



Everything We Have Learned About Social Innovation Ecosystems and Recommend for their Continuation

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On 1st March 2023, 17 social innovation experts active in the public sector or non-governmental organisations like social innovation incubators or other umbrella organisations and networks came together in an online workshop conducted by TU Dortmund University (Social Research Centre) in the framework of the ESIA (European Social Innovation Alliance) project¹. The main aim of this workshop was to enhance capacity by sharing experiences on public support from both the providing side and receiving end and on basis of this exchange formulate a set of recommendations how public support for social innovation (ecosystems) can be fostered. Participants came from five consortia (ESIA, FUSE, SEED, PeNCIL, and BuiCaSuS) representing national competence centres in France, Germany, Greece, Ireland, Lithuania, Romania, Slovenia, Sweden, and the UK.

During the workshop, participants shared best practices and challenges of public support from the three distinct but interrelated thematic angles:

- 1) Laws, Regulations and Innovation Strategies
- 2) Funding Programmes and Support Infrastructure
- 3) Collaboration, Co-Creation and the Role of the Public Sector

After sharing their experiences in the different member states, participants were encouraged to formulate their recommendations for improvement in these three areas. This brief report firstly sums up the findings from the discussion of experiences alongside the three thematic angles. Secondly, each thematic angle provides a set of recommendations for decision-makers to considerate against the background of continued collaboration in and among the national competence centres.

I Laws, Regulations and Innovation Strategies

The first thematic block focussed on the role of laws, regulations and innovation strategies. Participants were encouraged to share good practices and hindering factors in regard to the guiding questions:

- Which laws and regulations have influenced (either supported or hindered) the development of social innovations in your country?
- How do innovation strategies of your country address social innovation?

¹ The ESIA project and five other projects in the project family received financial support by the European Commission (ESF+ and EaSI programme) under call for proposals VP/2020/010.





Drawing from the discussion on **laws and regulations**, in some member states, the legal framework for specific organisations hamper the development and continuation of social innovation. For example, organisations from the social welfare sector are often required to re-invest profits for the benefit of target groups immediately. This hinders social innovation drastically as no reserves can be built. Even though the social welfare sector is generally entitled to public support, this form of financial support can be limited. The discussion showed that the formalisation of the political will to support social innovation by addressing the topic in **innovation strategies** is quite diverse, differing from member state to member state. While for some countries ESFA/ESF+ funding for the establishment of national competence centres marked the start of an orchestrated approach to social innovation, some countries have already implemented social innovation in their innovation strategies or brought forward a specific social innovation strategy. Even though the former often target social entrepreneurship in strategies, public officials are often not aware of social innovation as a concept distinct from technological innovation and social entrepreneurship. Overall, capacity building in the transnational consortia have fostered drafting proposals for strategies especially in those countries. If countries have implemented social innovation in their national innovation strategy, updating the strategy can be subject to political arbitrariness. In France, for example, the “Law on the Social and Solidarity Economy” was described as a milestone, as it also includes a definition for social innovation. This led to more awareness for social innovation among all stakeholders. Yet, the consistency of such strategies oftentimes depends on politics in charge of that field. Furthermore, a centralised approach is at the same time challenged and complemented as particularities are formulated in regional innovation strategies, development plans and coalition agreements. In conclusion, the uptake of social innovation in innovation strategies is rather scattered throughout the national competence centres which was reflected by the workshop participants. National competence centres whose social innovation strategies are in early stages of development to some degree depend on the momentum generated on European level.

For the Continuation of Social Innovation Ecosystems in regard to Laws, Regulations and Innovation Strategies and Policies we recommend:

- To have laws and regulations that allow for not for profit organisations to build capital reserves over and above the exclusive dependency on public support.
- To develop and establish long-term national strategies and continuous policy agendas for SI.
- To integrate social innovation as a focal point into existing innovation policies.
- To increase awareness and understanding about social innovation and its potential impact among policy-makers.

II Funding Programmes and Support Infrastructure

The interdependency between awareness of social innovation, the political will to integrate it into innovation strategies, and a lack of funding programmes became especially apparent in the second discussion focussing on funding programmes and support infrastructure for which participants were asked to reflect on the following two questions:





- Has your country implemented funding programmes specifically addressing social innovation? Which ones work best?
- How do public support infrastructures (centres for transfer, economic development) foster social innovation?

Similar to the divide concerning the establishment of social innovation strategies and integration of social innovation in mainstream innovation policies, **funding programmes** tailored to social innovation do not exist in all member states. Just as the momentum gained by the establishment of national competence centres using EU-funding, some countries rely on EU programmes to fund social innovation explicitly. For others, the specific funding of general social innovation activities is located at the national level with more concrete funding programmes tailored to specific social innovations can be found at the regional level. Looking beyond this explicit label, countries have issued funding programmes, which target specific sectors and goals (e.g., increase of specialized staff in welfare organisation) and under which initiating and funding social innovations is possible. However, a common theme regardless of the source and goal of funding programmes is the lack of sustainable funding, which hampers the continuation of even otherwise successful social innovations. This is even intensified taking into account the dependency of funding programmes on shifts in government and national or regional budget allocations. In general, explicit social innovation funding is at an experimental stage at which different forms of funding including research and support projects, founder allowance, impact bonds and non-monetary support in the form of capacity building and training programmes are tried out. In some of the participating national competence centres, this form of support can be found in university infrastructures where labs are set up in cooperation with other actors from the municipality or civil society mushroom. Often, discussants agreed, setting up and maintaining **support infrastructures** in general depends on single individuals in key departments interested in fostering social innovation. This personal connection and effort can speed up processes, but might counteract the long-term institutionalisation of a coordinated support infrastructure.

For the Continuation of Social Innovation Ecosystems in regard to Funding Programmes and Support Infrastructure we recommend:

- To allow for a certain amount of leeway and freedom for new social innovations.
- To provide long-term support to first round successful initiatives and approaches.
- To facilitate access to funding opportunities on all administrative levels and for all stakeholders.
- To anchor a national competence centre in existing institutional structures.
- To provide a framework for national and international social innovation experts to discuss and co-develop cross-sectoral approaches to impact analysis and impact measurement.





III Collaboration, Co-Creation and the Role of the Public Sector

One point that became apparent when sharing experiences regarding the design of funding programmes was that social innovation projects, that bring together a diverse set of actors, spark interest in social innovation among public officials. Being part of a project public officials experience the process and potential impact of social innovation first hand. Thus, the final round of discussion was guided by the questions:

- How do public institutions conduct processes of collaboration and co-creation?
- What's the main role of public officials and civil society/ social innovation- intermediaries in supporting social innovation?

Again, many participants voiced that in countries home to a social innovation ecosystem in its early days, the creation of national competence centres has helped to foster collaboration across sectors and stakeholders. Additionally, the capacity building within and among the consortia including sharing experiences with specific social innovations in the form of best practices has fostered the will to copy them and encouraged an atmosphere of experimentation. Yet, again the lack of specific policies which would allow public officials to give specific support to social innovation on a municipal level hamper with small scale social innovation depending on processes of collaboration. The tendency to institutionalize forms of **collaboration and co-creation** in the form of labs, which several participants observed, can be seen as an acknowledgement of the importance in general. In this vein, discussants agreed that the **role of the public sector** nowadays mainly consists of enabling collaboration and co-creation through the provision of structures, while public officials are not yet actively engaged as co-creators and ultimately social innovators themselves. Other initiatives, such as national or regional social innovation platforms were also regarded as a driver for cross-sector collaboration and an important component in showcasing social innovations' potential. Observing the progress in their national competence centre – regardless of the stage of development – participants agreed that processes of collaboration and co-creation demand a high willingness of all stakeholders involved to learn from each other and reflect their own role in the social innovation process. Furthermore, political will to support social innovation must be cast in firm structures. In addition to rather generic and potentially short-lasting declarations of will and interest, new institutions or organisational units as well as concrete regulations, strategies and roadmaps are needed. Too often, a topic such as social innovation seems to depend on the interest of individual actors and their individual inclinations as well as short-term trends. This must be counteracted by structures at all levels in order to benefit fully from the potential of social innovation, which can often only be established with staying power.

For the Continuation of Social Innovation Ecosystems in regard to Collaboration, Co-Creation and the Role of the Public Sector we recommend:

- To foster collaborative capacity building for social innovation by creating new entities, structures and frameworks like social innovation departments and/ or public social innovation labs.
- To learn from successful examples and their collaborative aspects, adapt, reconfigure and update their approaches.



- To develop networks and support cooperation as well as appropriate support infrastructures including social innovation labs and platforms.
- To ensure the provision of protected spaces, scope for participation (e.g., by policymakers), support in the recruitment of co-creators and development of trust and collaboration.
- To encourage all actors to contribute with their specific resources, perspectives and knowledge to the development and dissemination of social innovation putting the end beneficiary in the centre throughout the whole process.
- To allow for the public sector itself being actively engaged as co-creator and social innovator.

IV Compiled Set of five in-detail Recommendations

Reflecting upon on the capacity building workshop and exchange of best practices as well as general experiences in regard to public support for social innovation within the different national competence centres, we conclude with five in-detail recommendations fostering the continuation of social innovation ecosystems:

- 1) The national competence centres have been an important building block for creating more awareness and understanding of social innovation and its success factors. However, this was often just a start and **a funding gap could endanger first important achievements**. It is important that the **national competence centres can be seamlessly continued** in member states where they have not been transformed into a new entity or integrated into an existing organisation.
- 2) The experiences from the cooperation in and among the consortia show that the exchange between countries where social innovation is already an established topic and countries where the topic has yet to find its way into political agendas is helpful for both sides and should definitely be continued and strengthened. Hence, **transnational exchange should be a vital component of the continuation of all national competence centres**.
- 3) We recommend that **funding programmes for social innovation be more thematically open in order to enable innovative opportunities beyond the well-trodden and well-known paths**. The new is often unpredictable and this must be taken into account allowing sufficient room for experimentation in publicly funded social innovations projects on all levels.
- 4) We observe social innovation as a topic that is often promoted and supported by single individuals or organisations deeply convinced by the potential of the topic. Even though this can already yield impressive results, a long-term institutionalisation of support is needed. Hence, **we recommend to institutionalize and further develop a core competence and support centre, based on the foundations the existing but temporary national competence centres have laid**. Their design is already adapted to the national context and cultural environment, making it a good starting point for an institution not relying on third-party funding every two or three years. Nevertheless, **this requires continued support at national as well as European level**.



- 5) In that vein, we acknowledge the importance to foster collaborative capacity building for social innovation by creating new entities, structures and frameworks like social innovation departments, public social innovation labs and new laws and strategies. Here, **ESF Social Innovation+ could play a central role by facilitating transnational exchange between all stakeholders and experts of social innovation.** This includes not only political and public sector actors at transnational, national and regional levels and social innovators, but also academia and business.

Moderators:

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Participants:

France – Alexis Bouges (AVISE)

Germany – Sven Zivanovic (Social Impact), Grit Kühne (Diakonie Schleswig-Holstein), Birgit Heilig (SEND)

Ireland – Madeleine Clarke (Genio), Gráinne Smith (Genio)

Lithuania – Asta Jurgutė (ESF+), Neringa Postkute (ESFA), Egle Radi (ESFA)

Romania - Raluca Prelucă (Fonduri Structurale)

Slovenia – Nena Dokuzov (Ministry for Economy, Tourism and Sports)

Sweden – Gloria-Karin Lopez (Forum for Social Innovation), Anna Tengqvist (Forum for Social Innovation)

UK – Louise Pulford (SIX)

Background

Social innovation (SI) is on the rise worldwide and is receiving more and more attention. In order to tap its full potential, we must better understand the framework conditions of social innovation to better recognize drivers and barriers and to provide evidence for the support of social innovation and the specific role and capacity of the public sector in this regard. Social Innovation Competence Centres have been established throughout the European Union, funded by the ESF Plus and the EaSI programme. These Competence Centres have generated a broad base of evidence-based knowledge and hands-on experience.

