Wi-Fi, Flexible high standing tables, Flexible white boards, Sofa, Chairs and tables, Screen with HDMI & VGA connection, Writeable glass walls.

The innovation lab fits 15 to 20 people and is suitable for interactive workshops, sprints and lectures. These kind of consultancy and creative space -services contribute to social innovation significantly. It is important that there is a space with necessary supplies in order to innovative ideas to thrive. Also, guidance from consultants is essential when obstacles are met or networks need to be utilized. Creative spaces enable innovative people to come together and find effective solutions to social problems like climate change, gender inequality, covid-19 etc. The Impact Hub Berlin has a global network with 17 000 innovative members and 101 locations. The hub in Berlin is part of a global Impact Hub community.

Regarding funding, Impact Hub mentions Argidius Foundation which focus is supporting socially responsible businesses and bringing together most effective partnerships. (Argidius Foundation, 2019) Also, the Impact hubs have impact investors who are constantly seeking inspirational innovations to invest their money in. One of the Impact Hub allies is ​Social Entrepreneurship Akademie which was launched in 2010 “as a joint initiative between the four university-based entrepreneurship centers in Munich.” The akademie educates changemakers and social entrepreneurs. The akademie focuses in enhancing innovative thinking in all educational disciplines and emphasizes social impact in collaboration with its partner organizations. 137 social start-ups have derived from the akademie. (seakademie, 2020) The role is to educate people about social innovation and entrepreneurship who then contribute their ideas wider into the social innovation ecosystem. The impact can be measured through the collaboration between the Impact Hub and the Akademie; how many students who graduate from the akademie have a role in the Impact hub and contribute by either raising awareness of social innovation, consulting future social entrepreneurs or directly innovating themselves. I could not find more specific information because mostly the content was in German.

**Social Impact Lab**

Social Impact Lab​ founded in Germany develops solutions for societal challenges such as climate change, questions of migration and integration, right-wing populism or urban-rural divide. As a lab that promotes social innovations, they work together with similar societal platforms in Germany and abroad covering social and inclusive entrepreneurship, education, social economy and rural areas.

**Background of the lab**

Social impact lab is one of the active social labs in Germany that was founded as a non profit company with limited liabilities. The lab was founded by the management headed by ​Gabriela Spangenberg and Norbert Kunz.

The social entrepreneurship initiatives had taken shape in Germany after the concept of “Gemeinwohl Economy​” ​in​ 1970 when the Government offered a kind of certification for those who follow certain social aims. This was mostly used by cooperatives. Recently in 2017 more social enterprises took shape in Germany as a part of Social ​ Entrepreneurship Netzwerk Deutschland​ which helped such initiatives in regional and national level. At present there are community labs that support social entrepreneurs in Berlin, Stuttgart and similar major cities in Germany. With the Social Impact Labs, they have been building an infrastructure for promoting (social) entrepreneurship and social innovations since 2011.

**Activities of the lab**

The main activities of the Social impact lab include

1. support social startups including funding scaling their socially innovative business models.
2. Develop and implement innovative educational projects

The lab has been working in the educational domain for 30 years designing educational innovations at the national level. As part of the project called ‘Build your future’ the lab brought design thinking to schools. Through this project lab supports pedagogues with free teaching materials and training to encourage schoolchildren to actively and collectively tackle future social challenges.

1. Support inclusive entrepreneurship

The lab supports social entrepreneurship inclusivity through programs to support people with special challenges to build their startups. The lab also works on the political level in solving difficulties for inclusive entrepreneurs. The project called ​IFD Enterability launched with the help of the lab in 2014 is focused on supporting people from disability groups to set up their business and similar activities. The lab also runs programs for young entrepreneurs with a migration background to set up and run their business in Germany.

1. Scaling social innovation national and international levels

The social impact supports through networks and acts on institutional frameworks to scale such interventions to national and international audiences.​ The lab also acts as advisory boards and creates guidelines in such nation wide projects.

The social lab project called ​*Landvisionen*​ is one of the local platforms created for supporting social innovations in rural Brandenburg. The team also Developed a toolbox for helping social entrepreneurship building projects including rural projects. International programs include European Migrant Entrepreneurship Network, CERUSI building innovation laboratories for rural areas in several central European countries.

The social lab activities are funded using European Union social fund and German Ministry of Economics Work and Energy.

Thus the 9 Social impact labs in Germany including Berlin- social startup advice, Careleaver projects, Leipzig, Stuttgart,Frankfurt, Munchen,Potsdam and few other cities. The Labb Bonn Scholarship and other funding support is also provided in these labs.

**Impact**

The given below educational institutions are collaborators in the educational innovation domain and its projects.

* Carlo Schmid Schools of the International Federation of Baden,
* Robert Bosch Comprehensive School Hildesheim,
* Carl Benz Schools Koblenz,
* PINDL schools in Regensburg,
* Leonardo da Vinci Campus Nauen

The impact is measured by the social solutions provided by the labs in different cities. The impact is touched upon the activity areas mentioned above including, how extensively projects are beneficial for the rural, inclusive not only limit to cities​.

**The Collective Impact-Driven Incubator**

Shaping digital business models for social purposes (Exclusively for students of the University of Mannheim)

**Background**

The Digital Social Innovation Lab (#DSILab) focuses on opportunities of digitization for the common good. The DSI Lab Incubator is a Program of the Chair of Corporate Social Responsibility at the University of Mannheim and Social Entrepreneurship BW with the support of SAP. The program is the first project-oriented teaching format in the EU, which enables students to found their own social Start-Ups with a focus on digital innovation. Embedded in the academic curriculum of the Faculty of Business Administration of the University of Mannheim, the program enables students to gain extensive knowledge in the field of social innovation and entrepreneurship with the help of practitioners and experienced social entrepreneurs.

The incubator is designed to provide an inspiring environment empowering students to tap on digital technologies to shape projects that drive social impact while creating sustainable revenues. The lab is a hands-on and strongly practice-oriented course. With the input from industry experts and experienced practitioners, the students will get insights and valuable support along the development of their projects.

During the Digital Social Innovation Lab, students will learn how to create and scale a business models for digital social innovation.

**Activities of the lab**

The Digital Social Innovation Lab is a program, which enables students to gain knowledge in the field with help from practitioners and experienced social entrepreneurs. The lab acts an incubator, which aims to provide a positive environment to empower students to utilise digital technologies that drive social impact and create sustainable revenues. During the time spent in the lab, students learn how to create and scale a business models for digital social innovation. The lab is partnered with the University of Mannheim, which is the chair of responsibility and acts as an academic insight. The lab is also partnered with Social Entrepreneurship BW, a network and competence center for responsible businesses in Baden-Württemberg, who frequently host social innovation summits.

**Financing of the lab**

Graphical user interface, text

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Since the German state offers no financial aid to social innovation projects, the funding must come from other sources. The social innovation incubator is a study program for students at the University of Mannheim so the funding and coordination is largely on their part. Since they are also partnered with SAP SE, their corporate partner, the lab is in close financial cooperation with them as well. The lab is part of the Social Entrepreneurship BW network, which achieve min. 50% of their income independently and independently of subsidies and donations. Although the lab is not funded by the state, the lab has made good use of their partners to maintain an income to achieve their goals.

**Impact**

The lab has accommodated numerous projects that utilise digital tools to improve social innovation in the realms of democratic discourse, sustainable food deliveries, local mobility solutions, effective CSR/donation systems, services for disenfranchised individuals and people in mental distress. Their network partner Social Entrepreneurship BW claim to continuously measure their impact and adapt their approaches accordingly (continuous improvement process). Sadly, no further information is available online about the frameworks and specific categories of social impact assessment.

Since the lab is a social innovation incubator for students at the University of Mannheim, links to higher education is very strong. Social innovation studies have a very concrete emphasis on digital solutions and technological advance. The university hosts seminars in lieu of the social innovation incubator with over 50 students taking part and showcasing their ideas. The lab is frequently promoted on their homepage, where the university invites students to workshops with coaches from SAP and social entrepreneurship experts so the students can create social business ideas. The lab is also promoted in the University of Stuttgart where students are encouraged to use digital technology to tackle some of the worlds most pressing problems, like homelessness, climate change and mental health.

The first batch of students who went through the newly created Digital Social Innovation Lab Incubator in the Summer-Term 2019 devised inspiring digital projects within the realms of democratic discourse, sustainable food deliveries, local mobility solutions, effective CSR/ donation systems, services for disenfranchised individuals and people in mental distress.

## Ireland

**Policies**

Ireland has been falling behind for some time in terms of productivity growth in their domestic SME sector. The government of Ireland wants to strengthen domestic sector by restoring the balance of its innovation policy. By so doing, new growth and also jobs will be created which can attract foreign investors. 70% of the government support was accounted indirectly through the R&D tax credits in 2013. OECD finds out that direct government support to restore innovation is important but Ireland is lacking in this area compare to other European countries.

The term social innovation does not have a definition officially in Ireland. Nevertheless, a broader view can be taken to analyse the way social innovation (and in cases enterprises) is supported in Ireland one way or another.

Government does however have a say in the matter by various social innovation ecosystem elements being addressed or funded:

* Regulatory and legislative frameworks: National Social Enterprise Policy for Ireland 2019-2022 ( https://assets.gov.ie/19332/2fae274a44904593abba864427718a46.pdf)
* Funding and investment (e.g. Social Impact Bonds, initiatives like Buy Social, innovative tendering): Social Innovation Growth Fund Ireland Limited trading as Rethink Ireland (https://rethinkireland.ie/)
* Education and upgrading skills (e.g. education programs on various levels): Young Social Innovators (https://www.youngsocialinnovators.ie/about/),​Irish Social Enterprise Network (https://www.socent.ie/)
* Awareness raising (e.g. campaigns, competitions): The Trinity Centre for Social Innovation (https://www.tcd.ie/business/research/social-innovation-centre.php)
* Supporting infrastructure (e.g. physical and virtual - hubs, incubators, networks, platforms): Social entrepreneurs Ireland (https://socialentrepreneurs.ie/about/#our\_story)

Even though the Map of Social enterprises and their Eco-systems (p.15) states that Ireland does not see social enterprises as a core characteristic of inclusive governance,​ then the importance has clearly increased as the minister of Rural and Community Development signing the Toledo Declaration on social enterprises​ (https://www.gov.ie/en/press-release/5323b-ireland-signs-the-toledo-declaration-on-social-enterprise/).​ ​It is also worth to mention that in Ireland, there might not be a definition for social innovation, but there are many results for social enterprise on the government’s official website. Even though the Map of social enterprises and their eco-systems in Europe state that there is no institutionalised forms of social enterprises in Ireland (A map of social enterprises and their eco-systems in Europe, p. 23)​,​ it has managed to be involved in the declaration.

Even though the government themselves have not defined the phrase of social innovation, they highlight two initiatives on their official website (https://www.gov.ie/en/service/f6d608-social-innovation/).One of whom, Young Social Innovators also provides their own definition of the term to be very teaching-learning centered.

**Regulatory and legislative framework**

* In Ireland, there is no legal framework for supporting the development of a social enterprise. The most common form of existing legal structure that is used by social entrepreneurs in Ireland is the Community Limited by Guarantee.
* The existing options to become a trading enterprise is either by setting up a company that is limited by shares or limited by guarantee. A CHY number must be applied for to confirm an enterprise an asset lock.
* Another option to make an enterprise legal in Ireland is the Community Interest Company, which allows social enterprises to make use of their profit for good. If a company holds a CIC status, it will have an asset lock that secures that the company’s assets to be used for the good of the community. It will also have a community interest statement that ensures that there is a limit of dividends paid to shareholders.

**Funding and investment**

* There are different ways to get funding, either directly or indirectly, either through the government or through companies in the countries that support enterprises to make a difference around the world.
* In regards to funding, the Irish government provides support and investment programs that are meant for early or late-stage social innovation, an example of a company in Ireland that support social enterprises is the Rethink Ireland company, they provide cash grants and business support that can make a real difference.
* The Irish indirectly support domestic firm through R&D tax incentives. There are ways that the government can stimulate direct funding towards both the public sector and domestic sector which can bring back economic returns that will benefit the country.
* Encouraging domestic firms by supporting them can attract foreign investors to invest in the country. By supporting domestic firms, there will be increase in employment rate and thereby strengthening the social innovation of Ireland.
* Credit union may provide finance to social enterprise, which these unions consider themselves a social enterprise.

**Education and upgrading skills**

* There are organizations in Ireland such as Social Entrepreneurs Ireland (launched in 2013) and Social Innovation Fund Ireland that provide support through funding and measures like training, mentoring and networking opportunities.
* Labor market activation programs provide training in social enterprises to help unemployed people to improve their employment option.

**Awareness raising**

* In Ireland, organizations provide advocacy for social entrepreneurs and social enterprises. This company represents the wide range of activities that the social enterprises are involved with but with this representation, the message they are passing across to the government is not clear and concise.
* Individual representatives work together with advocacy bodies to communicate effectively, clearly and concisely the priorities of the messages they are conveying to the government. This type of cooperation will build a stronger understanding of their shared objectives of social enterprises and their support needs. While advocating to the government, the stakeholder activities should be also be conveyed in the message to ensure to promote public understanding about social enterprises and its contribution to the society and economy.

**Supporting infrastructure**

* Having an access to funding and finance can help in supporting infrastructures. Financial supports in Ireland are provided through labor market activation programs.
* The Irish government can support infrastructures by working with stakeholders to improve opportunities for social enterprises in the business-to-business the supply chain.
* The government should support existing social enterprise by creating opportunities for networking and also make them sustainable. If there are gaps that needs improvement for the infrastructure to become stable, they should work towards addressing this issue.
* By improving and supporting infrastructures of social enterprise, the range, quality and consistency of services provided by these social enterprises will in return have a positive effect on the country’s social innovation policy.

**Hubs and labs**

**Background**

ESADE is a university in Barcelona, Spain but the Innovation space is located on ESADE’s Saint Cugat campus in Spain.

* It has a space called the **Rambla of Innovation.**
* ESADE is a global institution structured as a business school, a law school and an executive education area.
* It is an institution that is known for its quality of education, and its strong ties to the business world.

**Activities of the lab**

* The Rambla of innovation is a space designed for home-grown business research and innovation.
* The Rambla innovation houses 7 labs where education blends with innovation and research. These seven labs are:

1. Fusion Point: that starts from the creation of new ideas,
2. Decision Lab: through feasibility testing of the idea,
3. Fab Lab: manufacturing of prototypes,
4. eGarage: definition of business model and
5. eWorks: creation and implementation of a company.
6. Finance Lab: laboratory for students interested in data intensive financial analysis.
7. Media Room

**Financing of the lab**

Since there are different stages for the lab innovation at Rambla, there will be different support system either financially or company-wise.

* Fusion Point: is supported by Accenture company
* eWorks: at this phase over 24 entrepreneurial projects have been accelerated and this has attracted funding of over €2.5 m.
* ESADE plans to allocate a total of €10m over three years to adapt methods and teaching environments to the challenges of globalization and digital revolution.

**Impact**

A new ecosystem that combines both learning and entrepreneurship was created to increase impact on the environment by the creation of these labs.

* One of the ways ESADE measures impact is by raising awareness about the key themes within impact management for charitable foundation.
* Another is to blend innovation and experimentation.
* ESADE is gradually transforming into a socially responsible and sustainable academic institution.
* ESADE is in partnership with the United Nation Global Compact and PRME (Principles for Responsible Management Education), a network that is committed to integrate ethics, sustainability and social responsibility into education.
* The role of this higher education institution has to do with the creation of these labs to increase impact in terms of education and entrepreneurship.

A good example of where this works is The Northern Ireland Public Sector Innovation Lab (iLab) which is a part of a growing UK and international community of Policy Labs using codesign to engage with users for value co-creation, aiming to improve public governance by creating a safe space to generate ideas, test prototypes and refine concepts with beneficiaries. It was established in April 2014 by the then minister for finance in the Public Sector Reform Division of Northern Ireland's Department of Finance. In its first two years, iLab led 18 projects focused on a wide range of service and policy challenges. The challenges ranged from improving the use of data analytics within the government and reviewing business rates to encouraging people to pay court fines and optimising how patients manage their medication. It is testimony to the Lab’s success that it has been able to embark on such a diverse and ambitious portfolio of projects and gained endorsement from a range of departments (​Whicher & Crick, 2019).

It is such a place where citizens can safely exchange ideas and think outside the box that is an important platform for the emergence of new projects and initiatives. In the case of the adaptation of new migrants in educational institutions, it is the people who directly encounter new migrants every day, whether they are teachers, parents of children or local government institutions, who have very important inside information that will help provide better services and make the integration process smoother. The point of view of the new migrants themselves is also important, since the policies being developed affect them directly and they are the main indicator of whether the policies are working or not. Another interesting insight that Innovation Lab gives is important to recognize “that ascertaining what does not work can be as valuable as ascertaining what does work” (​Whicher & Crick, 2019).

It is the study of what did not work out and the reasons why it happened that can give important information about the project and help to adjust the activity in the future.

## Italy

**Policies**

“Italy is finding it particularly difficult to react. With over one third of youth aged 20-34 that are neither in employment nor in education or training (NEET), over 4.5 million people in absolute poverty (+140% since 2005), a dramatic drop in social trust and political participation, Italy is struggling to find the energy to reverse its trend. Within this scenario, there is a real need for innovative responses and solutions. The ground is set for social innovation to give an important contribution, to mobilize society’s best resources and creativity, to build new partnerships and collaborations, and to propose new ways to tackle problems, making the best use of available resources, while combining these with the new opportunities coming from digital technologies” (*UNDERSTANDING SOCIAL INNOVATION IN ITALY*).

“Social innovation first emerged on the national agendas in the year 2012, when a dedicated task force was set up under the Ministry of Education, University and Research (MIUR), with the aim to produce a first document towards the Italian Social Innovation Agenda. In 2013, MIUR further issued two calls for projects on smart cities and social innovation, and a third call for the creation of “social innovation clusters”. The same year, the Ministry of Labour and Social Policies established a Task Force on Social Enterprise and Social Innovation. In 2015, a dedicated workshop promoted by MIUR in Rome discussed the state of the art and made some practical proposals to better incorporate social innovation in the government agenda. Despite these efforts, however, in the past years concrete actions to support social innovation remained fragmented, lacking a comprehensive and long-term policy framework. At the same time, in Italy social innovation is increasingly known at the local and micro level, and a number of actors and networks have embraced the issue in the past years. A few dedicated incubators and accelerators emerged (9 of which affiliated to global Impact Hub Network), private foundations started supporting social innovation projects, other actors such as the Italia Camp group emerged on the scene, and the British foundation NESTA announced the launch of its Italian branch. Last but not least, a number of research centers and consultancies started working in this field” (*UNDERSTANDING SOCIAL INNOVATION IN ITALY*).

Notwithstanding the absence of a solid national policy in Italy, social innovations in Italy are gradually emerging as it comes up from time to time, from the initiative of public, private and non-profit actors. Oftentimes, they materialize where a constructive context or sectoral policy exists which unseals a space for innovation in a specific sector, permitting investigations, identifying a functioning idea / method, and researching the possible expansion and development of best practices. The research project SI DRIVE, by looking at selected policy areas, established the significance of public policy frameworks to enable operational and maintainable social innovation. For instance, the healthcare field, has showed that social innovations can be successful in Italy when the promotion of consistent new services with total advancement of health strategies in methods that emphasises the wider digitalisation efforts of the communal health system. Embedding comprehensibly within such policy frameworks, social innovations can bring their specific added value, for illustration, in the health system social features of the services can be addressed. Like empowering patients, erecting cross-sectoral relationships with housing or mobility and many others. Also, tackling new needs and target groups that were previously neglected. The development of new plans to support refugees and connecting them with locals is one of the most stimulating social innovations emerging in Italy.

**Regulatory and legislative frameworks**

Since the year 2006, Italy has had a legal definition for social enterprise. As established by the Italian Law on Social Enterprises and translated by researchers the components of the legal definition of social enterprises are:

1. A social enterprise may be a private organization—it can't be, or controlled by, a public entity. It can't be a private enterprise.

2. It performs an entrepreneurial activity of production of social utility goods and services. Income from this activity has got to be a minimum of 70 percent of the entire income of the organization. Social utility is defined by law.

3. It acts for the common interest and not for profit. Earnings can't be distributed to owners and need to be invested within the business or in increasing assets. Expanding on some features of this legal definition:

4. almost like the UK working definition of social enterprise, Italy’s legal definition doesn't prescribe a particular legal form (e.g. a company, a non-profit, a cooperative) to be used for social enterprise. Rather, any legal form is often used. This includes traditional companies also as non-profits. The restriction on the distribution of earning doesn't necessarily imply a non-profit legal form.

5. Social utility is defined by law as encompassing one among the subsequent two categories:

Italy is the only European country with both a law on social cooperatives (legal form) as well as a law on social enterprises (legal status). Italy is a part of the wider policy framework that supports the development of the non-profit sector.

Italy engages in the 3 major approaches to social enterprise legal legislation:

1. *Adaptation of existing legal forms to take account of the specific features of social enterprises.* Italy have created new legal forms for social enterprise by adapting or tailoring existing legal forms. Italy has a separate, new legal form for social enterprise has been created by adapting the cooperative legal form.
2. *Creation of a social enterprise legal status.*Italyintroduced transversal ‘legal statuses’ that cut across the boundaries of various legal forms and can be adopted by different types of organisations provided they meet pre-defined criteria.  A legal status can be obtained by select or all existing legal forms provided they comply with pre-defined criteria. An example of the former is the “Social Purpose Company” status in Belgium which can be adopted by any type of enterprise (cooperative or share company) provided it “is not dedicated to the enrichment of its members”. An example of the latter is the legal status of a social enterprise in Italy (as per Law No.155/2006). This legal status can be obtained by all eligible organisations which could in theory be traditional cooperatives, social cooperatives, investor-owned firms (i.e. share companies) or associations and foundations.
3. *Recognition of specific types of non-profit organisations that allow for the conduct of economic activity* (e.g. non-profit institute in Slovenia; public benefit corporation in the Czech Republic) – although not labelled as such, these organisations are de-facto social enterprises.

**Education and upgrading skills**

Italy has various institutions that promote social innovation. Many of these are on postgraduate level:

* 1. *Turin School of Development (International Training Centre of the ILO):*gives training on social innovation for sustainable development
  2. Swiss School of Management, Rome Italy
  3. Sapienza University of Rome
  4. IED – Institute Europe di Design Milan
  5. ContaminAction University

And other institutions:

* Agenda for international development
* Enjoy Italy

**Awareness raising**

The awareness of social innovation is highly improving, as the growing vitality of social innovation in Italy promotes awareness on the vitality to understand and estimate the social impact created by these new solutions. A major challenge for all organizations in Italy, working for social objective course, is that the evaluation of social impact has never become extensive within Italy, hence the organizations are unable to validate their impact. The scarcity of proof on impact makes it problematic to conclude which innovations can really be measured “social”, and the way effective they really are in solving the addressed social challenges. The recent diffusion of impact assessment practices and the interest demonstrated by the public institutions (see for example the mandatory impact assessment required by the recent national grants to fight child educational poverty) are often seen as a positive development which will help the affirmation of social innovations in Italy, foster the adoption and replication of successful solutions, and help continuous learning and improvement. Lastly, a key role in Italy is played by all those communities, networks, and spaces, such as coworking spaces, living labs, or incubators, that are an essential part of the overall ecosystem, and support social innovation by experimenting and fostering new sorts of knowledge sharing, socialization, and cross-sector collaboration and contamination.

**Supporting infrastructure**

Networks have played vital roles in societies since their existence including improving the extensive imitation and growth of social enterprise. In Italy, networks can be classified into four main units:

* 1. representative bodies,
  2. national, regional and local consortia,
  3. support networks,
  4. networks running entrepreneurial activities.
* Support networks in Italy are large bodies representing NPOs. They provide social and political representation and also perform a coordination role. Examples of support networks are provided by:
* Forum del Terzo Settore, which performs a key lobbying role in Italy,
* and Rete Misericordie,which has a history going back eight centuries.
* Rete Misericordie is the widest network, bringing together voluntary groups committed to providing assistance to local communities and to vulnerable people in particular.

Over the last few years, a few entrepreneurial networks have been established in the form of ex legal limited liability social enterprises. They engage in the direct production and/or running of trading activities (Venturi and Zandonai 2016). These networks running activities, especially in the field of health or complex social services, are a typical example of the innovative social enterprise initiatives that were able to seize the opportunities offered by Law 118/2005. Incubators have also played a key role in providing social enterprises with important resources and skills. It is worth mentioning that social enterprise incubators and accelerators select, fund and provide support to innovative and social/environmental impact-oriented entrepreneurial initiatives during their start-up or development phase (e.g., Avanzi-Make a Cube, FabriQ, Impact Hub, etc.)

Table ES1.1 Overview of social impact reporting schemes

|  |  |  |
| --- | --- | --- |
| Country | Social impact reporting system | Voluntary/ Mandatory |
| Austria | Common Good Balance Sheet | Voluntary |
| Belgium | A social purpose company has to produce an annual report (non-standardised) on how it acted on the established social goals of the organisation | Mandatory |
| Estonia | Social entrepreneurship sector pilot statistical report (EU funded ) and impact assessment handbook | Voluntary |
| Germany | Social Reporting Standard | Voluntary |
| Italy | Bilancio Sociale (social report) | Mandatory for social enterprises ex lege |
| Poland | Pilot projects aimed at designing impact measurement and reporting tools | Voluntary |
| United Kingdom | A number of actors have published guidance and toolkits. There are current attempts to further develop and agree common frameworks | Voluntary |

**Funding for research institutes and research projects**

The Fund for the Ordinary Financing of Research Entities and Institutions (FOE) is the main source of funding for Italian research entities. MIUR allocates FOE every year, with the following purposes:

* ordinary assignments (FOE) for the ordinary functioning of research entities, including recruitment procedures (‘Organisational capacity: Funding, people and incentives’, 2019)
* internationally relevant research activities, to comply with the commitments undertaken by the government on the basis of international agreements
* development of extraordinary projects, linked to specific activities identified by law or on the basis of dedicated agreements
* Flagship Projects and Projects of Interest (PRIN; see below).
* Also, funding for research has decreased in real terms in the last few years (-5.4% between 2011 and 2018). The following paragraphs illustrate the other main funding channels for research and research entities.

“The funding system encompasses three components, following different allocation criteria to state universities. These components are: i) a mixed allocation based on the historic cost faced by HEIs (HIGHER EDUCATION INSTITUITIONS) and the standard cost per student; ii) an allocation based on the performance of research; and iii) a smaller share to help HEIs deliver better services to students. These three dimensions are listed and discussed in turn below.

Universities have adopted these priorities areas in their strategic documents and shared the national goals. For example, contributing to regional development through the provision of relevant skills tops the agenda of many of the case-study universities.

Based on the experience of the previous period, the resources allocated by MIUR to support institutional strategic planning in public universities have increased and total EUR 165 million in 2019-20. National strategic priorities include the following areas:

* teaching and learning
* research and technology transfer
* students’ services
* internationalisation
* recruitment.

The relative scarcity of highly educated individuals in the workforce and the low level of literacy and numeracy skills, including among individuals holding a university degree, compared to other countries are amongst the main challenges of the Italian economy (OECD, 2017a). To respond to these challenges, Italy has introduced important innovation in the tertiary education system: the *Lauree professionalizzanti* or professional bachelor’s programmes; the *Instituti Technici Superiori* (ITS), short-cycle professional/vocational tertiary education institutions; competence centres, an important innovation in the national innovation system, especially regarding the capacity of HEIs to engage with the private sector” (OECD, 2017).

**Hubs and labs**

**De lab: solutions about inclusive business in Italy**

This lab has several projects from project development plans to development of co creation models, research, most innovative aspects of social and environmental responsibility, welfare community management and many others

## Latvia

**Policies**

As Svetlana Polovko in her paper “Legal framework of social innovation: case study of Latvia” states: in recent years, Latvians have shown increasing activity in creation of eco-innovation in social sphere, which has caused a need to systematize and regulate it. Although a special legislation framework has been introduced to regulate social entrepreneurship in Latvia, social innovation is not legally regulated and organized yet. For the development of Latvia regions, it is necessary to enhance commercial activities of the population, which could result in welfare improvement and job creation. However, without public support it is difficult to implement. The state and local authorities are reluctant to engage in social innovation projects because there are no clear criteria for the implementation of social innovation and rates of return.

In 2019 Baltic New Network published an article about Latvian social innovation progress.

“Latvia is reported to have the third highest growth rate in the European Union, growing by 17.7 percentage points in the rating, according to outlooks of Europe’s Innovation Result and Regional Innovation Result.”

Experts see that the result bases on three dimensions: finances and support, innovations influence on employment and ensuring innovation-friendly business environment.

“Latvia’s rapid growth rate in Europe’s innovation rating reflects Latvia’s performed initiatives for development of the innovation environment, especially in regards to support of companies to produce more innovative products and services, as well as procurement of new manufacturing infrastructure,” says Economy Minister Ralfs Nemiro. “Latvia should continue its work in developing its innovative environment in the future. At the same time, the country should go through with ambitious innovative pilot projects. This is why Economy Ministry has begun work on pilot projects in the field of smart cities, bio-medicine and smart materials. Innovative development is one of the priorities of the state economy, which will serve as the base for increased productivity and added value products in a medium and long-term perspective.”

There is a law regulating social entrepreneurship.

“1st of December 2014 the Ministry of Welfare in collaboration with the Ministry of Finance, the Ministry of Economy and the Ministry of Justice are developing a draft law of social entrepreneurship regulation. We hope that this regulation will be in place as of 2015 and will further facilitate development of more and more social enterprises in Latvia, but even without a legal form in place, should it stop us looking for the ways to bring positive changes into society.”

Social Enterprise Law (1 April 2018)

https://likumi.lv/ta/en/en/id/294484-social-enterprise-law

This law is under jurisdiction of the Ministry of Welfare (MoW), which according to their web page “the mission of the Ministry of Welfare is to stabilize the condition of a person in the situations of social risk, to reduce the possibility that the social risk would occur by facilitating honest legal labor relationships, healthy and safe work conditions, gender equality thus creating the opportunities to everybody to secure a sufficient life quality themselves in any given situation.”

According to the law MoW is providing programs and aid mechanisms through their website. Publishing materials (compendium of good practices etc.). If profit is not retained, but invested to achieve objectives defined in the law or paid to employees, financial support will be provided.

Social enterprises and their ecosystems in Europe. Updated country report: Latvia (2018)

There are 200 social enterprises operating in Latvia. They must obtain legally their social enterprise status. They should have positive social aim as the main purpose of the company, profit distribution to company owners is restricted, profits must be reinvested internally or in order to reach its social aim. Loans are granted at low interest rate or interest free of social enterprises. The Latvian Business Angel Network and European Latvian Association are providing important social impact investments. There are governmental grant programs allocated to prospective social enterprises.

As the European Commission report (2015) “A map of social enterprises and their eco-systems in Europe” brings out: in Latvia law on social enterprises is under development. So Latvia is one of seven countries who have introduced transversal ‘legal statuses’ that cut across the boundaries of various legal forms and can be adopted by different types of organisations provided they meet pre-defined criteria. There are also a number of European countries that have very limited or no publicly funded schemes specially designed for and targeting social enterprises, Latvia is one of them.

There are no institutionalised forms of social enterprise in Latvia. De-facto social enterprises can be found among: non-profit organisations with a Public Benefit Organisation status and engaging in economic activity; mainstream enterprises with social aims.

Firstly, there appears to be some misconception about what a ‘social enterprise’ is. Many stakeholders pointed out that the term “social” is often associated with the activities of charities and social sector entities rather than entrepreneurship. According to them, this tension has resulted in a lack of awareness on the part of customers and investors regarding how social enterprises operate differently from the purely social sector entities (or even mainstream enterprises) and the tangible benefits that they generate. This inherent tension has resulted in confusion and poor visibility in several countries (for example, Latvia and Romania to name a couple).

European Commission (2018) „A map of social enterprises and their eco-systems in Europe. Country report: Latvia“which has more recent info brings out that an essential turning point in the development of social enterprises took place on 1st of April 2018, when the Social Enterprise Law was adopted. The law stipulates that a social enterprise is a limited liability company with a special statues. In order to obtain this social enterprise status, the company must fulfil certain criteria, including an obligation to have a positive social aim as the main purpose of the company, as well as restricting profit distribution to company owners. The company must either reinvest its profits internally or in order to reach its social aim. Amendments and changes in other laws followed the Social Enterprise Law, including changes in the Public Procurement law, which considered social enterprises as reserved contract subjects. Work integration social enterprises (WISEs) constitute an important type of social enterprise although they represent only one way in which social enterprises can operate. It is not obligatory for social enterprises to employ individuals at risk of social exclusion; indeed, they may also promote the accessibility and quality of education, environment protection, cultural diversity, social and health care, a more civic society and other fields.

**Funding and investment**

As the European Commission report “A map of social enterprises and their eco-systems in Europe” brings out: there are also a number of European countries that have very limited or no publicly funded schemes specially designed for and targeting social enterprises, Latvia is one of them.

Access to finance and the use of financial support instruments, development finance and social impact investment are important topics for social enterprises in Latvia, as well as the basis for constant and heated discussions. According to the Social Enterprise Law, social enterprises may automatically use specific support mechanisms - involvement of volunteers, certain tax reductions, and access to EU funds. Furthermore, the new Law enables municipalities to create and implement their own local support instruments – reduced real estate tax, permission for social enterprises to use municipality property for free, special financial support schemes and privileged public procurement procedures for social enterprises.

* Business support and development instruments offered by Development financial Institution ALTUM. ALTUM supports enterprises at different stages of development, including social enterprises – there are programmes for beginners as well as credit measures and access to acceleration funds, incl. loans with lower interest rates and favourable conditions for small and medium-size enterprises.
* European Social Fund project ‘Support for social entrepreneurship’, implemented by Ministry of Welfare in cooperation with Development financial Institution ALTUM. The size of a grant for a business project ranges from 5,000 to 200,000 EUR, and it can be received for both the establishment of a social enterprise and its expansion.
* Support of the Investment and Development Agency of Latvia (LIAA). LIAA implements several state and EU support programmes for the development of entrepreneurship. LIAA supports start-up and innovative companies during the start-up phase, promotes cooperation between businesses and science, as well as commercialization of innovations, and prepares start-up and existing companies for attraction of investment, incl innovation voucher support services.
* EU LEADER programme in the regions. Enterprises and NGOs in the rural areas of Latvia, including social enterprises, have an opportunity to implement their project ideas by applying to the LEADER program funding.
* Local government financial support instruments. The Social Enterprise Law allows local governments to design and introduce local support instruments for social enterprises: a lower immovable property tax rate, free use of municipal property, special financial support schemes, and privileged public procurement procedures.

Prizes and awards

* The European Social Innovation competition is a challenge prize competition run by the European Commission across all EU countries.
* The Social Innovation Tournament is organized by European Investment Bank Institute to recognise and support the best European social entrepreneur. The Social innovation Tournament was held in Riga in 2017, The Final Event of the EIB Institute’s Social Innovation Tournament was held in Riga in collaboration with the Ministry of Welfare of Latvia and the Social Entrepreneurship Association of Latvia in 2017, but it was focused on all European countries, not only Latvia. It is organised in a different country every year to reward and sponsor European entrepreneurs whose primary purpose is to generate a social, ethical or environmental impact.

**Supporting infrastructure**

Social Innovation Center (SIC) http://socialinnovation.lv

Their aim is “strengthening and disseminating the knowledge, promoting the international and national experience exchange and establishing the networking for social innovation thus enhancing the sustainable development of society. We recognize social innovation as the best solution that offers an efficient, sustainable and positive social change or solution for society’s problem.”

Their activities rely on “non-formal learning about social innovation, social entrepreneurship, political processes, and policy formation for disadvantaged society groups, integration and increase of society participation in social and political processes. The key experts specialize in the following areas: innovation, society challenges, youth, disadvantaged groups, social entrepreneurship.”

All of the projects are directly or indirectly related to social innovation, improvement of quality of lives in community and development of new skills. SIC cooperates with experts in the field and from other civil society-based organizations thus enhancing the professional network and sustainable development of society. Social Innovation Centre promotes cooperates, teaches,

inspires and disseminates the knowledge and best practices in the field of:

* Civic participation and the promotion of civil society participation in policy formation (documents and legal acts). Promotion of active citizenship an individual's participation in society and public life;
* Representation of social risk groups and other groups interests and rights, promotion of skills, integration process;
* Promoting knowledge and understanding of social innovation and social entrepreneurship, and the role of creativity;
* Promoting the development of creative and culture industries, inter-disciplinarity, cultural and heritage conservation and awareness;
* Promoting regional development and local government capacity building;
* Strengthening public health and promoting healthy lifestyles.

SIC has many different projects, mainly funded by different EU funds (e.g. Erasmus+) and

involving partners from other countries.

Social Entrepreneurship Association of Latvia (SEAL) is the NGO that covers the three aspects of social entrepreneurship in Latvia (advocacy; networking, education and upgrading skills; promoting, awareness raising). It a is a member organization to promote the development of social entrepreneurship in Latvia. They bring together like-minded organizations, companies and people who believe that social entrepreneurship in Latvia has huge potential and who are ready to participate in the development and strengthening of the sector. The SEAL currently has more than 90 members. It is estimated that up to 200 social enterprises operate in Latvia.

Improvement of the capacity of members, development of the experience and knowledge sharing platform. In various ways, we help our members to achieve better their goals by providing joint activities, fast and effective information exchange, up-to-date information on finance and cooperation opportunities, and counselling support. We promote the goods and services of our members in various ways, for example by collecting information about the member's offer, organizing the Social Entrepreneurship Market in the Kalnciems Quarter, and introducing with useful partners. Informing society about social entrepreneurship. The SEAL takes part in various events to inform the wider community about the opportunities offered by social entrepreneurship. They have created a network of social entrepreneurship ambassadors in the regions of Latvia.

## Lithuania

**Policies**

In EU countries are divided into 4 groups based on their innovation activity: innovation leaders, innovation followers, moderate innovators and modest innovators. In current situation Lithuania falls in to the modest innovators group.

Every country has their stronger areas and weaker areas. Lithuania's strongest areas are human resources, financial and support. From the other hand Lithuania's weaker areas are the lack of openness and attractiveness of the scientific research system, irregular business relations and weak capacities of entrepreneurship and low economic effect. The main reasons behind this are non-functional relations between the elements of National innovation system, and lack of competence in innovation management at organizations. However, remarks about the pretty poor situation on innovations in Lithuania cannot be generalized. Lithuania has no actual system to collect information about created and implemented innovations. The main part of innovations created in Lithuania are ordered by foreign companies and therefor are marketed outside of Lithuania.

Below is some information from Eufori Study of Lithuania's country report about

innovation.

(http://cuforistudy.eu/wp-content/uploads/201 5/07/Lithuania.pdf)

**Failures:**

* Lithuania is behind the EU average in terms of the number of small and medium size enterprises implementing technological and non-technological innovations.
* According to university and business collaboration indicators, Lithuania ranks 28th out of 148 countries, and is ranked 12th place among the EU Member States.
* Integrated science, studies and business centers do not meet its business needs.
* Lithuania lacks strong, sustainable clusters and incentives for strengthening relations of cluster participants. Currently the performance of clusters depends largely on the support from EU structural funds;
* A very small part of Lithuanian public sector organizations innovative.
* Lithuania is ranked 40th place out of 142 countries (Estonia is 25th, and Latvia is 33rd) according to the Innovation Efficiency Index (in 2013 the rankings of the three Baltic states were 105, 51 and 74, respectively).
* According to a new Innovation Performance Index, Lithuania is among the least (the last but one) innovative countries in the EU.

**Achievements**

* Although Lithuania's ICT sector is directly responsible for 2.2 % of the GDP (2011), and in the EU 5 % of the GDP, but the sector's contribution to overall productivity growth is much higher due to its inherent dynamism, innovation and impact on other sectors of change.
* Research and development employees work at higher education and government institutions, and many of them work in most EU member states.
* Lithuania's ranking was relatively high with respect to education and research in 2013 (35th place out of 142 countries).
* Lithuania has highly qualified human resources and is ranked 20th place according to education indicators.
* According to the World Competitiveness Index of 2013-2014, Lithuania ranked 48 out of 148 countries. Lithuania is 16th among the EU Member States

Lithuania is doing steps towards social innovation, and they have organizations working towards the goal but as a social innovation country they have long way to go to get where they want to be.

**Regulatory and legislative frameworks**

On national level there are lot of different documentations supporting Lithuania's innovation regulatory and legislative framework. They also have supportive program what has developed specifically for these purposes. But unfortunately, in any kind of documentation the overall importance of social innovation is not highlighted almost not at all.

Lithuania has a great asset as high-quality human resources but somehow the country doesn't know how to make a good use of this and in 2017 Lithuania was on the lowest which indicates the goal to implement the funds into innovation activities was not reached.

Social Innovation Concept and Implementation in The European Union and in The Republic of Lithuania <https://tinyurl.com/y38uwmcd>

**Funding and investment**

Over the last years the situation has improved but Lithuania still has not the best options for funding and investments. The loan options have improved and the interest rate has gone down therefore the rejection of the loan applications has increased from 22,54% to 22,77%. This has led the financial foundations that could also be used by impact investors targeting social enterprises. The "Co-investment Fund" together with private investors invest in small enterprises.

Seems like Lithuania is doing better in some parts, especially to have support from private sector investors but on the national level enterprises still struggle to find the right support for their projects and developments.

http://www.socialenterprisebsr.net/wp-content/uploads/2019/08/3April\_main.pdf

**Education and upgrading skills**

The Lithuanian Children and Youth Centre creating a Sustainable School program where many schools participated creating different sustainable solutions for a better world. Like vegetable gardens and building greenhouses, projects for more bike lines and different tests so that children would better understand the effect they have for nature.

https://en.unesco.org/news/imagination-and-energy-help-schools-lithuania-turn-sustainability-ideas-action

**Awareness raising**

Lithuania has organized many different campaigns and conferences about social innovation (Social Business Conference in Vilnius)

**Supporting infrastructure**

Lithuania has many non-profit organizations to support development of entrepreneurship, promoting business and science collaboration and other innovation support. For example, one of them is Sunrise Valley Science and Technology Park.

Ministry of the Economy and Innovation of Republic of Lithuania has a list of some of the non- profit organizations who deal with certain matter.

https://eimin.lrv.lt/en/sector-activities/innovation/innovation-support-infrastructure

**Hubs and labs**

UNTIL believes building sustainable solutions includes producing strong cooperation with public and private partners, businesses from all over the world and UN member states. The labs are inventing and incubating different technology products and services. UNTIL lab solutions are created cooperating with UN member states, plus different world-wide and local partners.

The UNTIL Finland is located in Aalto University, Espoo what is the new tech and innovation center or the country. The social innovation goal and definition in Finland is to find new and modern way to solve different issues and problems. There are four core areas of concentration for the projects which are supported by UNTIL Finland: peace, justice and strong Institutions; quality education; good health and well-being; responsible consumption and production **-** circular economy.

In 2007 an Innovillage was established, which main goals were to find solutions for ageing population, lacking numbers of skillful professionals and recession of public sector. So far, the most important achievements are free general education, little poverty, small income gaps and women’s active participation in working life.

For UNTIL Finland it is very important that they have continues cooperation between all important sectors including government, private sector, academic partners, different NGOs and UNTIL network. Collaboration between all named parts is very important to make things happen and find solutions for different problems. Variety of cooperation options, practical workshops and projects conducted to make it happen.

Finland has done great with their social innovations therefore they are still in process to find the solutions for demographic ageing and labor shortage, unemployment in all parts of Finland especially high unemployment rate within youngsters, health care sector, rural area and community growth.

Calendar

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Current photo is taken from UNTIL web pages to demonstrate the project process and funding matters. https://until.un.org/content/about-until

## The Netherlands

**Policies**

The focal unit of this report will be The Netherlands. The proposed solution will therefore need to be realized in a Dutch context as well. This chapter will take a closer look into the social policy structure present in the Netherlands. The social innovation ecosystem consists of the following five elements: regulatory and legislative frameworks; funding and investment; education and upgrading skills; awareness raising; and supporting infrastructure. For each of the elements, two or three examples will be mentioned. Within this context, social innovation is used as a very inclusive definition and is adopted across all sectors. There is a strong entrepreneurial push to provide commercial solutions with the aim of achieving social missions (Wilkinson, 2015).

**Regulatory and legislative frameworks**

The Netherlands belongs to the countries in Europe that purposively do not provide any purposively targeted policies of preferential treatment for social enterprises over other enterprises (Wilkinson, 2015). There is therefore also no institutionalized form of a social enterprise, but simply either: a normal enterprise that claims to have social aims; a non-profit organization; or a cooperation pursuing the general interest (Wilkinson, 2015). The ways practitioners can adapt current legal structures to accommodate for social action is not widely known.

When registered as an association or as a foundation, it is possible to apply for an ANBI status. In order to gain this status, 90% of the activities must serve the public interest. With this status the legal entity becomes eligible for deductions on corporate tax, VAT, inheritance, gifts, and energy costs. The maximum deduction is 10% of the total income. This could also be treated as part of the funding and investment segment, but since it’s about paying “less” tax instead of getting more money, it is treated as legislative. When registering as a sole proprietorship and limited liability company, the same rules apply as for regular businesses. Meaning, self-deployment deduction of around 7k if worked more than 1225 hours, and a 2123 deduction if this is the first time in 5 years that you start your own business. Almost all of the social enterprises are operating as limited liability company, and the Social Enterprise NL platform is working on a standardize approach to help social enterprises govern themselves within this legal entity (Bosma, 2019).

In 2008, the government proposed to create a legal entity for societal enterprises regarding education, health care, and social housing. It was meant to promote engagement in semi-public organizations, but it was rejected after much criticism from stakeholders in 2011. This went hand in hand with a government reform (Bosma, 2019). Twenty years before this, the government attempted to allow their public entities to be used for commercial means, this was stopped due to the market and competition laws in place. One can see that there is a clear push and pull between the public and private sector, each attempting to diminish the borders in between but failing. Later in 2014, a code of conduct was written on what public and private relations should look like, and what is and what is not allowed. These are still in effect today.

**Funding and investment**

As mentioned in the previous element, the Netherlands has deliberately chosen not to favour social enterprises over normal forms of business, as they are not even defined separately. This is not to say that there is no funding for social enterprises at all, it is just that the government wants to treat every business equally, and trusts that the market and the public will take care of themselves. This helps reduce people who want to cheat the system, or greenwash their company to get extra financial credits. A good example of how the market regulates itself are the social banks found in The Netherlands such as SVB, SBN, and the social impact fund of ABN AMRO. These are banks that realized there is a big market of people who want to see their money being used for positive outcomes. This market deemed valuable enough to neglect the potential opportunity costs of investing in higher return fewer social causes.

Not treating social enterprises as anything special also means less of them get funded in comparison to other European countries. They get funding around the same as normal businesses, sometimes less as the business models are not always valid (Wilkinson, 2015). In addition to this, as the government does not provide any funds to minimize risks, other private financial sources often do not lend them credit or buy equity.

With a lack of distinction between a social enterprise and a regular enterprise, the same rules and policies made by government departments and institutions are the same. The country specific report about the Netherlands summarizes a selection of them, and this report will only highlight the policies that are most beneficial for social enterprises:

1. *Dutch Good Growth Fund* – Supports SMEs to do business outside of the Netherlands
2. *Guarantee Corporate Financing Energy Transition Financing Facility (GO*-ETFF) – Provides between 750,000 to 25 million to every business or entrepreneur who helps transitioning to more efficient use of power and energy and renewable sources.
3. *Innovation credit* – When a business has a product ready to be introduced that will be beneficial for the wellbeing of the Netherlands but does not have clients yet, the business can apply for a fund of 60 million
4. *Investment subsidy renewable energy (ISDE) –* subsidy for any business/households generating their own energy. Budget of 90 million.

Besides the lack of action specifically for social enterprises on the national level, local municipalities and cities make their own rules and policies that sometimes do promote social enterprises. Examples of these are:

1. *Amsterdam –* providing a fund of 1.1 million to social enterprises that create work for less fortunate people. Giving out loans of 150,000 euros with 2% interest and payback of 60 months. Furthermore they provide 5k-15k to companies in line with Amsterdam’s sustainability goals. Total budget is 300,000k

2. *Utrecht –* provides funding and tax breaks to companies that focus on generating new jobs as social impact.

**Education and upgrading skills**

Despite the social progress the Netherlands has made, social entrepreneurship is a relatively novel concept. The same actions were often classified under different names, that now have to be reclassified and analysed under the new framework. This greatly promotes the future legitimacy of new ventures with social aims. Over the last couple of years many new PhD programmes have been introduced in order to classify this faster and thoroughly. In addition to this, many universities (and universities of applied sciences) have introduced new course and even programmes teaching about social entrepreneurship. The Dutch country report of the synthesis provides two tables that summarize all the programmes, which can be found at the end of this section.

In addition to the new universities’ programmes, social behaviour and work is heavily promoted throughout elementary school and high school. All students have to do 40 hours of voluntary work around their city or elsewhere. And many economic courses focus around entrepreneurship and doing good.

Furthermore, in addition to the formal courses, many students gather and start clubs around entrepreneurship and social progress. These act as incubators, consultancy groups, and networking events. There are also many stimulants form outside of the traditional educational sector that promote knowledge of entrepreneurship, innovation, and social impact. These are often large corporations such as PwC, big banks (ABN-AMRO), but also non-profit organizations. These include pitch battles, incubators, advice groups etc. This will be handled in the supporting segment

of the analysis.

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**Awareness raising**

(e.g. campaigns, competitions)

The previously mentioned educational programmes and support from the private sector has helped to increase overall awareness greatly. In addition to this, there are regular events that promote exchange between social enterprises and the public organized by many different actors. The Dutch country report mentions several of them:

1. Social entrepreneurship festival Utrecht 2016

2. Social enterprise day coined in 2014

3. Municipality two day start up event Utrecht

4. Impact Startup fest den Hague 2017

5. Dutch social entrepreneurs innovation mission 2017

**Supporting infrastructure**

The Netherlands has a wide spread of support groups and organizations that inform, incubate, network, and help social enterprises. They are very well known, even outside of the social enterprise circles. The Dutch country report of the synthesis article summarizes some of them in a table:

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**Social policy conclusion**

When the first thing you read about the social policies in the Netherlands is that they do not make

distinction between a regular enterprise and a social one in their policy making, one can quickly jump the gun and say that they are underdeveloped in this area. Yet, the opposite is true. Most of their policies that support businesses are related to making a positive social impact to the environment and the public. Their policies heavily promote sustainability and innovation all across the board, and social entrepreneurship specific treatments are mostly provided by institutions and organizations. Most of the found grants are regarding renewable energy sources, and less so about social inequalities or education. This is because the government tries to stay away from monopolizing the "truth" of what is needed in the country regarding it. The response is that there are many universities, start-up incubators, and accelerator programmes spread around the country instead. The next chapter will highlight an incubator with close ties to the educational sector.

**Hubs and labs**

**PLNT**

**Background**

The social innovation lab PLNT is located in The Netherlands, a country known for its innovation, welfare systems, and sustainability. PLNT is a foundation set-up by the municipality, the university of applied sciences, and the university. These stakeholders are still in the advisory board and meet up every two months. PLNT helps start-ups through incubation, communities/networking, location offering, and partnerships. By doing so it offers the educational stakeholders extra-curricular activities and practical knowledge, whilst offering the municipality an influx of new businesses. Before PLNT, Sjoerd (the founder) set up an entrepreneurial centre in den Hague, far away from the Leiden board. Later he helped to bring it into the Leiden university but he was too young to become the director. He moved from an external position into an internal one to benefit from the legacy, reach, and resources needed to scale. Later PLNT became independent again because they wanted to include the university of applied sciences. Other reasons were the avoiding of politics, especially with academics, and being able to accept external funding. They strongly believe that being a foundation is crucial because 95% of start-ups fail, and it should be a public service to help them. Doing this for-profit reasons does not make sense.

**Activities of the lab**

As mentioned before, PLNT helps start-ups trough incubation, communities/networking, location offering, and partnerships. They offer many courses, events, and programmes (listed below), but also offer work/event spaces. They have five locations in Leiden, and PLNT has 10 employees, 5 of them being staff. They are planning to double this in the next two or three years which means developing new business models on corporate entrepreneurship and PhD help. Furthermore, more people means more available people on marketing.

1. Programmes in:

a. Start-up Play helps translate ideas into start-up concepts

b. Venture academy 4-month journey to launch and win 30k funding

c. ELF Pre-seed 30k funding competition for graduate students

d. Online Masterclasses additional classes for people in lockdown situations

2. Courses on:

a. PLNT Experiences

i. Start-up 101

b. Market

i. Competitor analysis

ii. Go to market

iii. Markets and

customers

c. Product

i. Problem definition

ii. Value proposition

iii. Testing ideas

d. Organization

i. Lean start-up

ii. Team dynamics

iii. Start-up funding

**Financing of the lab**

PLNT is an independent entity in order to be able to accept external funding. Other revenue streams come from: renting out buildings, selling programmes, partnerships for clients, subsidies, and special projects. From the projects under their incubation, PLNT never takes equity. They do this in order to avoid any intellectual property arguments or the feeling that the help offered might not feel genuine. In case the start-up uses university resources, equity and intellectual property is discussed on a case-by- case basis. They do however provide interest loans to them when needed.

This is a complete overview of the financial sources and reasons:

1. *Universities* – PLNT offers certain courses to their students and provides practical experience, in exchange for this, universities pay them money

2. *Municipality* – PLNT provides the region with local businesses for which they receive a subsidy. Sometimes the municipality wants to participate in a special project (often set by the EU) and provides additional funds to realize this

3. *Companies* – They want to be close to the innovation as possible in order to invest in new projects. For this they pay PLNT a sum. Sometimes companies want to expand their services to start-ups, such as legal or IT solutions. They also pay money to PLNT for this.

*4.Start-ups –* Although PLNT does not invest in equity, they do hand out loans.

**Impact**

Success is defined as the amount of start-ups they incubate and that stay in the region. This is measured using a KPI: amount of start-ups from local institutions leaving PLNT to continue in the region. Three thousand people come into this building for conferences, four hundred for entrepreneur course, thirty for doing incubators, and around a hundred and fifty for sprints. University stakeholder success is measured in the amount of student attending courses, and the amount of students finding a job as entrepreneur through PLNT.

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## Poland

**Policies**

The findings come from ‘A map of social enterprises and their eco-systems in Europe: Synthesis report’, Youth entrepreneurship support in Poland- OECD Report) and online internet searches.

According to the A map of social enterprises and their eco-systems in Europe: Synthesis report, only seven of 29 European countries have written policies encouraging and supporting the development of social enterprise. Poland is not included in the seven and is emerging with excluded fellow countries. The country has already started to create social enterprise legal statuses by a separate, new legal form for social enterprise adapted from the cooperative legal form. According to the Act on Social Cooperatives-2006, such social cooperatives to be counted on, it should follow certain conditions including that to have a defined social purpose. The Synthesis report also states that Poland is also planning to create social enterprise legal statuses with other fellow countries like Latvia, Luxembourg etc. Even though a type of ‘integration enterprise’ legal forms exist in Poland. This type of ‘integration enterprises’ helps socially excluded persons to use Social clubs and to establish social cooperatives. This also helps them to find suitable jobs and even to get funds from labour funds to launch startups. The existing legal form for the exemption of corporate tax also helps in easing such efforts for the social entrepreneurs in Poland.

**Funding and Investment**

Further services and support for social enterprises are also currently provided in the country such as Social economy support centres (OWES): which helps in financing and fund related activities for such initiatives. But these are publicly funded projects carried out by various organisations, mostly foundations throughout the country. And these projects are carried out with the help of Operational Programme Human Capital (PO KL) and headed by the National Centre for Social Economy under the ministry of labour.​

The report also suggests that this initiative is inefficient and sustainable. Stating that the revenue of the social enterprise could include market and non market sources like donations etc, in Poland market sources constitute only less than half of the total revenue. Social Economy Fund provides loans for encouraging products and services. European Social Fund (ESF) is utilized for financing many such enterprises. For investments financing another example is TISE (Social venture capital investments in Poland) which is one of the earliest in the domain.

**Education and Upgrading Skills**

One of the examples of initiatives that introduced entrepreneurship teaching in schools is a program called “Creation of conscious entrepreneurship among young people”, which was implemented in Toruń, Poland in 2012. The Youth business Poland ( ​https://ybp.org.pl/​) is one of the largest entrepreneurship mentoring programmes which has a big impact on the number of youth registered in entrepreneurship. This program is focused on university graduates.

Polish Chamber of Young Entrepreneurs, Forum of Youth Leviatan are other similar initiatives.   
Another program called Junior Enterprise (JADE) is a student led entrepreneurship initiative in the education domain that promotes awareness and mentors youth in the subject. Introduction-to-social-entrepreneurship studies in SWPS university in Poland is also one relevant course I could find out.

A program called “Wsparcie na starcie” also conducts youth entrepreneur mentoring which is supported by the labor fund. Talking about the educational programs, there are not many active entrepreneurship education taught in schools in Poland. Since these entrepreneurship programs are not included in the curriculums, these could be one of the reasons for not receiving funds for such programs.

Still efforts are going on to improve the network between youth organisations, universities, business incubators. The National Chamber of Commerce has a similar project called “Young & Innovative” attempting to solve this problem.

## Portugal

**Policies**

**Regulatory and legislative frameworks in Portugal**

As Portugal passed its “Social solidarity cooperative under Cooperative Code (Law No. 51/96) in 1997, it became one of the first European countries to recognize the importance of the social economy. Referred to as the “social and co-operative sector” under this constitutional provision, the social economy is recognized in a series of principles including

* 1. “the principle of co-existence of the three sectors (public, private and social and co-operative),
  2. the principle of co-operative free initiative,
  3. the principle of protection of the social and co-operative sector,
  4. the principle of the State's commitment to stimulate and support the creation of co-operatives; the principle of conformity with co-operative principles of the International Cooperative Alliance (ICA)”[[1]](#footnote-1).

This means that unlike many countries, the social economy sector is embedded within the fabric of the Portuguese constitution. Such constitutional privilege grants the type of recognition that legitimizes the value of the social sector.[[2]](#footnote-2)

More than seventeen years after the Law 51/96, Portugal became the second European country after Spain to adopt a framework law called “Lei de Bases da Economia Social” (LBES), a framework law on the social economy[[3]](#footnote-3). The LBES has refined the definition, kept the focus on and defined the guiding principles of the social economy.[[4]](#footnote-4) These policies specify the legal forms and statuses of social enterprises as well as the potential support measures and schemes used to accompany the social economy.

Even though Portugal accomplished landmark policy actions regarding the social economy before many other European countries, there has not been many other advancements. If you look at the timeline of the policy and framework elaboration for social enterprises in Portugal, between the elaboration of the Social solidarity cooperatives under Cooperative Code (n.51) in 1996, and the LBEIS in 2014, there was no other major policy or framework elaborated, and none thereafter.[[5]](#footnote-5) Moreover, up to 2014, the number of organizations registered under legal form/ status of the Social solidarity cooperative under Cooperative Code (Law No. 51/96) since 1997 was 108[[6]](#footnote-6). Other countries that enacted laws after Portugal or around the same time as Portugal were able to enrol more social economy actors than Portugal.

Even though there was legal recognition from the public sector, there was no political recognition for the social economy unlike in some other countries.[[7]](#footnote-7) The term political recognition includes the elaboration of extra measures destined to accompany the social economic sector such as the creation of special units at the central or local governmental-level to further promote the social economy.[[8]](#footnote-8)

The legal measures taken by Portugal to govern the social economy have given it some recognition, visibility, and protection. However, even though the policy schemes and the legal frameworks are some of the key elements that spur growth in the social economy sector, the case of Portugal indicates that they are not sufficient on their own to sustain a viable social economy.

**Funding and investment**

In Portugal, the social economy can rely on a variety of funding streams including public revenue streams, private revenue streams and mix revenue streams. Firstly, for the public revenue streams, Portugal is among the list of countries that have established stable, publicly funded schemes targeting social enterprises. Most of those schemes are public actions with the purpose of providing a lifeline and supporting the social economy. Furthermore, in Portugal, the social sector can also benefit from specific fiscal exemptions[[9]](#footnote-9), some of which can be available at the local government level.[[10]](#footnote-10) Moreover, the government of Portugal also partakes in the development of social investment markets by funding the Social Investe, an institution that provides credit lines to the social economy actors[[11]](#footnote-11). Additionally, Portugal also envisions funnelling some of the European structural funds to boost the social innovation sector. Secondly, on the private revenue streams side, there is a limited number of opportunities for the social economy. However, social economy actors can rely on the social banks such as the Social Innovation Bank Montepio, the Associação nacional de Direito ao Crédito, which provide microloans to social enterprises, or the Polish-American Community Assistance Fund (PAFPIO) ESFund/ TISE. There is also a social stock exchange called Bolsa de Valores Sociais. However, there is no impact investment funds in Portugal.[[12]](#footnote-12)

It was reported that social enterprises in Portugal also use a mix of revenue strategies, which combines income from multiple sources including sales of goods and services, donations, public contracts, and bank loans[[13]](#footnote-13).

Public contracts, grants and subsidies are a major lifeline for social economy actors in Portugal. Unfortunately, the social economy sector’s reliance of the public support puts it in a vulnerable position. As such, spending cuts in Portugal have reduced opportunities for the growth and sustainability of social enterprises.[[14]](#footnote-14)

Public funds are some of the most reliable and stable funds a sector can bank on. Unfortunately, in countries such as Portugal, the social economy sector seems to be over-supported by the government, hence other revenue avenues have not been deeply explored as well as they have been in other European countries. The Portuguese social enterprises should seek to strengthen their other sources of revenue to mitigate external shocks and impulse further innovation.

**Education and upgrading skills**

There are several universities offering courses in social entrepreneurship in Portugal. For instance, the Universidad de Coimbre offer a master’s degrees in Social Intervention, Innovation and Entrepreneurship to build the creative, analytical, and planning skills of social entrepreneurs[[15]](#footnote-15).

The IES-Social Business School also organizes training programs for social entrepreneurs on a wide range of subjects including impact management and scaling for impact. It also conducts research and development activities where entrepreneurs can have practical experience with tools that are useful in social entrepreneurship.

Competitions in the social innovations sector is rife in Portugal. There are many hackathons every year.

According to the social enterprises synthetic report (2015), in Portugal, social entrepreneurs exhibited management skill gaps[[16]](#footnote-16); they also lack sufficient entrepreneurial spirit and commercial orientation (business model development).[[17]](#footnote-17) Yet, education and skills are important to manage and to improve the sustainability of social enterprises.

Even though there is a skill gap in the social economy sector, Portugal has yet to successfully develop incubators that will help fill those gaps. This is the reason why countries such as Portugal continue to lack the business development support needed by the social economy.

**Supporting infrastructure**

According to the synthesis reports 2015[[18]](#footnote-18) and 2020[[19]](#footnote-19), the supporting infrastructure is composed of networks, incubators and some targeted grants. In general, there are very few networks In Portugal. All the major reports discuss only two meaningful incubators[[20]](#footnote-20). These incubators[[21]](#footnote-21) receive some private and public support; however, that support is very limited. [[22]](#footnote-22) Portugal also provides grants and subsides for activities targeting the integration of disadvantaged groups.

There are some labs in Portugal including the Fablab[[23]](#footnote-23), that encourage innovation. At Fablab, besides capacity building workshops, social entrepreneurs have access to advanced technological tools such as 3D printing. This practical approach to learning and experimenting allows social entrepreneurs to be creative and forward thinking.

**Hubs and labs**

Portugal has started investing in supporting infrastructures for social enterprises. As such, hubs, networks and platforms providing support, skills, visibility and networking opportunities to social entrepreneurs are shaping up throughout the country, both at local and national level. Casa do Impacto is one of the two main hubs supporting social entrepreneurship in Lisbon. The vast majority of hubs are small, local initiatives with less resources and less impact.

Casa do Impacto is a social innovation hub that supports social enterprises in several manners. First, it provides bootcamp activities, training, and mentorship to social entrepreneurs. Second, it fosters social innovation through hackathon and incubation events for innovative concepts. Thirdly, it offers (for rent) office spaces for new social entrepreneurs as well as marketing venues. Finally, through Casa do Impacto, the government of Portugal offers social impact bonds to new and outstanding initiatives while Casa do Impacto accompanies them with technically support.

Casa do Impacto also partners with some institutions of higher learning such as the IES Social Business School and the Academy do Codigo in Lisbon. The type of partnership activities is not explicitly on Casa do Impacto’s website. However, on its website under the “our community page”, IES states to its students and alumni, “Engage with us anywhere in the world because graduating from IES-Social Business School is just the beginning! It is very simple to connect and pursue a lifelong learning journey with us. We want to be there and promote it for you. You can meet us face-to-face at our offices, but we are building a hotspot network to make even easier for you to reach out”[[24]](#footnote-24). One of those hotspots is Casa Do Impacto, which is located on IES’ campus in Lisbon. Although, Casa do Impacto offers training and mentorship to social entrepreneurs, and even though IES guides their alumni and students to Casa do Impacto, there is no clear statement concerning whether the IES Social Business School partakes in the actual training of Casa do Impacto’s social entrepreneurs.

Casa do Impacto is funded by the Santa Casa da Misericórdia, which is a charity that is partially-funded by the government of Portugal.

When it comes to impact, Casa do Impacto’s impact is not explicitly stated on their website. In fact, if you look at impact measures used by incubators and labs in Portugal, you will notice that impact indicators vary across actors. Some hubs simply count the number of trainings they conduct as impact while others talk about some sustainable development goals. For the case of Casa do Impacto, based on their website, I concluded that there are more focused in contributing to the achievement of the UN’s Sustainable Development Goals. The projects that Casa supports have strong ties to the SDGs and Casa do Impacto regularly organizes events and discussions around individual SDGs.

Instituto Superior Técnico (IST) is a public school of engineering and technology, part of University of Lisbon. It was founded as an autonomous school in 1911, and integrated in the Universidade Técnica de Lisboa in 1930. IST is the largest school of engineering in Portugal by number of enrolled students, faculty size, scientific production and patents. Instituto Superior Técnico aims to contribute to the development of society, promoting excellence in higher education, in the fields of Architecture, Engineering, Science and Technology by developing Research, Development and Innovation (RD&I) activities.

**The Social Innovation Lab (SILAB) at Instituto Superior Técnico** addresses the current gap in the educational system by focusing mainly on frugal innovation aimed at solving social problems experienced by several local communities in the world.

Homepage: http://silab.tecnico.ulisboa.pt

Facebook: https://www.facebook.com/silab.tecnico/?ref=page\_internal

**Activities of the lab**

Engineering Schools have been enabling students to develop the skills needed to identify technology-based business opportunities and implement them within new and established organizations. Many of these technologies bring new ideas that meet social needs, create social relationships and form new collaborations – social innovations. However, these specific social challenges are still not being explicitly included at the core of many engineering courses curricula and, in general, on educational strategies at engineering schools globally.

The SILAB involves makers, researchers and students from different backgrounds who develop their projects under supervision of professors and specialists and it encompasses: (i) a new educational model integrating an economic and human dimension of technology; (ii) a mobility program where students develop in-site solutions that potentiate the well-being of local communities; (iii) an international network of partners, and (iv) a physical laboratory where different stakeholders can interact and generate products that meet the needs of base-of-the-pyramid communities.

The SILAB has been implementing the new educational model, throughout the past 3 years, through the development of socially innovative projects in curricular courses.

The SILAB discusses the importance of Higher Education Institutions (HEI) connecting engineering with social impact; and uses SILAB as an innovative case-study to show how it can be other HEI. The innovative character of SILAB is the fact that it constitutes an integrating model of several activities that already exist in several universities in the world, but which are traditionally separately, namely: (i) in the classroom (Curricular Units - CU); (ii) outside the classroom (in the laboratory, at IST events); and (iii) outside the university and the country (in fieldwork and interaction with local and international partners). This integrating model implicitly observes several dimensions: CUs, IST, and HEI (the way in which engineering can be taught), which can boost strong international networks at an individual and institutional level (as it is already occurring with the SILAB).

In terms of transferability, one of the objectives is to serve as a pilot and source of good practices for establishing a network of SI Labs at both national and international level. The creation of more labs can function as a decentralized network and become a world-wide grid of students, professors, universities, companies, and social enterprises promoting solutions towards the well-being of the population in the world. This goal requires that one keeps a mindset of “looking from the outside in” to guarantee systematization of the processes being implemented in order to validate and improve the model (which is what the SILAB has been doing).

**Financing of the lab**

SILAB has institutional support from IST, as well as from other national and international partners (Universities, companies, NGOs), moreover it relies on a frugal philosophy, which grants all the resources needed to fulfil the project's mission and vision in the long run.

**Impact**

The SILAB operational model encompasses evaluation and monitoring processes and activities. There is an internal evaluation and follow-up process, developed continuously by SILAB's stakeholders (teachers, students, researchers, companies, NGOs) and also an external validation by end-users involved in the various projects and external entities (acting as observers, not directly involved in the projects). Accordingly, the SILAB circulates all the information on the outputs among its network and schedules follow up meetings every 2 month switch internal partners and every 4 months with external partners.

KPIs include: the number of projects undertaken, number of events organized, number of student mobility programmes occurred, number of new partners, number of members involved in each project, number of individuals /communities served.

More than the frequency and quantitative appraisal of all these activities, there is considerable effort in evaluating their social impact (from a more qualitative standpoint). The SILAB organizes an annual meeting with all partners to present and discuss the KPIs and to discuss current and future strategies.

## Spain

**Policies**

The social innovation in the Spanish community has shown a very successful rapid growth over the last 5 years, as the new regulatory ways of solving specific problems in other to achieve certain goals and according to lots of surveys, has changed and improved a lot in the country. In the early years, Spain was ranked 24 out of 45 countries listed on the survey for the social innovation index and because of their income levels, it was categorized an underperformer alongside Japan while today they record a progressive value of 33.86 points alongside 131 countries.

Before 2008, Spain had a decent economic growth but this didn’t lead to the formation of a socially innovative society as the county only developed poorly due to their low competitivity and low productivity sectors. When their crises hit, Spain was one of the countries where inequalities among the people and economy, increased and today, Spain was listed among the OECD countries with the highest recorded levels of inequality rising during a crisis, but today, Spain is showing rapid progress in the development of their social innovation polices, and a great potential to change the society for the better.

There is a rapid increase in the leading role of civil society currently developing within the Spanish economy as the balance of actions has been shifted within the society, as the community has seen a fail to the government assistance in providing a social innovative society with a proper welfare state. This led to people in Spain, combining forces and majority of these movement leaders came from actors within the social economy, higher education institutions, and other citizen inspired organisations with a zeal for change.  This had a greater and positive impact on the social system as the innovation policies became tightly embedded within the Spanish system thereby improving various sectors like the educational and financial institutions which were previously lacking due to the government’s difficulties in supporting the state.

In 2011, there was a support system formed with **Josep Miró**and **Patricia Saez** which showed the public in Spain, how social innovation policies appeared within the system. And ever since then, various innovation activities have emerged.

**Hubs and labs**

**Madrid hub, Upsocial**

Several policy tools have been used by the Spanish government to support social innovations like:

* Rising new models and solutions.
* Project database for designing and management of projects.
* Event and meetings for exchange of ideas among developers.
* Innovative workshops for practices amongst workers and developers.
* Development environments where these developments activities take place in real time.
* Innovative trainings for developers who are interested and willing to learn how to use the innovative tools.
* Calculative measures to record the progress and success on the innovative developments.
* Providing an increase of 30% in the use of e-government services to the country

**CAF** the Ana Bella Esteve’s foundation which supports the business and economic empowerments of women to achieve gender equality and build modern societies where abused women in relationships or the society can use the support system to bring the accuser to justice. This CAF was initiated by Jean Claude Rodríguez-Ferrera.

**LE BISTRO VALLADOLID**

This is a Spanish restaurant that was built to accommodate several social promotions and funding programs. They were able to create a chain of talented cooks and offer talent competition programs and for their social funding’s, 5 cents from every cup of coffee served in a defined social cause is contributed to their campaign’s programs. And they are also part of a Project Pieta which is a social business that provides social and employment rehabilitation programs for inmate from the Peruvian Prison, through garment making.

**FAB LAB BARCELONA**

The Fab Lab Barcelona was the first funded Fab Lab in the European Union. It was created by Tomas Diez in 2007, to widely explore the relation of information in their physical state content and how a developing society can be more digitally equipped at the basic level. It is presently, also the headquarters of the global coordination of the Fab Academy program, which collaborates with Fab Foundation and MIT’s Center for Bits and Atoms. Several projects like Fab Lab House and Hyper habitat IAAC (Institute for advanced architecture of Catalonia) has been developed accordingly which makes it among one of the fastest growing labs in the European Union.

The principal goal of Fab Lab is granting enough access to knowledge, tools and funds to educate others, innovate the societies and invent new technologies that would make everyone be capable of creating almost anything, furthermore improving several lives as more opportunities made available to the majority. Their primary beneficiaries include educational institutions, community organizations and non- profit organizations. Fab Lab Barcelona focuses on the human scale and the everyday experiences, identifying opportunities in rising trends among their areas of expertise.

*https://fablabbcn.org*

**Financing**

The main income of the Fab Lab Barcelona comes from EU projects which consist of 9-20 persons involved currently. These EU projects ensures the financial stability of the Fab Lap and since they are also a part of the university, the university funds the projects and provides free access to their facilities which reduces various fixed costs in the lab. Courses taught outside the traditional curriculum are paid for which also covers some costs and private partnerships such as IKEA design companies, green Lab for events, workshops are the other sources of funds the Fab Lab Barcelona receives.

*https://fablabnet.net/*

**Impact**

The Fab Lab Barcelona has impacted the social innovation society in a lot of ways by:

* Enabling Civic Ecology which brings biodiversity closer to individuals through biology explorations like open food and technology.
* Distributing Designs which resort to using global connectivity in moving data rather than physical products.
* Exploring human societies and contexts, to discover opportunities within the current and future socio political situations.
* Provision of more innovative business and educational models, which provides more practical opportunities to understand technologies.
* Exploring new ways to create and distribute material and textiles of the best qualities.
* Innovating more diversity in the society, among food, materials and energies which promotes urban self- sufficiency.
* Developing better tools and technologies, that enables smooth translation of urban environments into tangible data.

## Sweden

**Policies**

Social innovation and social enterprise field are quite well known and active in Sweden. There exists, for example, a certain platform for social innovation and social enterprise, Forum for Social Innovation Sweden, that was founded in 2010 and is in close collaboration with Malmö University and with the City of Malmö. Forum for Social Innovation Sweden is also collaborating with Jönköping University, Luleå University of Technology, Stockholm University, Umeå University and Örebro University and they are supported by Vinnova, the Swedish Governmental Agency for Innovation Systems. One of the aims for the platform is to build knowledge and to create spaces where actors across the social innovation and social enterprise field can meet.

In Sweden, via Vinnova, the Swedish Governmental Agency, which helps to build Sweden ́s innovation capacity is one of the best sources where to seek applicable legislative framework, including applicable rules about state aid. As Vinnova is also part of implementing Horizon 2020 social innovation programs in Sweden, then one can find information about the pre- mentioned program from Vinnova page as well. For example, applicable regulative framework can be found https://www.vinnova.se/en/apply-for-funding/rules-for-our-funding/terms-and-conditions-for-our-funding/

In Sweden, with the help of Vinnova, areas where to make difference are identified and therefore collaborations where knowledge and skills from different perspectives meet, are stimulated. Governmental input in terms of funding and investment via Vinnova is giving companies and organisations also the opportunity to test new ideas and concepts before they become profitable. Every year, via Vinnova approximately SEK 3 billion in research and innovation are invested. Specific projects can be found here: https://www.vinnova.se/en/our-activities/funded-projects/

On national level in Sweden, Vinnove is also the main organisations that is offering education programs and is active in awareness raising for innovative ideas and publishing educational materials. For example, policy documents, analyses, reports and publications for creative social innovation, can be found (based on category) here:

https://www.vinnova.se/en/about-us/publications-and-ebooks/

Hubs, incubators, networks etc also organised via Vinnova in Sweden, for example, currently there are several calls for digital innovation hubs, life science hubs etc. To support the social innovation ecosystem, there are also regular innovation days held. The goal for these days is to establish relationships and bilateral communication networks between innovation hubs in Sweden and around the world, also to initiate more innovation collaborations in the AI (artificial intelligence) areas.

**Hubs and labs**

There are several active social innovation labs. In 2014, as a result of active collaboration, Lund University, Malmö University and Centre for Social Entrepreneurship Sweden compiled a strategic research and innovation agenda for the ecosystem of social innovation in Sweden. The agenda is financed by Vinnova. As the agenda is one of the source documents for social innovation in Sweden, and Malmö University has been for years an active participant of social innovation in Sweden, its DESIS lab will be presented as the case.

**The DESIS (Design for Social Innovation and Sustainability) lab** is hosted by the School of Arts and Communication at Malmö University. The main activities of the DESIS lab are:

* Focusing on how design can be used to explore and raise discussions about challenges in society;
* Exploring the intersection of participatory design, sustainability and social innovation.

The DESIS lab is part of the International DESIS network including design schools worldwide. The main focus for the network is to engage the schools (mainly higher education institutions) in questions of social and environmental sustainability in their research and teaching activities. Therefore, DESIS social innovation lab at Malmö University is engaged both in research and teaching activities as well. The research focus is mainly on exploring the intersection of participatory design, sustainability and social innovation. Researchers engage with different actors to design and explore possible alternative futures in terms of sustainable living. Some of the key focuses are participatory innovation and co- production in the public sector, alternative economies and production and cross- sector collaborations.

As the DESIS lab is also building on the work that was until 2012 carried out within Malmö Living Labs, it is working with participatory design approaches and social innovation in the city of Malmö. Malmö Living Labs ́s activities did spread from participatory planning to local- based production, from solving how communication technologies may enable urban space allocations to the role of third and public sector in supporting social innovation. Therefore, DESIS lab has a variety of roles and just as Malmö Living Labs engaged with different actors in the city (NGOs, civil servants, companies, local citizens etc) for the co- design and collaboration of new practices and innovative services and products, DESIS lab continues these relations and activities.

**Financing**

Malmö University is financed by the Swedish state budget. Swedish Research Council, that is Sweden ́s largest governmental research funding body and supports research within all scientific fields, is regularly funding DESIS lab research projects. Research projects of DESIS lab are also funded by European Structural Funds.

**Impact**

The researchers that are involved in DESIS lab at Malmö University are deeply rooted in the

participatory design community and tradition and are working with co-design and co- production

processes. The collaboration involves variety of stakeholders in the area of Malmö. As DESIS lab ́s main focus is on sustainability, participatory design and social innovation, the societal impact is highest in sustainable solutions.

One of the best ways to illustrate the role of higher education institution in the DESIS lab is through student engagement. There is a continuous dialogue and collaboration between researchers and students at Malmö University School of Arts and Communications.

Research activities are engaging students from courses and programs at the School of Arts and Communication. Some of the courses are:

* [Co-design: design, democracy and participation](http://edu.mah.se/en/Course/KD335B) (free standing course at bachelor level); and
* [Design and social Innovation](http://edu.mah.se/en/Course/KD644A) (within the Interaction Design Master's programme).

More information on their projects here: <https://www.mah.se/english/faculties/Faculty-of-Culture-and-Society/DepartmentsSchools/School-of-Arts-and-Communication/Research/DESIS-Lab/>

## United Kingdom

**Policies**

**Regulatory and legislative frameworks**

The United Kingdom has a range of approaches to the recognition of social enterprises. The national strategy can be characterized as ‘inclusive’, by allowing for a greater number of avenues to recognition than would be permitted in most other European Union countries. This is most clearly seen in the 2013 Cabinet Office estimates that there were 284,000 operating social enterprises in the UK, compared with the European Union’s estimate of between 9,500 and 71,000 in 2014.1 This discrepancy reflects the leniency of governmental recognition and the willingness to hand over the qualifying criteria to NGO bodies and even the enterprises themselves, as demonstrated by the following three frameworks by which the UK government recognises a social enterprise:

1. Registration as a Community Interest Company (CIC), of which there are around 15,700 in the UK. Their characteristics include:

1. Recognition at the European level as largely analogous to other EU members’ definitions of ‘social enterprise’.
2. Building upon previously existing, legally recognised forms of company, but with more specific and regulated characteristics including:
   1. Furthering a social purpose.
   2. Restrictions on profit distribution.
   3. Involvement of community stakeholders.
3. Submission of an annual report to the CIC Regulator to confirm that the enterprise conforms to the CIC characteristics.
4. Differentiation from other EU social enterprise legal forms by its emphasis on specific market value; 25% of its income must come from the market.

2. Holder of Social Enterprise Mark, whose characteristics include:

1. Investing at least 51% of profit into a defined social purpose.
2. International accreditation by virtue of having the mark.
3. A requirement to renew the mark every three years, having illustrated how the enterprise has achieved its social objectives.

3. Self-identification by the enterprise itself as a ‘social enterprise’ according to the five criteria in the BIS Small Business Survey:

1. The enterprise must consider itself to be a social enterprise.
2. It should not pay more than 50 per cent of profit or surplus to owners or shareholders.
3. It should not generate more than 75 per cent of income from grants and donations
4. Therefore, it should not generate less than 25 per cent of income from trading
5. It should think itself ‘a very good fit’ with the following statement: ‘A business with primarily social/environmental objectives, whose surpluses are principally reinvested for that purpose in the business or community rather than mainly being paid to shareholders and owners’.

**Funding and investment**

Direct financing on social enterprises is not handled by the UK government itself, but through a

number of closely supported NGOs and CICs that focus on development of the social enterprise

sector, including:

* Social Enterprise UK, the national membership body for social enterprises that provides both advice and networking opportunities for social enterprises and social investors, as well as direct services related to financing like bookkeeping, management accounting, and finance director services.
* Inspire2Enterprise, a social enterprise that helps other social enterprises by offering a range of consultancy services aimed at growing both very small and well-established social enterprises.
* UnLtd, a registered charity that directly funds social enterprises and helps in connecting social enterprises with social investors through a network of external partners.

The UK government also has initiatives in the field of social enterprise funding, including:

* The Social Investment Tax Relief (SITR) offers financial tax incentives to investors who are prepared to invest in ‘evolving’ social enterprises. This relief is intended to compensate for the intelligibility of social enterprises for the Enterprise Investment Scheme, which links investors with traditional enterprises.
* Social Impact Bonds (SIBs) is an approach to funding occasionally issued in the UK where ‘social investors’ (individuals or companies who are seeking both social impact and financial return) pay for a specific project at the start and receive payments based on the social outcomes of the project. The investor is repaid only if the outcomes are achieved.

**Education and upgrading skills**

Although business skills are part of the national curriculums across the UK, specialised topics including social entrepreneurship are the domain of higher education, advocacy NGOs, and other social enterprise supporting organisations (which are often themselves CICs). Some UK-based institutions advancing the education in and expertise of social entrepreneurship include:

* Social Enterprise Academy is supported by the Scottish government, aims to build whole social enterprise ecosystems with an international focus.
* Social Enterprise UK is trying to integrate social entrepreneurship into higher education by encouraging universities to advocate for social entrepreneurship principles to their students and also to adopt those principles themselves in their organisational structure. This is manifested through a specialised membership body that universities can become part of for an annual fee and that offers networking, recruiting and advertising benefits.
* The British Council is a public institution responsible for cultural exchange between the UK and other countries around the world, and making positive contributions by creating opportunities including through the delivery of a Global Social Enterprise Programme that draws on the comparatively well-developed social enterprise sector in the UK to export British knowledge and infrastructure.

**Awareness raising**

In 2018, Social Enterprise UK issued a report entitled ‘The Hidden Revolution’13, analysing the current scale of the social enterprise sector in the UK. Among their conclusions, they claim that the sector now accounts for 3% of the UK GDP, and that this is not in proportion to the attention afforded to the sector by the government. They report suggests that the appetite is there, but there are practical steps required at the governmental level to increase awareness among the public of the importance and appreciation for the sector. The Chair of SEUK, Lord Adebowale, said:

“The public, politicians and experts all agree that we need to find a different way of doing business if we are going to balance growth with the needs of society. Fortunately, we have 100,000 social enterprises which are working to transform our society whilst boosting the UK’s competitiveness. Their £60 billion contribution to the UK is too big to ignore and is just the start of something that the government must get behind. If it doesn’t, there is a real risk that the UK will get left behind as other countries recognise social enterprise as the future of business.”

SEUK’s own initiatives include ‘Social Saturday’, an assigned day in October every year when they encourage their followers and the public to purchase from local social enterprises and learn more about the business model, and championing Social Enterprise Day, an international day of recognition for social enterprises to highlight individual stories from entrepreneurs and contrast the model with traditional business.

Among the British public, Make an impact UK, a CIC dedicated to raising the profiles of other CICs, suggests that, despite substantial growth in the number of registered CICs and social enterprises in the UK since 2005, social entrepreneurship is generally not known about to the public because it is a ‘closed ecosystem’, where business professionals are likely to be familiar with the concept but the lay person in the UK has little incentive to differentiate between different types of business models.

**Supporting infrastructure**

With around 284,000 social enterprises operating in the UK according to the Cabinet Office, the need for infrastructure is critical. The scale of the sector can be attributed to both governmental foundational legal frameworks and the advocacy and innovation of the third sector and social enterprise sector in the UK, and it is they who continue to provide the infrastructure that supports entrepreneurs financially, socially, technologically, and legally. This analysis has already highlighted a number of such institutions that are dedicated to supporting and promoting social entrepreneurship in the UK, however there is also there is a wide range of social innovation labs, incubators, supporting organisations, and networking platforms that are both constant members of the sector and integral to its functioning. Some examples include:

* Nesta, a UK-based innovation lab that includes among its operations studying, designing, and running social innovation labs. Their own internal lab enables people to solve social challenges, and they collaborate with other major labs around the world to share their learnings.
* Social Value UK, a membership network that assists social enterprises in recognising and accounting for their social value and social impact. They act both as a network, and an advisory service in how to recognise and account for stakeholders.
* Social Starters, an incubation program that connects professionals from a conventional business background who are seeking mentorship to solve problems specifically in the areas of inequality, economic crisis, and climate change.

**Hubs and labs**

With a robust third sector and thriving social entrepreneurship culture, the United Kingdom is a country at the forefront of social innovation. Government funding for social causes is routed through a number of institutions that funnel financing into charities, NGOs, and various forms of social enterprises. This infrastructure demands accountability, and continuous verification that the system is working optimally. Social impact measurement is therefore key to determining which institutions thrive in the UK, and which should have their allocated resources redistributed.

This is where the Institute for Social Innovation and Impact at the University of Northampton comes in. The ISII has multiple roles within the University, and has multiple partners in the public and private sectors in the UK. Its primary role within the University is to ‘develop, implement, and evaluate socially innovative, high impact projects.’ Outside of the University, ISII is a leading authority on measurement of social impact, and its research evaluation is used by a number of institutions including:

* Big Issue Invest, where their Social Impact Measurement Matrix is being used to evaluate the Corporate Social Venturing programme, creating social impact across sectors such as health, education, wellbeing, homelessness, and the creative industries.
* Big Lottery, where they are evaluating the social impact of the ‘Big Potential’ fund, which awards grants to voluntary and community organizations and social enterprises (VCSEs).
* HM Treasury, for which the ISII provided research support and input to the development of the social investment tax relief, and also provided support to their negotiations with the European Union regarding state aid and investment caps.

For its implementation of the ISII, the University of Northampton has been recognised by Ashoka U as a ‘Changemaker Campus’ for its role in empowering students and all university stakeholders to be changemakers.

**Activities**

Though it does not call itself a social innovation lab, the ISII fulfils the criteria that we might expect from such a lab when analysed from two perspectives: within the context of the University of Northampton, where it works with faculty, students, and external partners on behalf of the university, and out-with the context of the University where it contributes to local, regional, and national level innovations in conjunction with external partners.

Most directly, it provides infrastructure support and knowledge management for students and academics at the university. It equips them with the skills they need to effect social change themselves, or as part of an organisation with a stated mission. This is reflected in the student theses of those engaged in the institution, for example:

* 'Inspiring Futures' - How social impact measurement as a form of organisational performance management can enhance outcomes for children and young people in custody
* Exploring the role of empathy in social enterprise
* Work integration social enterprise: a NEET idea

ISII also delivers similar opportunities to faculty of other universities, for example the Train the Trainers programme, funded by the British Council, which provided mentorship to lecturers in VietNam in implementation of the Social Impact Matrix, allowing them to develop the context for social innovation themselves at the National Economics University in Hanoi.

Outside of the university context, their role is one of partnership in delivering social innovations that are large scale and require expertise in every stage, from ideation to delivery to review and refinement. Through their research and evaluation, they are an integral part of nationwide bigger social innovations that cannot be handled within a single institution. Their expertise provides a foundation at the very beginning of an innovation during the research & development stage, and at the end of the innovation in the feedback and refinement stage. Examples of such projects include:

* UnLtd Access to Employment (A2E), where ISII is reviewing their evaluation frameworks
* An evaluation of the Social Impact of the YMCA Under One Roof Project, where ISII is exploring the elements that contribute to individuals’ successful engagement and disengagement with the YMCA
* Daylight Centre Fellowship Social Impact, where ISII is cross-examining quantitative data to improve service delivery

**Financing**

Although the ISII is based at the University of Northampton, and conducts its innovation and research there, it is financially independent of the University and regards itself not as part of the university, but operating ‘as a socially innovative, entrepreneurial organisation’. Its relationship with the University is one of mutual co-operation, where the ISII utilises their infrastructure, human resources, and technology to deliver services to external partners while enabling social innovations within the University context.

Financing for the ISII, and consequently its further research and innovations, comes primarily from services rendered to external partners including:

* HM Treasury
* Big Issue Invest
* Big Lottery
* Inspire2Enterprise
* Northamptonshire Country Council

**Impact**

ISI's key contribution to the world of social innovation is its evaluation methodology. The Social Impact Matrix© (SIM), developed by Dr Richard Hazenberg, 'provides a route to mapping and measuring social impact that is:

* Grounded in prior research and theory.
* Allows for a tailored approach to individual organizations.
* Is not purely fiscally based.'

SIM is a 'holistic' approach, wherein the ISI engages with the institution or innovation to identify all the areas in which they are having an impact, and then they collaborate to select the key strategic areas for measurement and collate the data. A period of auditing and analysis follows, and a final report is delivered to identify strengths, weaknesses, and make recommendations for optimisation.

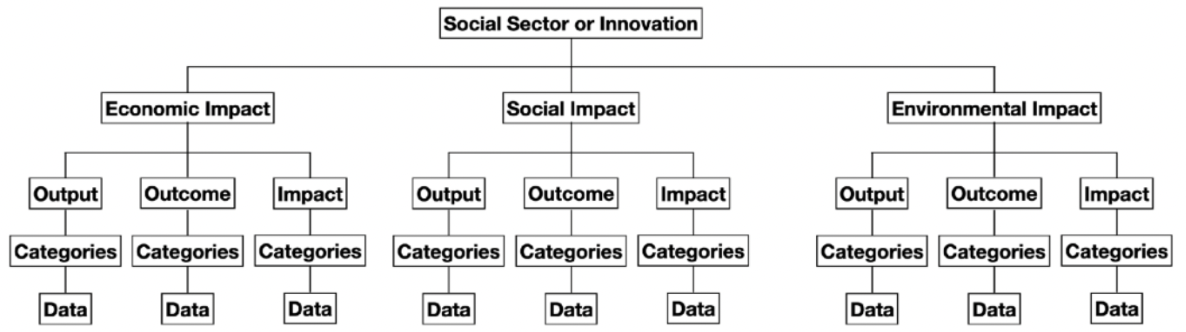
The SIM seeks to differentiate and measure:

'Outputs', which are direct and easily identifiable

'Outcomes', which are individual beneficiary benefits

'Impact', which is the wider benefit to society.

These three measures are analysed from a triple bottom-line perspective, i.e. economic, social and environmental angles, and mapped to produce a framework for discussion and collaboration between the ISI and the institution.



Implementation of the social matrix is one of the key educational strategies by which the University and ISII equips students to conceptualize their innovations. Through a process of projecting their hypothesized matrix, and then comparing it with their experimental outcomes and outputs, students refine their theory, social innovations and methodology. In the commercial sphere, as of 2016 Dr. Hazenberg reported that 42 social enterprises in the UK have used SIM in partnership with ISII.

# Conclusions

Social innovation is a context and country specific phenomenon. Social entrepreneurship which is a related concept is very much dependent on its ecosystem, the legal framework, financial and support institutions, educational opportunities and infrastructure. The various social hubs and labs in each country which are usually established to enhance various ideas with societal and business impact, are also closely embedded in their cultural, political and social realities of their national states.

This report provides an overview of the status of social innovation of selected European countries in that point in time. The members of the Cost Action SHIINE “Multi-disciplinary innovation for Social Change” acknowledge that social economy is a rapidly developing and changing field and in continuous development.

1. The Portuguese Law on Social Economy, Deolinda Aparício Meira, page 6 [↑](#footnote-ref-1)
2. The Portuguese Law on Social Economy, Deolinda Aparício Meira, page 5 [↑](#footnote-ref-2)
3. The Portuguese Law on Social Economy, Deolinda Aparício Meira, page 4 [↑](#footnote-ref-3)
4. The Portuguese Law on Social Economy, Deolinda Aparício Meira, page 19 [↑](#footnote-ref-4)
5. SOCIAL ENTERPRISES AND THEIR ECOSYSTEMS IN EUROPE, a synthesis report, jan 2020, page 64-65 [↑](#footnote-ref-5)
6. SOCIAL ENTERPRISES AND THEIR ECOSYSTEMS IN EUROPE, a synthesis report, jan 2020, page 64-65 [↑](#footnote-ref-6)
7. SOCIAL ENTERPRISES AND THEIR ECOSYSTEMS IN EUROPE, a synthesis report, jan 2020, page 64-65 [↑](#footnote-ref-7)
8. SOCIAL ENTERPRISES AND THEIR ECOSYSTEMS IN EUROPE, a synthesis report, jan 2020, page 53 [↑](#footnote-ref-8)
9. SOCIAL ENTERPRISES AND THEIR ECOSYSTEMS IN EUROPE, a synthesis report, jan 2020, page 92 [↑](#footnote-ref-9)
10. A map of social enterprises and their eco-systems in Europe, 2015, page 62 [↑](#footnote-ref-10)
11. A map of social enterprises and their eco-systems in Europe, 2015, page 139 [↑](#footnote-ref-11)
12. A map of social enterprises and their eco-systems in Europe, 2015, page 139, Annex 5 Mapping of social impact investment markets in Europe [↑](#footnote-ref-12)
13. SOCIAL ENTERPRISES AND THEIR ECOSYSTEMS IN EUROPE, a synthesis report, jan 2020, page 175 [↑](#footnote-ref-13)
14. A map of social enterprises and their eco-systems in Europe, 2015, page 99 [↑](#footnote-ref-14)
15. [Universidade de Coimbra - Social Intervention, Innovation and Entrepreneurship (uc.pt)](https://www.uc.pt/feuc/eea/mestrados/MISIE_en) [↑](#footnote-ref-15)
16. A map of social enterprises and their eco-systems in Europe, 2015, page 100 [↑](#footnote-ref-16)
17. A map of social enterprises and their eco-systems in Europe, 2015 [↑](#footnote-ref-17)
18. SOCIAL ENTERPRISES AND THEIR ECOSYSTEMS IN EUROPE, 2020 [↑](#footnote-ref-18)
19. A map of social enterprises and their eco-systems in Europe, 2015 [↑](#footnote-ref-19)
20. SOCIAL ENTERPRISES AND THEIR ECOSYSTEMS IN EUROPE, a synthesis report, jan 2020, page 171 [↑](#footnote-ref-20)
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23. [Fablab – SEA – Agência de Empreendedores Sociais (seagency.org)](http://www.seagency.org/fablabs/) [↑](#footnote-ref-23)
24. [Our Community | IES-SBS (ies-sbs.org)](https://www.ies-sbs.org/en/our-community/) [↑](#footnote-ref-24)