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**EUROPEAN SOCIAL
INNOVATORS'**

INSIGHT REPORT

Spotlighting Europe's Ecosystems for Social Innovation

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ABBREVIATIONS

BPI – Banque publique d'investissement

CEPES – Spanish Confederation of Enterprises of the Social Economy

DG REGIO – Directorate General for Regional and Urban Policy (European Commission)

EaSI – Employment and Social Innovation Programme

EIT – European Institute of Innovation & Technology

ESF(+) – European Social Fund (Plus)

EU – European Union

ESUS – Solidarity Enterprise of Utility

GECES – Expert Group on Social Economy and Social Enterprises

REAS – The Network of Alternative and Solidarity Economy

SBI – Social Business Initiative

SESAM – Norwegian Centre for Social Entrepreneurship and Social Innovation

SIC – Social Innovation Community

SSE – Social and Solidarity Economy

WISE – Work Integration Social Enterprise

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FOREWORD

During the process of writing this report, the authors identified certain challenges and notable deviations amongst the different resources, methodologies and definitions used in data collection and available data sources. As outlined in the methodological section, finding up-to-date information and more specifically quantitative data concerning social innovation has proven to be a key challenge. This undoubtedly relates to the relatively broad definition of social innovation, which leaves room for interpretation of where to draw the line between social innovation and other innovations or similarly, of how to assess whether an idea qualifies as an innovation in the first place.

In order to overcome this challenge, this report makes use of the comparably well-captured research on social enterprise in the respective countries. In this regard, the European Commission's country reports¹ on Social Enterprises and their Ecosystems in Europe (2020) proved to be a highly reliable source of information, as well as the recently published European Social Enterprise Monitor (currently only available for Sweden, Germany, Portugal, and Spain)².

As a consequence of sparsely available quantitative data on social innovation in the respective countries, the authors anticipate that over time, as more research

and data collection is conducted, this will benefit future editions of the European Social Innovators' Insight Report. The urgency for this research is further reflected in the notable tendency of all interviewed social innovators to perceive their national ecosystems as less developed as assessed by international indices, such as the European Innovation Scoreboard or the Global Innovation Index. Due to the very limited data available, it is not possible to establish the general validity of conclusions drawn from these statements. Nevertheless, it would be insightful and fruitful to understand whether a majority of national actors share the same perception as this, and could indicate a discrepancy between support opportunities and awareness among social innovators of their existence. Therefore, the authors recommend further monitoring of this development by conducting more interviews with social innovators of the respective countries for future editions of the European Social Innovators' Insight Report. Through these efforts, it is believed it will be possible to continuously close these knowledge gaps and in the long-term to contribute to the creation of a strong research basis of the European social innovation environment. This would further strengthen the European Union's status as an innovation enabler and consolidate this image on a global level.

1 Accessible via [Document Database](#) of the European Commission.

2 Accessible via [Euclid Network Knowledge Center](#).

1. INTRODUCTION

Social innovation represents a potent approach for meeting the manifold challenges of our time. It emerges in various forms, crosses borders and sectors, responding to yet unmet societal demands. Acknowledging the potential of social innovation and more specifically social entrepreneurship, the European Commission has been working on creating an enabling environment for innovators and changemakers over the last decade. Through milestone policies and funding initiatives such as: the Innovation Union Initiative (2010)³; the Social Business Initiative (2011)⁴; the Start-Up and Scale Up Initiative (2016)⁵; Horizon 2020/ Horizon Europe⁶; and the current Employment and Social Innovation (EaSI) strand of European Social Fund Plus (ESF+) (2021), Europe is paving the way for the inducement, uptake and scaling of socially innovative solutions. All over Europe, innovative changemakers contribute to the creation of jobs, social inclusion and the equalling of opportunities. Just as Europe is broadly diverse, a point which it prides itself on, so too is there vast diversity in its social innovation landscape.

While there is an overarching consensus on the need for social innovation, the understanding and definition of what the term means can differ depending on regional support structures and historical realities. Therefore, this report aims to shed light on Europe's social innovation ecosystems – both at the national and European level. This year's focus lies on France, Latvia, Norway, Romania, Spain, and Sweden.

The report highlights the diversity of social innovation in the respective countries and simultaneously provides an overview of the national support structures, important stakeholders and resources available.

With it, the European Social Innovators' Insight Report aims to:

- Provide a first reference point and overview for **social innovators and changemakers**, informing them about the differences of the approach in the countries considered and its relationship to becoming a social entrepreneur;
- Highlight certain areas of research that have received little attention so far and could potentially open up interesting avenues for further **research**;
- Present an overview of European trends and developments in the field for **policy-makers**;
- Provide an interesting **introduction to the topic**, as well as inspiring examples from social innovators all across Europe;
- Highlight the significant **positive impact** social innovation can create for people, communities and the environment.

Now and in the future, social innovation will play a crucial role in addressing societal challenges. Therefore, gaining knowledge and a better understanding of the needs of social innovators and leaders of change is imperative for shaping the future of an evermore just, inclusive, sustainable, inspiring and enabling Europe.

3 For more information, see website the European Commission. [Innovation Union](#).

4 For more information, see Technopolis (2018). [Social Business Initiative \(SBI\) follow up: Co-operation between social economy enterprises and traditional enterprises](#).

5 For more information, see European Commission (2016). [Europe's next leaders: the Start-up and Scale-up Initiative](#). COM/2016/0733 final.

6 For more information, see website of the European Commission. [Horizon Europe](#).

2. METHODOLOGY

Due to its diverse conceptual understanding and its adaptive and fluid nature, data on social innovation is oftentimes missing or already outdated and thus not reflective of current developments. This makes it particularly challenging to conjure a clear picture of social innovation which captures its varied facets and consequently further highlights the need for more research in the field. This report therefore refers to existing data on social entrepreneurship whenever information on social innovation is missing. Social entrepreneurship is an important branch of social innovation addressing societal challenges with entrepreneurial solutions, capturing most of the areas where social innovation takes place⁷. In the European Commission's comparative synthesis report on Social enterprises and their ecosystems in Europe (2020) it says:

6 Social enterprises – businesses whose primary goal is to generate positive social impact – exist in every European country. [...] Many are innovative and find opportunities in cases where neither mainstream businesses nor public authorities can deliver. [...] They help to pursue demographic, green and digital transitions, without leaving anybody behind⁸.

In order to overcome the lack of available resources, this report builds on a diverse compilation of country reports, articles and additional primary and secondary sources on social innovation and social entrepreneurship. It also provides newly gained insights from social innovators and changemakers from the respective countries. Accordingly, six interviews were conducted with alumni of the European Social Innovation Competition in May and June 2021, yielding first-hand information on opportunities and potential challenges in the spotlighted countries. This mixed-method approach of quantitative and qualitative data collection seeks to minimise knowledge gaps where data is currently missing.

7 Yet, the authors are fully aware that social innovation can also happen outside of the social enterprise sector. Additional data that captures social innovation in a broader sense is therefore imperative to be able in the future to draw an evermore detailed picture of the phenomenon.

8 European Commission (2020). Social enterprises and their ecosystems in Europe. Comparative synthesis report. Page 5.

3. SOCIAL INNOVATION IN EUROPE – THE ECOSYSTEM



Understanding Social Innovation in Europe

Agreeing on an all-encompassing definition for social innovation has proven to be challenging. As the following detailed country considerations emphasise, each respective country or region has a distinct social and historical reality out of which social innovation emerges for different reasons. Acknowledging these different nuances, the European Commission defines social innovation as follows:

“Social innovations are new ideas that meet social needs, create social relationships and form new collaborations. These innovations can be products, services or models addressing unmet needs more effectively⁹.”

“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 act¹⁰.”

Accordingly, the European Commission’s main objectives comprise: the promotion of social innovation as a source of growth and job creation; sharing information about social innovation in Europe; and supporting innovative entrepreneurs and mobilising investors and public organisations¹¹. The institutional framework for this was provided by the Innovation Union Initiative (2010), as well as by the Social Investment Package (2013), while research is fostered through Horizon 2020/Horizon Europe and funding is granted by the ESF and the EaSI Programme. Furthermore, competitions for social innovators and changemakers, such as the European Social Innovation Competition, enrich the wide range of initiatives by the European Commission to leverage social innovation.

Despite the above mentioned endeavours to create an enabling Europe-wide environment for social innovation, national characteristics of innovative opportunity structures and outputs differ quite significantly. The European Innovation Scoreboard 2021’s Innovation Index¹² illustrates this by clustering Europe’s innovative ecosystems into four categories, ranging from Innovation leaders (Switzerland, **Sweden**, Finland, Denmark, Belgium), strong innovators (Netherlands, Luxembourg, United Kingdom, **Norway**, Germany, Austria, Iceland, Ireland, Israel, **France**, Estonia), and moderate innovators (Cyprus, **Spain**, Slovenia, Czech Republic, Malta, Italy, Lithuania, Portugal, Greece), to modest innovators (Hungary, Slovakia, **Latvia**, Turkey, Serbia, Poland, Croatia, Bulgaria, North Macedonia, Montenegro, Ukraine, **Romania**)¹³. This report therefore does not only aim to display a regionally diverse group of countries but also to illustrate the very diverse understandings and underpinnings of the concept’s development across Europe.



Network Strength and Development

As mentioned above, the European social innovation approach has developed tremendously over the last decade. Initiatives such as the Social Business Initiative (SBI) and the Start-Up & Scale-Up Initiative have been guiding forces for the development of the social innovation and social entrepreneurship ecosystem. The former was launched in 2011 and aims to support the development of socially entrepreneurial businesses and key stakeholders in the social economy who adopt a socially innovative approach¹⁴. The latter was launched in 2016 and complements the SBI by supporting social economy ecosystems through three main proposals:

9 For more information, see website of the European Commission. [Social Innovation](#).

10 European Commission (2013). [Guide on Social Innovation](#). Page 7.

11 Ibid.

12 Despite the fact that the European Innovation Scoreboard does not refer to social innovation per se, the data provided supply a good indication of factors that are highly relevant for creating an enabling environment for social innovation. For more information, see [European Innovation Scoreboard 2021 – Methodology Report](#).

13 See Annex 2.

14 For more information, see website of the European Commission. [Social Enterprises](#).

- Facilitating access to finance;
- Removing barriers for start-ups to scale-ups in the single market;
- Creating better opportunities for collaboration, skills and commercial opportunities¹⁵.

While start-ups and scale-ups often drive social innovation, access to finance and better opportunities for collaboration, skills and commercial opportunities undoubtedly contribute to a more enabling environment for social innovation. Both initiatives build on the work of an external expert group on Social Economy and Social Enterprises (GECES)¹⁶ as well as parallel work on social enterprise ecosystem mapping¹⁷.

Until 2019, the European Union additionally supported the learning and networking platform Social Innovation Community (SIC) through the Horizon 2020 programme. Despite the termination of the project, the SIC website is still online and provides useful information on the distinct European social innovation ecosystems¹⁸.



Visibility and Recognition

As outlined above, the EU has committed itself to recognising and increasing the visibility of social innovation and the social economy through a variety of policies and initiatives. Nevertheless, to provide the ideal ground for social innovation to flourish, the EU's Member States and partner countries must work closely at all levels of governance within their national frameworks in order to develop enabling environments in combination with sufficient financial and regulatory support. As the examples of Sweden and Norway in this report demonstrate, one way of promoting social entrepreneurship and social innovation by national authorities is to commission companies that adopt these approaches to provide social services. The Commission understands its role in this regard in providing guidance on:

- ➔ **How to use social policy innovation when implementing country specific recommendations;**
- ➔ **How to use European structural and investment funds for this purpose¹⁹.**

In addition, the social innovation approach is encouraged on a policy level through social policy experimentation. Social policy experimentation can help policy-makers to test the potential and validity of new innovative policy interventions on a small scale in order to understand their efficacy before scaling. Such experiments should furthermore facilitate the implementation of innovative answers to pressing social needs and can invite change leaders to have a significant social impact on the local policy level²⁰.



Capacity to Self-Organise

On the European level, the capacity to self-organise is enhanced by providing support to incubation structures and EU-wide networks. Through its funding programmes such as the EaSI strand of ESF+, the European Commission furthermore provides funding to social innovation and social entrepreneurship support organisations and networks and thus directly and indirectly contributes to the plethora of support structures available to social innovators.

Moreover, the annual European Social Innovation Competition is organised to support early-stage innovations and facilitate a network of European changemakers. Each year the competition has a different theme addressing a pressing societal challenge. The best three innovations are awarded with 50.000€. Additionally, the Social Innovation Tournament²¹ is run by the European Investment Bank annually, as well as the RegioStars Awards²² by DG REGIO with a focus on regional development and innovation.

15 Ibid.

16 For more information, see website of the European Commission. [Expert group on social economy and social enterprises \(GECES\) \(2018-2024\)](#).

17 An overview of the mapping for each respective country can be found [here](#).

18 For more information, see website [Social Innovation Community](#).

19 For more information, see website European Commission. [Social Innovation](#).

20 For more information, see e.g. European Commission (2013). [Guide on Social Innovation](#); and J-Pal Europe (2011). [Social Experimentation: A methodological guide for policy makers](#).

21 For more information, see website [Social Innovation Tournament](#).

22 For more information, see website European Commission. [REGIOSTARS Awards](#).



Access to Resources

Direct funding to support social innovation is provided by several initiatives on the European level. Undoubtedly, the EaSI programme (from 2021 onwards a strand of the ESF+) and Horizon Europe are the two funding flagships in this regard. EaSI is a financing tool which promotes high-level and sustainable employment, the improvement of working conditions and the fight against social exclusion and poverty. Through EaSI funding, social innovations and social entrepreneurs that address these challenges are able to receive funding for their projects. Likewise, Horizon Europe funds a wide range of innovation and research activities. In addition to its predecessor Horizon 2020, Horizon Europe supports the scaling of innovations that may be too risky for private investors through the European Innovation Council²³.



Research, Education and Skills Development

Under the framework of Horizon 2020 and its successor Horizon Europe, research and innovation activities are supported by the European Commission. Horizon Europe is the biggest programme of its kind and comprises a total budget of more than 95 billion euro. The Programme is based on three pillars, of which one is dedicated to 'Innovative Europe', with three main focus areas. Firstly, and a novelty compared to Horizon 2020, the European Innovation Council supports breakthrough and disruptive innovations that would otherwise face difficulties receiving funding. Second, the European Innovation Ecosystems focus on bringing innovative ecosystems together and with that, stimulate collaboration between national, regional and local actors. Third, the European Institute of Innovation & Technology (EIT) aims to catalyse social innovation across Europe through training, development and kickstarting start-ups and scale-ups. In order to do so, EIT builds on a large 2000+ partner community consisting of companies, research centres and universities²⁴.

Moreover, projects such as NEMESIS bring education and social innovation together. With the help of innovative learning models, the project aims to foster entrepreneurial mindset and creative thinking among future changemakers in primary and secondary education²⁵.

23 For more information, see website [European Innovation Council](#).

24 For more information, see website [European Institute for Innovation and Technology](#).

25 For more information, see website [NEMESIS](#).

4. SOCIAL INNOVATION COUNTRY SPOTLIGHTS



Brief Overview of the Ecosystem

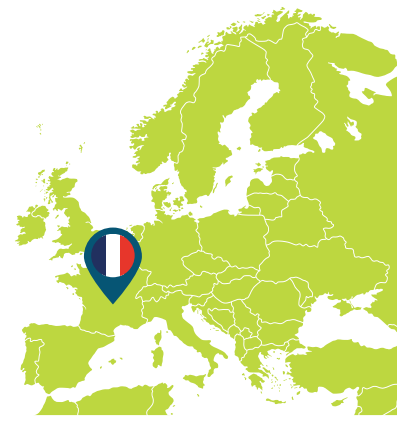
France is considered a strong innovator with a long-standing history of social economy²⁶. Nevertheless, terms like social enterprise or entrepreneurship are not necessarily appearing in publications or the public discourse. Rather, solidarity enterprise of utility (*entreprise solidaire d'utilité sociale, ESUS*) is commonly used and its definition is fully aligned with the European Union's definition of social enterprise²⁷. However, social innovation in more general terms is widely associated with the social and solidarity-based economy (*économie sociale et solidaire, SSE*). This also stems from the adoption of the framework Law on SSE in 2014, which is considered a milestone achievement in the field. Following the introduction of the SSE Law, which symbolically recognises SSE as a distinct sector, new avenues for aspiring innovators and other actors were created. This has fostered the growth and visibility of the SSE over the last few years. It is furthermore reflected in the high frequency of (local) support networks dedicated to diversified fields of activity or specific types of SSE organisations, including associations, cooperatives and foundations.



Network Strength and Development

In comparison to other European countries, social innovation in France is well established and recognised at the institutional level – both nationally and regionally. Alongside 2014's SSE Law, the Law on the New Territorial Organisation for the Republic (Loi Notre) from 2015 comprises a development scheme for the regional development of social innovation and SSE. Despite regional variations in the scope and type of support, French social innovators can benefit from numerous regional SSE initiatives²⁸.

FRANCE



The profound institutional support is complemented by various support organisations, networks and civil society initiatives. Moreover, initiatives such as 'Hybrid Value Chain' by Ashoka France intend to increase collaboration and share best practices between social organisations and classic companies who would like to enhance their positive social impact²⁹. Accordingly, Benoît Illy, Co-Founder and CEO of Fairbrics and part of the European Social Innovation Competition Alumni Network, recognises that the SSE sector has been changing in recent years, and support and attention are increasingly coming from other economic sectors. This is furthermore reflected in the wider access to funds. According to Illy, in the past, 'most VC funds were only looking at financial KPIs, whereas now they're looking at social impact and tech impact too.'



Visibility and Recognition

The public interest in the social and solidarity-based economy is broad and has increased significantly in the aftermath of the economic crisis. Since then, several regulations and initiatives have been established by public authorities to stimulate the development of the sector. The biggest milestone in that regard is the SSE Law of 2014 which opted for the recognition of the sector and defined SSE and closely related concepts. In the following years, the function of the High Commissioner for SSE and social innovation was introduced and the French Impact initiative³⁰ was launched to bring changemakers together and leverage social innovation. All these initiatives have clearly benefited the field and fostered the development of an enabling multi-level governance and support system for social innovators and social entrepreneurs³¹.

26 See e.g. [European Innovation Scoreboard 2021](#); [Global Innovation Index 2020](#).

27 For 'solidarity enterprise of utility' definition, see Art. 11 of [LOI n° 2014-856 du 31 juillet 2014 relative à l'économie sociale et solidaire](#) (French). For the EU definition of social enterprise, see e.g. Website of the European Commission. [Social Enterprises](#).

28 See e.g. European Commission (2020) [Social enterprises and their ecosystems in Europe. Updated country report: France](#). Authors: Francesca Petrella and Nadine Richez-Battesti. Luxembourg: Publications Office of the European Union. Pages 11, 56.

29 European Commission (2020) [Social enterprises and their ecosystems in Europe. Updated country report: France](#). Page 63.

30 For more information, see [Le French Impact](#) website.

31 European Commission (2020). [Social enterprises and their ecosystems in Europe. Updated country report: France](#). Pages 10, 13, 53.



Capacity to Self-Organise

“We had a lot of support from incubators or accelerators. Last year, we were part of three of them, and thanks to them we had access to advice. When you are a small team, you cannot hire all the competencies you need and it’s always good to have time with experts or mentors to have feedback on your company.”

Benoit Illy, CEO and Co-Founder at Fairbrics

In addition to regional and national public initiatives, France’s social innovation ecosystem covers a wide range of support services offered by various professional networks. Support offers range from providing access to funding (e.g. AVISE, France Active); capacity building (e.g. Impact France (formerly known as MOUVES), policy work (e.g. AVISE), ecosystem mapping (e.g. ESSpace), to the distribution of sector-relevant information (e.g. ESSemble, RTESS)³².



Access to Resources and Markets

On the one hand, social entrepreneurs experience difficulties in identifying relevant stakeholders and investors because of the wide range of opportunities, but no single point of reference to channel supply and demand. On the other hand, (private) investors appear reluctant to provide funding to early-stage enterprises who have not yet generated any revenue. In Benoît Illy’s view, this is highly counterproductive as the funding is needed to be able to generate assets.

Another challenge is the lack of commonly accepted measurements for social impact to present positive results of the respective social innovation or enterprise and thus become more attractive to financiers.

The strong financial support from public actors such as France Active and FISO, as well as the overall endeavours by Banque Publique d’Investissement (BPI) and organisations like Pulse³³ are widely referred to.



Research, Education and Skills Development

An increasing number of business schools and universities offer courses and Master degrees focusing on social and solidarity-based economy. Especially in Paris and Rennes, the offers are manifold and range from Social Innovation & Entrepreneurship to Social Solidarity-Based Economy Master programmes³⁴. Many researchers and graduates are also members of the Réseau Interuniversitaire d’Economie Sociale et Solidaire and other internationally recognised research networks, including EMES, AES and CIRIEC.

This development has undoubtedly led to an increase in professionalisation within the field compared to ten years ago, according to Illy. Nevertheless, one of the major challenges remains the strong focus on managerial competencies while governance and participation foci are largely missing³⁵.



Social Innovation made in France³⁶

Fairbrics – Sustainable fashion with positive climate impact

Wheeliz – Car sharing platform for wheelchair-accessible vehicles

Konexio – Providing high-quality digital training and coding classes to vulnerable populations

IMPORTANT STAKEHOLDERS

Public Authorities

- Ministère de la Transition écologique et solidaire;
- Conseil Supérieur de l’Economie Sociale et Solidaire

Financial Providers

- Banque Publique d’Investissement (BPI);
- Crédit du Nord et Société générale;
- Groupe Associatif France Active;
- Finansol

Support Organisations

- AVISE;
- Impact France (formerly known as MOUVES);
- Pulse;
- Fédération des Entreprises d’Insertion (FEI);
- Union des Employeurs de l’ESS (UDES);
- CHORUM;
- Entrepreneurs First

32 For an overview of French support networks, see e.g. European Commission (2020) [Social enterprises and their ecosystems in Europe. Updated country report: France](#). Authors: Francesca Petrella and Nadine Richez-Battesti. Pages 64-66.

33 See [Pulse](#) website for more information.

34 See e.g. [University of Rennes](#); [Paris Business School](#); [HEC Paris](#).

35 European Commission (2020) [Social enterprises and their ecosystems in Europe. Updated country report: France](#). Page 67.

36 All innovations listed below are part of the European Social Innovation Competition Alumni Network.

LATVIA



Brief Overview of the Ecosystem

The Latvian social innovation ecosystem has started to develop only in the last decade. In spite of a certain degree of visibility and legal recognition, social innovators and entrepreneurs struggle to establish themselves in the Latvian society and market. In fact, there are still few specific support tools for these groups, nor extensive consideration of the social impact they bring. Nevertheless, there are some important forms of financial and non-financial support available, such as training and skilling opportunities, competitions and institutional grants programmes, such as the 'Social Entrepreneurship Programme'³⁷, launched by the Ministry of Welfare and ALTUM in 2016. Networking opportunities are generally modest and limited to the local context. Overall, it can be said that the social innovation ecosystem in Latvia, although growing, is still in its infancy stage. This is reflected in the European Innovation Scoreboard 2021, where Latvia is considered a **moderate innovator**³⁸.

IMPORTANT STAKEHOLDERS

Public Authorities

- Ministry of Welfare;
- ALTUM;
- Investment and Development Agency of Latvia

Business advice / finance providers

- Latvian Business Angel Network

Research & education institutions

- Riga Business School;
- Riga Technical University;
- Social Innovation Centre

Support organisations

- Social Entrepreneurship Association of Latvia;
- Reach for Change;
- New Door



Network Strength and Development

The Latvian social innovation ecosystem has developed in recent years from the experience of many civil society organisations – especially associations and foundations, historically present in the country since the 19th century³⁹. Two important milestones signal this new trend:

37 See also [Social Entrepreneurship Programme](#).

38 [European Innovation Scoreboard 2021](#).

39 European Commission (2019) [Social enterprises and their ecosystems in Europe. Updated country report: Latvia](#). Author: Lāsma Līcīte. Luxembourg: Publications Office of the European Union. Page 19.

40 European Commission (2019) [Social enterprises and their ecosystems in Europe. Updated country report: Latvia](#). Author: Lāsma Līcīte. Luxembourg: Publications Office of the European Union. Pages: 30-33.

- The establishment of the Social Entrepreneurship Association of Latvia (2015);
- The adoption of the Social Enterprise Law (2018).

At present, the scale on which Latvian social entrepreneurs and innovators operate is mainly local. There are few examples in the Latvian context of these groups or their associated businesses operating at national level, and even fewer operating at global level. Nevertheless, as stated by Andris Bērziņš, Director of Samaritan Association of Latvia – one of the largest social enterprises in Latvia: 'Networks of Latvian social entrepreneurs are also connected to Europe widely and linked to neighbourhood countries such as Lithuania and Estonia.'

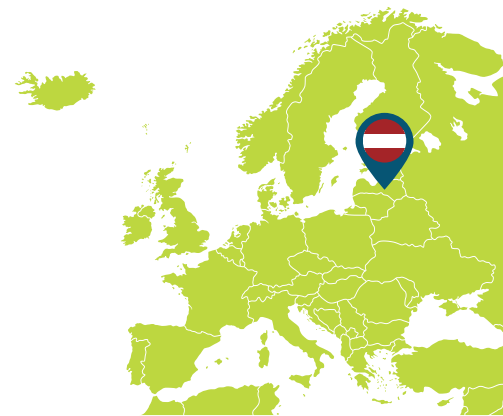
Despite the limitations of a sector still in its infancy stage, the prospects for the growth of social entrepreneurship seems to be favourable given a foreseeable ripening of the social innovation ecosystem in Latvia in the coming years.



Visibility and Recognition

Social innovators and entrepreneurs in Latvia are generally not widely recognised by the public despite the work of some organisations promoting the approach, such as the Social Entrepreneurship Association of Latvia.

From a legal point of view, the recognition of socially innovative or entrepreneurial businesses occurred in 2018 with the adoption of the Social Enterprise Law, which officially established social enterprises. According to this law, only limited liability companies can obtain the status of social enterprises. Because of this requirement, many organisations that have been historically considered 'de facto' social enterprises (associations, foundations) whom employ socially innovative or entrepreneurial approaches are not legally recognised as social enterprises and therefore cannot receive any specific support⁴⁰.



Besides the Social Enterprise Law, there are also two policy documents of strategic importance for the recognition and visibility of these groups in Latvia, namely the Sustainable Development Strategy of Latvia until 2030 and the National Development Plan of Latvia 2014-2020.



Capacity to Self-Organise

In Latvia, there is a certain capacity for self-organisation among citizens, partly held back by the widespread lack of entrepreneurial and management skills among individuals⁴¹. The lack of a widespread entrepreneurial culture, combined with low visibility and recognition of social innovation and innovative entrepreneurship initiatives, very often undermines the effectiveness of such grassroots initiatives.



Access to Resources and Markets

In general, there is not yet a strong support infrastructure for social innovation in Latvia. However, in recent years, a number of support mechanisms have enabled several purpose-oriented organisations to grow and make a positive impact in society.

Among the most important support mechanisms is the government programme 'Support for Social Entrepreneurship', which finances projects from 5,000 to 200,000 EUR⁴². At the local level, there are also several regional and municipal authorities that have started financial support programmes, mainly through grants. In contrast to the public sector, the private sector (banks, business angels, investors) is generally reluctant to finance these socially innovative or entrepreneurial organisations. This is due to issues related to their sustainability, a perceived high business risk, and the limited ability of these organisations to attract investment or apply for loans⁴³. However, there are good signs that in the near future, various impact investing mechanisms may take root in the private sector.

Some interesting tools beyond those mentioned above for supporting start-ups and innovative (even if not socially) enterprises are provided by some incubators currently operating in Latvia – promoted by the Investment and Development Agency of Latvia – by government support programmes for business beginners, as well as microcredit programmes – promoted by ALTUM – and by some awards and competitions (e.g. Take-Off, Cup of Ideas).



Research, Education and Skills Development

The landscape of financing opportunities for social entrepreneurs and innovators, despite some new and effective support instruments, as seen above, is rather fragmented. Training and skilling opportunities are even more limited in Latvia, especially in rural and peripheral regions⁴⁴. This all reflects a general low fertility of the social innovation ecosystem in Latvia.

It should be noted, however, that some education and training institutions play a very important role in promoting research and dissemination of social entrepreneurship, as well as in spreading the culture of social innovation through courses, masterclasses and seminars. Among them are the Latvian Christian Academy, Riga Business School and Riga Technical University. Another important contribution to research and training in the field of social innovation is made by the Social Innovation Centre. Among the incubators and accelerators that support social enterprises with training and support programmes are New Door and Reach for Change.



Social Innovation made in Latvia⁴⁵

- Samaritan Mobile Care Complex** by **Samaritan Association of Latvia** – Providing mobile health services to elderly people in rural regions
- Visi Var** – Fostering employment opportunities for people with disabilities through creative activities and crafts
- Correctly** – Designing and developing T-shirts for posture correction

41 European Commission (2019) [Social enterprises and their ecosystems in Europe. Updated country report: Latvia](#). Author: Lāsma Līcīte. Luxembourg: Publications Office of the European Union. Page: 58.

42 See [Support for Social Entrepreneurship](#).

43 Aps, J., Ülande, M. & Lipponen, K. (2018) [Social impact investment in the Nordic- Baltic region: Ideas and opportunities, needs and challenges using examples from Estonia, Latvia and Finland](#), Nordic Council of Ministers' Office in Estonia.

44 European Commission (2019) [Social enterprises and their ecosystems in Europe. Updated country report: Latvia](#). Author: Lāsma Līcīte. Luxembourg: Publications Office of the European Union. Page: 70.

45 As there was only a limited number of European Social Innovation Competition alumni from Latvia, the last two projects on the list are not directly related to the Competition. Rather, they were suggested by the interviewee Andris Bērziņš.

NORWAY



Brief Overview of the Ecosystem

Norway is globally perceived as a **strong innovator**⁴⁶. This understanding aligns with the country's enabling environment regarding research and education oppor-

tunities, its favourable structures to start a business, and the strong collaboration between innovative SMEs and other actors⁴⁷. However, focusing on social innovation, the concept is still in a relatively early stage, with most of Norway's social innovations and entrepreneurs having emerged in the last 10 years. Additionally, it is currently difficult to capture the full social innovation ecosystem, as many social entrepreneurs and changemakers do not identify as such.

The Norwegian government primarily supports social innovation through research and funding, while it is mainly the private and

third sector which drives social innovation. Although the majority of Norwegian social innovations focus on the delivery of welfare services, social innovation captures a wide variety of topics, including waste management, forestry, education and training⁴⁸.



Network Strength and Development

While the number of social innovators and entrepreneurs has been steadily increasing for the last ten years, Norway still lacks a comprehensive legal framework recognising the potential of social innovation.

Led by the Ministry of Labour and Social Affairs, seven Norwegian ministries work together in order to drive social innovation. Their efforts, however, primarily concentrate on research projects. Similarly, socially entrepreneurial businesses are considered as strong drivers for innovation in the political discourse. While these activities foster the interest in and visibility of the field, they do not yet provide a higher level of institutionalisation⁴⁹.



Visibility and Recognition

Politically, the visibility and awareness of social innovation and social entrepreneurship has increased significantly with a general consensus of the concept's high potential for the welfare system.

Yet, due to the lack of a legal form for socially innovative or entrepreneurial businesses, a vast number of social innovators have had to choose amongst other legal forms that are available in the Norwegian system. As a consequence, the decision has had an influence on the access to funding for the respective social enterprises. For that reason, many innovators register as sole proprietorships (which is considered a grey zone in the area of social enterprise), regularly changing their legal status, or registering themselves twice (as both a voluntary association and a limited company)⁵⁰. Accordingly, social innovators, such as Wilhelm Myrer, CEO at Empower, criticise the lack of a uniform understanding of the concept of social entrepreneurship. Simultaneously, he and his colleague Jessica Cao, perceive the collaboration and recognition of likeminded social entrepreneurs as very strong and essential for the success of the ecosystem.

46 See e.g. European [Innovation Scoreboard 2021](#); [Global Innovation Index 2020](#).

47 European Commission (2020). [European Innovation Scoreboard 2020 Report](#). Page 73.

48 See e.g. Social Innovation Community (2020). [Country Profile Norway](#); European Commission (2019). [Social enterprises and their ecosystems in Europe. Country fiche: Norway](#). Author: Lars U. Kobro. Luxembourg: Publications Office of the European Union. Page 10.

49 See e.g. European Commission (2019). [Social enterprises and their ecosystems in Europe. Country fiche: Norway](#). Author: Lars U. Kobro. Luxembourg: Publications Office of the European Union. Pages 11, 25.

50 European Commission (2019). [Social enterprises and their ecosystems in Europe. Country fiche: Norway](#). Author: Lars U. Kobro. Luxembourg: Publications Office of the European Union. Page 1.



Capacity to Self-Organise

“There is a good panorama, a lot of good courses and skilling opportunities that Norwegian social innovators can choose [from]. There are also several incubators and hubs providing interesting programmes on social impact startups. Soft skills are definitely addressed and well-covered!”

Wilhelm Myrer, CEO at Empower

“On a local level, incubators and accelerators provide excellent opportunities for startups to network, but for sure I can say that in Norway there are far less networking opportunities for social entrepreneurs, compared to ‘traditional entrepreneurship’ networking opportunities.”

Jessica at Cao, Legal Counsel at Empower

In particular, in regard to start-up support, the Norwegian social innovation ecosystem is perceived as strong, and several funding opportunities are in place. Compared to its European neighbours, Norway profits from a very strong opportunity structure for aspiring entrepreneurs and businesses⁵¹. Simultaneously, the Norwegian social enterprise sector appears relatively fragmented with social innovators and entrepreneurs being involved in a wide range of different activities and industries⁵². Translating services and support from the classic entrepreneurship sector into the social sphere could therefore bear a high potential for leveraging social innovation.



Access to Resources and Markets

The access to (financial) resources and markets depends at large on the legal status of an organisation or business. While funding is, in general widely available, investors usually support only a particular group of social entrepreneurs or innovators, for example, those registered as limited companies. As mentioned above, introducing a distinct legal framework for social entrepreneurs could therefore facilitate the access to funding significantly.

Among the interviewees, Oslo Business Region initiative, Innovation Norway and the Research Council of Norway were highlighted as crucial grant providers. While initial funding from governmental bodies and incubators is perceived as relatively easy to access, there are only limited opportunities available for social startups in their growth-stage, according to Wilhelm Myrer.

In regards to national markets, it is interesting to note that many social entrepreneurs mainly work at the municipal level or in conjunction with regional public entities. This is closely related to the national transition of the welfare system. In recent years, pilot projects have been initiated in order to include more start-ups and smaller socially innovative and entrepreneurial businesses in the social service sector (which has previously been dominated by large companies).



Research, Education and Skills Development

In an international comparison, Norway scores particularly high in the sphere of research and education on social innovation and social entrepreneurship⁵³. Research centers, such as the Norwegian centre for social entrepreneurship and social innovation (SESAM)⁵⁴, as well as Master programs focusing on social innovation, as offered by the VID Stavanger, are of high relevance for increasing the visibility of social innovation. Furthermore, a work group of seven national ministries, including the Norwegian Association for Local and Regional Authorities, has launched several research activities.



Social Innovation made in Norway⁵⁵

Empower – Generating value out of plastic waste

No Isolation – Bringing people together through ‘warm technology’

Impact – Using a community-based approach to fight waste

51 European Commission (2020). [European Innovation Scoreboard 2020 Report](#). Page 73.

52 See e.g. European Commission (2019). [Social enterprises and their ecosystems in Europe. Country fiche: Norway](#). Author: Lars U. Kobro. Luxembourg: Publications Office of the European Union. Pages 11, 30, 34.

53 European Commission (2020). [European Innovation Scoreboard 2020 Report](#). Page 73.

54 For further information, see <https://www.usn.no/research/our-research/health-and-welfare/centre-for-social-entrepreneurship-and-social-innovation/>.

55 As there was only a limited number of European Social Innovation Competition alumni from Norway, the last two projects on the list are not directly related to the Competition. Rather, they were suggested by the interviewees Wilhelm Myrer and Jessica Cao.

ROMANIA



Brief Overview of the Ecosystem

IMPORTANT STAKEHOLDERS

Public authorities

- Ministry of Labour and Social Justice (incl. The National Agency for Employment);
- Ministry of European Funds;
- Ministry of Economy

Business advice / finance providers

- Romanian Commercial Bank;
- BCR Social Finance Romania

Research & education institutions

- University of Bucharest;
- Social Economy Institute

Support organisations

- Social Economy Coalition;
- Retirees' Mutual Aid Association National Federation 'OMENIA';
- NESsT Romania;
- National Federation of NGOs for Social Services (FONSS);
- WISE Network (RISE)

Social innovation is a concept that has entered the Romanian public discourse only recently. All in all, its potentialities are not fully comprehended by several decision makers. This is partly reflected by the European Innovation Scoreboard 2021, which classifies Romania as a **modest innovator**⁵⁶.

As far as financing opportunities are concerned, the main public support mechanisms addressed to social enterprises are promoted by the EU Funds, specifically the ESF+. The ecosystem of private social finance providers, on the other hand, appears to not yet be mature, lacking a widely diffused culture of social investment. Despite some exceptions, there are also gaps within educational and training support areas. In fact, social entrepreneurial and innovation skills are often sought and acquired outside national borders. Furthermore, excessive bureaucratisation and a lack of clear fiscal incentives for social innovation or entrepreneurship highlight how the sector in Romania is still yet to be fully developed⁵⁷. There are, however, a few encouraging signals for the future.



Network Strength and Development

The emergence of the socially innovative or entrepreneurial approach in Romania is a fairly recent phenomenon (1990s), mainly promoted by associations and foundations⁵⁸. Comparing social economy organisations and social enterprises in Romania, the former are more visible and their role is more widely understood in the society. For example, there is a tendency to identify social enterprises only with Work Integration Social Enterprises (WISEs), often ignoring organisations working within other domains of general interest⁵⁹.

Networking opportunities among social innovation stakeholders, although present and growing, are still limited.

Social enterprises in Romania lack effective opportunities to build solid and stable partnerships among themselves and with other stakeholders, as is the case for for-profit enterprises in the 'traditional business' sector.

Dragoş-Petru Belduganu, Head of Social Engagement at Școala de Valori



Visibility and Recognition

Social enterprises are legally regulated by the Law on the Social Economy (Law 219/2015), which allows de facto social enterprises (as defined by the SBI) to acquire the by law social enterprise status by means of a certificate issued by the National Agency for Employment⁶⁰. However, Law 219/2015 receives only in part the definition provided by the SBI, not fully integrating the requirement of multi-stakeholder governance. Furthermore, the Law focuses exclusively

56 [European Innovation Scoreboard 2021](#).

57 European Commission (2019) [Social enterprises and their ecosystems in Europe. Updated country report: Romania](#). Authors: Mihaela Lambru and Claudia Petrescu. Luxembourg: Publications Office of the European Union. Page 45.

58 Orhei, L. E., Bibu, N., Vinke, J. (2012). [The Social Enterprise In Romania. An European Perspective On Their Current Situation](#). Annals of Faculty of Economics. Vol. 1. Page: 758.

59 European Commission (2019) [Social enterprises and their ecosystems in Europe. Updated country report: Romania](#). Authors: Mihaela Lambru and Claudia Petrescu. Luxembourg: Publications Office of the European Union. Page 18.

60 See [Law 219/2015 on Social Economy](#).

on WISEs, leaving out the rest of the organisations working within different general interest domains⁶¹. Lastly, Romanian organisations that acquire the 'label' of social enterprise do not benefit from particularly advantageous fiscal conditions – no more than the incentives already provided to de facto social enterprises (social economy organisations). This therefore, by association, would impact on the recognition, support and stimulation of social innovativeness and entrepreneurship.



Capacity to Self-Organise

Despite the limited support coming from government and private sector, it can be noted how some interesting grassroots initiatives are working effectively to address urgent social and environmental issues in Romania. One of the most active organisations fostering social innovation in the country is Ashoka Romania.

There are several local NGOs that have a good 'innovation spirit' and strive to expand their domain. Indeed, many social innovation projects are run by people from the 'Z Generation', who have been more open to entrepreneurship and more exposed to innovation than any other previous generation.

Dragoş-Petru Belduganu, Head of Social Engagement at Școala de Valori



Access to Resources and Markets

The main source of public funding for Romanian social entrepreneurship comes from the ESF+, implemented at national level through several Operational Programmes⁶². Apart from EU Funds, other relevant public support measures are: the Start-Up Nation Programme; the Micro-Industrialisation Programme and the Trade and Services Programme – although all of them are specifically tailored for SMEs. Support instruments for social economy organisations

(associations, foundations, etc.) appear limited and inconsistent⁶³. Public procurement is another option available but rarely exploited due to knowledge/culture gaps and lack of clarity on procedures.

On the private side, banks are generally risk-averse when it comes to financing socially innovative or entrepreneurial activities. This is due to a lack of a social investing culture, an unfavourable legal and political framework and technical skills that social entrepreneurs often do not have⁶⁴. However, there are a number of interesting private support organisations which, besides providing non-financial services, also offer grants to social innovators and entrepreneurs. Ultimately, it can be concluded that the landscape of financial opportunities is not conducive to the spread and growth of social innovation in Romania.



Research, Education and Skills Development

Higher education institutions in Romania have made a fundamental contribution to research on social innovation and entrepreneurship, especially through promotion and visibility. At the same time, the activity of some private organisations – such as NESST Romania, Impact Hub Bucharest and Social Innovation Solutions – has stimulated the development of technical skills among Romanian social innovators. However, what is happening, in the words of Dragoş-Petru Belduganu, is that 'many social innovators active in Romania have had access to resources, knowledge and connections abroad, as Romania offers little opportunities for education and training in the field of innovation and social entrepreneurship'.



Social Innovation made in Romania⁶⁵

CareerBus by Școala de Valori – Bringing career orientation to young people living in rural areas
WhyWeCraft – Cultural sustainability in fashion
WasteLess Fashion – Zero-waste textile and fashion design education program for universities

61 European Commission (2019) [Social enterprises and their ecosystems in Europe. Updated country report: Romania](#). Authors: Mihaela Lambru and Claudia Petrescu. Luxembourg: Publications Office of the European Union. Page 81.

62 See e.g. the sectoral Operational Programme [Human Capital 2014-2020](#).

63 European Commission (2019) [Social enterprises and their ecosystems in Europe. Updated country report: Romania](#). Authors: Mihaela Lambru and Claudia Petrescu. Luxembourg: Publications Office of the European Union. Page 65.

64 European Commission (2019) [Social enterprises and their ecosystems in Europe. Updated country report: Romania](#). Authors: Mihaela Lambru and Claudia Petrescu. Luxembourg: Publications Office of the European Union. Pages: 76-77.

65 All innovations listed below are part of the European Social Innovation Competition Alumni Network.

SPAIN⁶⁶



Brief Overview of the Ecosystem

The ecosystem of social innovation in Spain has developed only recently, promoted mainly by social economy organisations, as is the case in other European countries. At the root of the emergence of the phenomenon is the recent economic crisis in Spain, which, besides having provoked a fermentation of grassroots initiatives throughout the country, has contributed decisively to the development and diffusion of social enterprises. In general, the social economy sector in Spain is very institutionalised. There are different support instruments, both public and private, for social entrepreneurs and social innovations. However, especially on the private finance side, there is a scarcity of support mechanisms specifically tailored to social entrepreneurship and, in the public sphere, a lack of awareness of the value and importance of the businesses that social entrepreneurship and innovation can foster, driving both the economy and social cohesion. The good, yet not optimal, innovation capacity in Spain is shown by the European Innovation Scoreboard 2021, which classifies the country as a **moderate innovator**⁶⁶.

Despite some important challenges to be addressed – for example the integration of impact measurement tools, development of innovative and sustainable

business models, transfer of skills and scale-up of social enterprises – the social innovation and entrepreneurship sector in Spain has a good potential for growth in the future.



Network Strength and Development

As in other European countries, social innovation in Spain is rooted in the national tradition of social economy organisations. All in all, there have been significant developments in this field in recent years, following political milestones such as the adoption of the Law on Social Economy (5/2011), the publication of the Spanish Social Economy Strategy 2017-2020 and the creation of the Ministry of Labour and Social Economy (2020).

The social economy in Spain appears to be quite institutionalised and diverse, partly due to the many layers characterising the Spanish administrative structure, at national and local levels. Such a fragmented framework also reflects on support networks. The main reference network for socially innovative and entrepreneurial businesses in Spain is CEPES (Spanish Confederation of Enterprises of the Social Economy), which gathers, among its members, WISE (FEACEM, FEADEI) and Social Initiative Cooperatives support organisations (e.g. COCETA) respectively⁶⁸.



Visibility and Recognition

Among the most widespread business models adopted by social entrepreneurs and innovators in Spain are: Social Initiative Cooperatives; WISEs; Associations and Foundations running economic activities; and Public Services Cooperatives, which are interesting examples

IMPORTANT STAKEHOLDERS

Public authorities

- Ministry of Employment and Social Security;
- Autonomous Communities

Business advice / finance providers

- La Caixa Foundation;
- Triodos Bank;
- Young Social Entrepreneur Awards;
- Impulsa Coop;
- ICO;
- ENISA;
- Social Nest Foundation;
- UEIA Accelerator;
- Red Creactiva;
- Coop57

Research & education institutions

- University of Zaragoza;
- University of Barcelona;
- EMES International Research Network;
- IE Business School

Support organisations

- CEPES;
- FEACEM;
- FAEDEI;
- REAS;
- Spanish Third Sector Platform;
- Sociaemprende;
- Innoves Foundation

66 See e.g. European [Innovation Scoreboard 2021](#); [Global Innovation Index 2020](#).

67 The authors of this report reached out to several European Social Innovation Competition alumni based in Spain during the data research and collection phase. Nonetheless, none of the approached alumni had the capacities to participate in an interview within the given time frame. For this reason, no data from Spain-based alumni could be collected for the purposes of this report.

68 See [Law 5/2011 on Social Economy](#).

of public-private partnerships. In general, it can be said that the social economy as a sector has more visibility than social entrepreneurship as an approach in Spain. This is reflected above all at a legal level, insofar as the legal framework of reference for the social economy – the Law on Social Economy (5/2011) – includes and regulates, although not explicitly recognising, social enterprises⁶⁹. More recently, Law 31/2015 adopted measures for the promotion and facilitation of self-employment and the social economy, further promoting social economy organisations. However, despite the lack of formal legal recognition of social entrepreneurs' businesses, in recent years the concept of social entrepreneurship has gained increasing visibility and recognition in the public arena⁷⁰.



Capacity to Self-Organise

More than the public sector, the promoters of social innovation in Spain are private actors – in particular social economy organisations, social enterprises and individual citizens or groups of individuals. Among the most relevant organisations promoting the non-profit sector and grassroot initiatives in Spain are the Third Sector Platform and the Network of Alternative and Solidarity Economy (REAS). In particular, REAS seeks to contribute to the generation of alternatives to the prevailing economic model and aspires to consolidate itself as an instrument of social transformation that fosters sustainable, fair and participatory development in Spain⁷¹.



Access to Resources and Markets

Social entrepreneurs in Spain can draw on several public support measures, promoted both at national and regional/local levels. Besides generic support aimed at traditional businesses, social entrepreneurs can access measures aimed at the wider social economy sector (e.g. tax breaks, grants and technical assistance). Pursuing public procurement contracts, regulated by Law 9/2017⁷², is an option that social entrepreneurs often use to access financial resources – despite frequent cases of state insolvency and

subsequent issues of cash flows negatively affecting their finances⁷³. Furthermore, there are a series of interesting initiatives promoted by public authorities aimed at facilitating access to credit for social entrepreneurs⁷⁴. The private sector also offers a range of support services and financing schemes to social entrepreneurs and innovators. The main support measures come from financial institutions (e.g. LaCaixa) – including ethical banks (e.g. Triodos Bank) and SSE banks (e.g. Fiare, Coop57) – foundations (e.g. BBVA Microfinance Foundation), social impact investors and crowdfunding initiatives. In general, however, despite the rather diverse landscape of private finance providers and solutions, it has to be noted how support schemes specifically tailored to social entrepreneurs are lacking⁷⁵.



Research, Education and Skills Development

The panorama of education and training providers in the field of social economy, social entrepreneurship and social innovation is quite rich in Spain. Universities such as those of Zaragoza, Barcelona or the Basque Country, or institutes such as ESADE Business School, promote several degree or specialised courses on social entrepreneurship and social innovation, contributing not only to the development of technical skills but also to increasing the visibility of the concepts in Spain. Training programmes on business development, marketing and social innovation are also promoted by intermediary organisations, foundations, incubators and other support platforms such as Innoves Foundation, Fundecyt, Initland, ESADE Social Innovation Institute, Social Nest, Up Social, among others.



Social Innovation made in Spain⁷⁶

Senstile – Digitizing textiles for a more transparent and sustainable fashion

Es-imperfect – Fighting food waste while empowering people at risk of social exclusion

The WasteLab – Playground for experimentation and platform for learning to repurpose waste

69 See [Law 5/2011 on Social Economy](#).

70 European Commission (2020) [Social enterprises and their ecosystems in Europe. Updated country report: Spain](#). Authors: Millán Díaz, Carmen Marcuello and Rocío Nogales. Luxembourg: Publications Office of the European Union. Page: 23.

71 See [Network of Alternative and Solidarity Economy](#) for more information.

72 See [Law 9/2017 on Public Procurement](#).

73 European Commission (2020) [Social enterprises and their ecosystems in Europe. Updated country report: Spain](#). Authors: Millán Díaz, Carmen Marcuello and Rocío Nogales. Luxembourg: Publications Office of the European Union. Page: 77.

74 See e.g. the three financing lines offered by [ENISA](#).

75 European Commission (2020) [Social enterprises and their ecosystems in Europe. Updated country report: Spain](#). Authors: Millán Díaz, Carmen Marcuello and Rocío Nogales. Luxembourg: Publications Office of the European Union. Page: 84.

76 All innovations listed below are part of the European Social Innovation Competition Alumni Network.

SWEDEN



Brief Overview of the Ecosystem

Sweden has been fostering social innovation and social entrepreneurship for the past two decades and has gained significant recognition as an innovative leader on a global scale⁷⁷. Concepts such as social entrepreneurship and social innovation were introduced in the beginning of the millennium and have ever since developed into a mainstay of the Swedish business sector. This can partly be explained by the country's ongoing welfare system transformation, offering new avenues for private service providers in the social sector. Notwithstanding, defining the concepts of social innovation and entrepreneurship has been an ongoing topic for discussions⁷⁸. Accordingly, different concepts are known to social innovators and other stakeholders while a general consensus is missing.

IMPORTANT STAKEHOLDERS

Public authorities

- Swedish Agency for Economic and Regional Growth (Tillväxtverket);
- Swedish Innovation Agency

Business advice agencies

- ALMI business partner;
- Swedish Job & Society

Support Organisations

- Forum For Social Innovation;
- Ideell Arena;
- Norrskan;
- Social Entrepreneurship Forum;
- Skoopi;
- Reach for Change

The phenomenon receives strong recognition from public authorities, financial intermediaries and research institutions with a strong focus on information sharing and knowledge development. The number of support organisations has increased significantly in recent years, indicating the rapid development of the field⁷⁹.



Network Strength and Development

In 2018, the Strategy for Social Enterprise, Social Entrepreneurship and Social Innovation was launched by the Swedish government, recognising the importance of social innovators to contribute to a sustainable

development and a more social economy. The initiatives that followed mainly comprised advisory activities, skills and business development support, incubators and accelerators, as well as knowledge-sharing⁸⁰.

The Swedish social innovation network is perceived as open and collaborative. Events between politicians, innovative leaders and other relevant stakeholders are organised on a regular basis. Other networking activities focus on interactions between social innovators and corporations, as well as on creating meaningful partnerships between social networks and research institutions. During the conducted interviews, the state agency Startup Sweden was highlighted as a particularly strong connector between the various actors of the field. With the outbreak of COVID-19 in early 2020, gaining access to and developing presence in the national ecosystem has become more difficult.

According to a study conducted by the Swedish Agency for Economic and Regional Growth and the Forum for Social Innovation, the vast majority of social enterprise support organisations were established after 2014. This is not only an indicator for the field's rapid growth but also its versatility⁸¹.



Visibility and Recognition

In my experience over the last few years, the social innovation ecosystem started to gain more interest and credibility in the eyes of 'traditional' financiers. For example, with the great milestone of Oatly's IPO [...] we can see more and more examples of innovations with social or environmental impact that also make significant financial return and hence are able to attract significant capital for growth.

Dora Palfi, Founder of ImagiLabs

77 See e.g. [European Innovation Scoreboard 2021](#); [Global Innovation Index 2020](#).

78 See e.g. Tillväxt Värket (2021). [Sociala företag i Sverige – kartläggning och dialog om definition](#). (Swedish)

79 See e.g. Hylander, J.; Björk, F.; Lundborg, D.; Olofsson, L.-E. (2016). An Ecosystem for Social Innovation in Sweden.

80 European Commission (2019) [Social enterprises and their ecosystems in Europe](#). Updated country report: Sweden. Author: Malin Gawell. Luxembourg: Publications Office of the European Union. Page 40.

81 In Hylander, J.; Björk, F.; Lundborg, D.; Olofsson, L.-E. (2016). Page 18.

Within the Swedish society as well as in the business sector, social and environmental sustainability has a high priority. Social innovation is a commonly known concept in Sweden and social entrepreneurship is generally received positively. As outlined in the interview with Swedish innovator and founder Dora Palfi, this is also increasingly recognised by financial institutions offering more funding for social innovations in early stages of their development.



Capacity to Self-Organise

The ecosystem in Sweden is perceived as strong and supportive for early-stage social innovators. Although currently only two study programmes are available that primarily deal with social entrepreneurship, many Swedish universities offer courses on social innovation and entrepreneurship, serving as a first entry point and connector to the field. Especially for early-stage innovators, mentorship collaborations with more mature enterprises facilitate knowledge-sharing and networking activities in the field. Furthermore, a wide range of services are offered by support organisations.

In contrast, the complex procedures of administrative bureaucracy for social entrepreneurs have been perceived as challenging by Swedish actors⁸².



Access to Resources and Markets

The access to financial resources largely depends on the size and maturity level of a social innovation. Social entrepreneurs operating on a smaller scale particularly face challenges as they often receive relatively small investments while being labour intensive and not necessarily generating assets. Most commonly, financing is closely connected to public policies and grants from Swedish public agencies (e.g. Swedish Inheritance Fund). Other financial support is provided by a number of banks, regional investment funds, micro funds and private investments. Crowdfunding demonstrates an additional source of financial support⁸³.

The Swedish market is perceived as enabling but relatively small, encouraging social innovators to scale outside the local market. Sweden has strong ties with its neighbouring countries and the Baltic states, which facilitates the access to new markets for social innovators significantly. Moreover, the generally open and collaborative mindset of Swedish social economy promotes partnerships between well-established companies and aspiring social entrepreneurs.



Research, Education and Skills Development

Sweden runs a range of research, education and training programmes in the field of social innovation. As mentioned above, courses on social innovation and social entrepreneurship are oftentimes an integral part of entrepreneurship education, however, only rarely an academic discipline on its own. Not only do universities and think tanks contribute to more visibility of the concept but so too do folk high schools. In particular, folk high schools that are owned by organisations with strong ties to the social entrepreneurial field leverage collaborative partnerships and cross-sectoral initiatives⁸⁴.

Similar to the general observation in the field of social innovation in Europe, Swedish research institutes express the need for more knowledge development and data collection related to social innovation⁸⁵.



Social Innovation made in Sweden⁸⁶

ImagiLabs – Tools to inspire, educate, and funnel the next generation of technologists

Vividye – Reversible dyeing solutions for textiles

Mimbly – Creating sustainable laundry solutions

82 European Commission (2019). [Social enterprises and their ecosystems in Europe. Updated country report: Sweden](#). Author: Malin Gawell. Luxembourg: Publications Office of the European Union. Pages 48-49.

83 Ibid.

84 European Commission (2019). [Social enterprises and their ecosystems in Europe. Updated country report: Sweden](#). Author: Malin Gawell. Luxembourg: Publications Office of the European Union. Page 45.

85 Hylander, J.; Björk, F.; Lundborg, D.; Olofsson, L.-E. (2016). An Ecosystem for Social Innovation in Sweden. Page 10.

86 As there was only a limited number of European Social Innovation Competition alumni from Sweden, the third project, Mimbly, is not directly related to the Competition. Rather, it was suggested by the interviewee Dora Palfi. More inspiration can be found in Forum For Social Innovation (2017). [100 sociala innovationer – som kan förändra Sverige](#) (Swedish).

5. CONCLUDING REMARKS AND RECOMMENDATIONS

Although united under the European Commission's enabling social innovation environment, Europe's social innovation ecosystem is vastly diversified, as the respective countries highlighted in this report have demonstrated. While there is an overarching consensus on the need for social innovation for creating an evermore just, inclusive and sustainable society, the understanding and definition of the concept differ substantially depending on regional support structures and contextual historical legacies. Accordingly, what might not be considered innovative in one country, might be groundbreaking in another. This is why it is imperative to understand the political, cultural and historical specificities of a community in order to understand the realm of social innovation.

This report therefore highlights the diverse range of respective factors that proved to have an impact on how social innovation is understood, leveraged and fostered. They include: the conceptual understanding and definition of social innovation and related concepts; network strength and development, recognition and visibility of social innovation; access to resources and markets; skills development, knowledge and research; as well as the ability to self-organise. The list of indicators is far from exhaustive and data is

oftentimes hard to find. However, they contribute to the generation of a clearer understanding of social innovation in Europe and in these respective countries.

With it, the European Social Innovators' Insight Report aims to be a reference point for (potential) social innovators, policy-makers and individuals interested in the diverse social innovation landscape of Europe.

In conclusion and in line with the EU's self-conscious understanding of the state of European integration and its fundamental strength, like many other areas, European social innovation can be understood to be 'united in diversity'. However, much more than a challenge, this should be seen as an opportunity. Accordingly, this report furthermore aims to serve as an incentive to look at the European social innovation ecosystem in a more differentiated way, to explore it even more through research and knowledge sharing and to recognise the potentials of how national and supranational policies and support structures can complement each other in a meaningful way. Such a holistic approach is the only way to make sure that social innovators and change leaders are provided with the best support possible to address the pressing societal challenges European citizens face every day.

6. APPENDICES

Annex 1:

List of interviewees for country spotlights

Country	Name of alumnus/a	Organisation	Role	European Social Innovation Competition – Year and Theme	Date of Interview
France	Benoît Illy	Fairbrics	Co-Founder & CEO	2020 – Reimagine Fashion	02/06/2021
Latvia	Andris Berzins	Samaritan Association of Latvia (Samaritan Mobile Care Complex project)	Director	2015 – New Ways to Grow	18/05/2021
Norway	Wilhelm Myrer Jessica Cao	Empower Empower	Founder Legal Counsel	2019 – Challenging Plastic Waste	14/05/2021
Romania	Dragoş-Petru Belduganu	Şcoala de Valori (CareerBus project)	Head of Social Engagement	2018 – Re:think Local	20/05/2021
Spain	N/A	N/A	N/A	N/A	N/A
Sweden	Dora Palfi	ImagiLabs	Founder	2018 – Re:think Local	18/05/2021

Annex 2:

European Innovation Scoreboard 2021 – Innovation Index

Retrieved from https://interactivetool.eu/EIS/EIS_2.html#a (16 July, 2021).

