

# PASSPARTOOL

## Thematic Workshop 3: Social Innovation

### Process, outcomes and lessons

#### 1. Aim and introduction

The PASSPARTOOL Thematic Workshop 3 (TW3) addressed the topic of “Social Innovation”. The topic was chosen for a number of reasons, including the economic and societal importance to regions, lack of clear definitions, lack of uniform measurement, lack of data on of social innovation, and lack of policy impact assessment across regions. These reasons highlight the importance and complexity of measuring, analysing and stimulating social innovation, and developing effective policies to stimulate social innovation (and their economic impact).

First, although social innovation and its economic impact maybe less visible to the public as compared with non-social (or economic) innovation, it contributes significantly to economic activity and the functioning of society as a whole. The complexity of addressing social issues, so-called Grand Challenges, and attaining economic and societal benefits with resolving them led to increased interest in social innovation (Lettice & Parekh, 2010). An important reason to engage in social innovation is that a pure economic driven focus creates market imperfections. Social markets may resolve some of these issues, and an alternative to improve living standards, and as a means to “social security and protection, as long as it is flanked by the right economic and social policies” (BEPA, 2014). Social innovations have been argued as an alternative way to resolve market or state failures (or both) by fostering certain dynamics of social individuals and groups with the aim to create social welfare standards (European Commission, 2010).

Second, there is a lack of consensus on the definition of social innovation (MacLean, Harvey, & Gordon, 2013). While most definitions stress the importance and value of generating novel approaches and solutions to drive societal change, different perspectives and viewpoints exist that need to be discussed prior to its measurement (Sabato, Vanhercke and Verschraegen, 2015). The OECD defines **social innovation** as “the design and implementation of new solutions that imply conceptual, process, product, or organisational change, which ultimately aim to improve the welfare and wellbeing of individuals and communities.” This definition only focuses on the intention that public and private parties have when introducing such innovations; that is, an innovation is social when it aims to contribute to addressing societal issues. The Bureau of European Policy Advisers (BEPA) takes a stricter approach and suggests that social innovations should be social in both their ends (output) and their means (input) (BEPA, 2010), such that new ideas, products, services and business models should strive for more closely addressing social needs (more effectively than existing alternatives) as well as create new social relationships or collaborations (the process of implementing such innovation). Hence, they do not only provide a positive outcome for society but they also enhance the society’s capacity to act (BEPA, 2010). The two definitions vary substantially, and measuring social innovation according to the latter definition is even more complex.

Third, the varying definitions also lead to a variety of measurements that complicate the uniform measurement and analysis, making it difficult to compare results systematically across regions. Furthermore, even when it is possible to observe innovations it can be hard to address whether a firm introduces a social innovation as its intentions maybe unknown, and/or difficult to measure. For instance, is Facebook really interested in connecting people together? Are banks that provide low-interest rates on their loans to startups really socially caring, or are they just profit oriented?

Fourth, there is a lack of policy impact assessment across regions. Social innovations oftentimes have long-lasting impacts that may foster economic activities or have economic consequences in the long run their effects may be underestimated as they are not directly visible. Furthermore, they are likely to interact with other economic activities creating reinforcing effects. For instance, policies that help people with a distance to the labour market to find a job may lead to greater labour participation, greater market accessibility, and ultimately lower social care costs. Yet, the temporal and dynamic effects complicate the establishment of the effectiveness of different policies directed at stimulating social innovation.

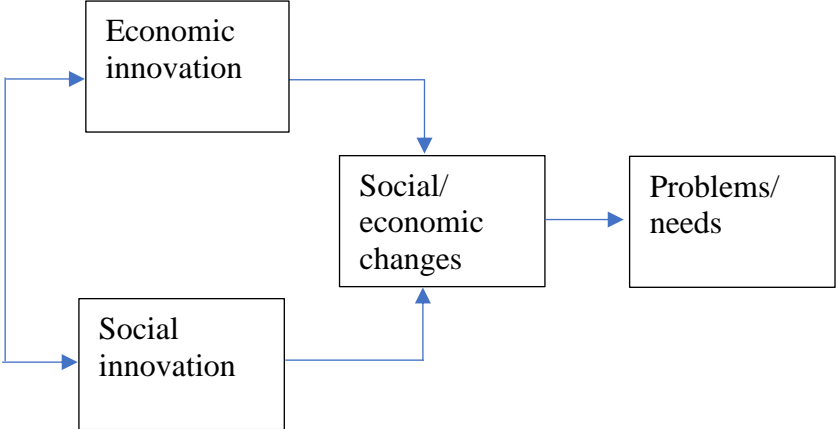
For the purpose of the TW3, we take a practical approach and stress that social innovations aim at realizing benefits for society, while not predominantly seeking economic rents. We do not aim to assess all effects, but rather discuss how to evaluated policies next to each other, and determines how to foster social innovation. The thematic workshop 3, and its preparatory activities, attempted to identify and address the challenges to social innovation, and the policy making related to social innovation. In its structure, it pursued three interrelated aims:

- To build a shared and more nuanced understanding of Social innovation, addressing the questions (and challenges) raised by project partners
- To identify interesting practices/experiences within the PASSPARTOOL consortium related to social innovation
- To explore the implications for monitoring and evaluating activities aimed at promoting social innovation.

This document summarises the preparation, the implementation, and the outcomes of TW3 and is organized as follows: Section 2 provides a conceptual framework to navigate the different facets of social Innovation. Section 3 introduces the major challenges experienced by the PASSPARTOOL partners, and provides several examples of social innovation policies implemented by partners. This section explains how to evaluate the effectiveness of policies and social innovations. Section 4 provides the outcomes of TW3. Section 5 provides some policy implications and conclusions.

## 2. Social Innovation: Conceptual Insights on Social Innovation

The framework (see Figure 1) below helps to think about how to measure and monitor social innovation from a regional perspective. It displays the inherent link that exists between the social and economic innovation in solving (or creating) problems or needs via social and economic change.

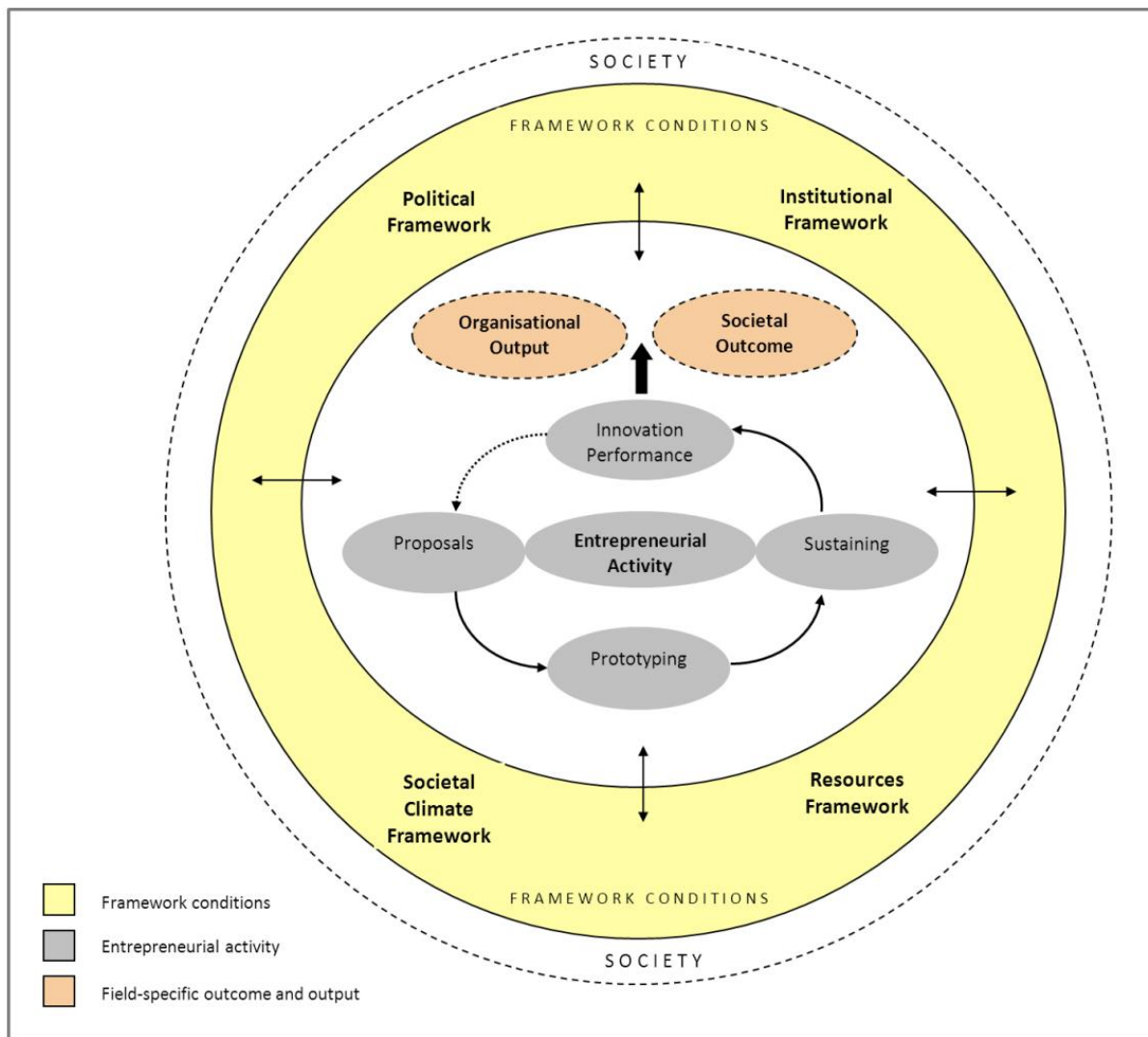


**Figure 1:** Framework of economic and social innovation

Balaton and colleagues (2016) drew up this framework that can help to elicit relevant problems and needs, and that can help with the elicitation of important societal (and economic) needs that can serve as guide to identify relevant social innovation. The framework (see Figure 1) shows that economic innovation and social innovation are related (they can stimulate or hinder each other), and they jointly create social and economic changes that lead to societal problems and needs. For instance, economic innovation (e.g., new technological platforms) may reinforce some social problems (gig economy and the difficulty of getting a permanent contract), which can be answered only with the help of social innovation (Balaton et al., 2016).

In recent years (and especially with the COVID19 pandemic), there has been a renewed valuation of social values and toward social innovation (next to economic, technological and natural science innovation). Social innovation is inherently linked with social and economic changes, and therefore a symbiosis is needed between them to structurally address the societal challenges. Measuring the inputs and outputs of social innovation can enrich the understanding of the regional innovation system.

In an attempt to provide a holistic approach and capture the relevant drivers and consequences of social innovation, scholars (Bund et al., 2013; Krlev, Bund, and Mildemberger 2014) drawn up a framework that constitutes the framework conditions, entrepreneurial activity, and field-specific outcomes and output (see Figure 2).



**Figure 2:** Framework for measuring social innovation (source: Bund et al., 2013)

The framework specifies the interdependencies between the three different levels of measurement that are explained in Table 1.

Dimensions	Topics	Elements	Description
Framework conditions	Resources framework	Financial Human Infrastructural	the existence and availability of resources which are potentially relevant for the innovation process, especially for the scaling of social innovation (e.g., monetary resources, knowledge and creativity, volunteers, ICT, innovation relevant networks)
	Institutional framework	Normative institutions	the set of values, rules, norms and laws that regulates the human and

		Regulatory institutions  Culturally cognitive institutions	organizational actions on the societal level.
	Political framework	Policy awareness about social innovation	the set of incentives (other than monetary tax cuts or subsidies) and interventions that derive from the political system and that are intended to foster social innovations.
	Societal and climate framework	Social needs/ demands as reference points for social innovation	the attitude towards change, development and (social) innovation (e.g., shared needs and awareness and legitimacy within society, general trust within society).
Entrepreneurial activities	Investment activities	Expenditures (non-R&D) by social economy  Expenditures in innovation by public sector	the actions leading towards innovation (push factors) (e.g., pro-activeness and willingness to take risks in developing solutions for current challenges, mobilising the necessary resources, putting ideas into practice by the realization of interventions and projects or the establishment of organisations).
	Start-up activities	Start-up rate (and exits) dedicated to social purpose	
	Collaboration and networks	Citizens' involvement in social entrepreneurial activities  Cluster development	
Organisational output/ societal output	Education	Equality opportunities  Skill acquisition	<b>organisational output</b> refers to measurable results of an intervention of an organisation that can be directly traced back to social innovations. <b>societal outcomes</b> refer to changes in the structure of needs within a given society in broader terms. In contrast to organisational output, societal outcomes describe changes at the societal level that can be traced back to the measurable as well as immeasurable results of the SI intervention (e.g., changes in happiness or wellbeing).
	Health and care	Access/ Quality of health facilities  Health status and research	
	Employment	Jobs and earnings  Work and life	
	Housing	Housing situation  Access/ Quality	
	Social capital and networks	Frequency and quality  Social cohesion	
	Political participation	Voting and being informed  Citizens' active involvement	

	Environment	Preservation of natural capital	
		Patents and certificates	

**Table 1:** Dimensions of social innovation (Bund et al., 2013; Krlev et al., 2014).

Social innovations differ from economic innovations and often require substantially different organizational forms, legal structures, and business models. They provide several challenges to social entrepreneurs and to policy makers.

### Challenges to social entrepreneurs

- *complex multi-stakeholder collaboration:* In an attempt to come up with effective solutions to challenging and often systemic social and environmental issues, social entrepreneurs often require the active collaboration of constituents across government, business, and the nonprofit world. The sheer number of partners, and their diversity require that social entrepreneurs are skilled in managing collaboration with multiple and diverse parties.
- *resource constraints:* social entrepreneurs tend to face more substantial resource constraints because they are dependent on government grants and contracts, collaborations with complementary organizations, and philanthropic funders (Austin et al., 2006; Foster & Bradach, 2005).
- *understanding of complex social changes:* social entrepreneurs may lack a full understanding of all the manifestations of social change (Nee et al., 2008). They need to be wary of the latest trends and synthesize such changes before being able to respond to new problems effectively.
- *difficulty to scale social innovations:* Another important aspect refers to the difficulties to scale social innovations because of the inherent difference between introducing a social innovation in a specific social context and scaling those social innovations to other social contexts which may often be substantially different (Seelos & Mair, 2017).

### Challenges to policy makers

- *create social awareness among SMEs:* A central challenge to policy makers is the necessity to overcome a narrative that emphasizes that innovation activities in organizations are exclusively aiming to satisfy the commercial interests of businesses. In this respect, it can be very challenging to introduce a cultural change among policy makers and governmental organizations to acknowledge the heterogeneity of innovation activities and the goals that entrepreneurs want to pursue. Such a cultural change is required to introduce effective policy tools to support social innovations.
- *establish viable ecosystem:* Another challenge to policy makers is the question how policy tools that target social entrepreneurs can ease relational dependencies and support the establishment of a viable ecosystem to support the introduction and scaling of social innovations. This is especially challenging because of the heterogeneity of social innovations and the challenges they create.
- *establish balanced portfolio of policies:* different policy instruments are required to target the introduction of social innovation, on the one hand, and the scaling of social innovations, on the other hand. Such situations require different instruments to make



sure that supportive instruments for the introduction and scaling of social innovation are well aligned before one can establish effective support mechanisms.

### 3. Social Innovation: Examples of PASSPARTOOL partners

This section introduces the major challenges experienced by the PASSPARTOOL partners, and provides several examples of their social innovation policies. This section also develops suggestions for the possibility to evaluate the effectiveness of policies and social innovations.

#### 3.1 Agreement on definition of social innovation

All PASSPARTOOL partners were first asked to indicate their agreement with the definition of social innovation, as outlined in the background document (also see section 1). All partners agreed with the definitions provided, but also indicated that it is useful to distinguish social innovation from social entrepreneurship<sup>1</sup>. Moreover, for the TW3, it is important to distinguish between different policy strategies. For instance, to realize that such policies can focus on (a) social change pursued by public actors, (b) policies that support social entrepreneurs, (c) policies that support technologies that aim at given social objectives. These differences may matter in what defines success.

#### 3.2 Importance of societal challenges

All PASSPARTOOL partners confirmed the high relevance of positively influencing social entrepreneurship and social innovation, but also highlighted its complexity. In identifying the challenges, we observe common challenges for social entrepreneurs (often related to general SDGs), but also highly specific regional challenges that were considered important.

Common societal challenges as indicated by PASSPARTOOL partners:

- resilience to unpredictable external changes (economic, ecological, political and social)
- circular economy and environmental care
- social involvement and development of communities
- demographic developments (aging population)
- human capital (stimulating knowledge and skills) of entrepreneurs

Region-specific challenges were also indicated by PASSPARTOOL partners:

- a zero natural gas region (SNN-PP4)
- mental wellness (LEO-PP6)
- clean and properly functioning silver economy (Fundecyt-PCTEX-PP3)
- creating value in rural, dispersed context (Fundecyt-PCTEX-PP3)
- provision of healthcare services in fast-changing health landscape (ARTI-LP)

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<sup>1</sup> Social innovation can be entrepreneurial or not (i.e. the introduction of public health coverage is a non-entrepreneurial social innovation). Social entrepreneurship can be innovative or not (a business that aims at integrating people with a distance to the labour market is social but not highly innovative).

- responding to increasing demand for quality services in tourism and culture (ARTI-LP)

### 3.3 Importance of stimulating social innovation

During the TW3, we asked partners how they perceive the usefulness of stimulating social innovation, and how to approach the stimulus of social innovation. The majority indicated that policies should only be directed at the outcome level, and give entrepreneurs the freedom to act on who to realize societal goals. Another group of partners suggested that intervention was needed to not only steer at the outcome level but also at the input level (in line with the stricter definition of social innovation, see section 1).

### 3.4 Monitoring of social innovation

Few PASSPARTOOL partners indicated that they structurally measure social innovation. The large majority would like to collect such data, but also indicate that it is not only difficult to collect (mostly requires survey data and/or direct contact to organizations). The few secondary data sources that exist are often used as a surrogate to assess the regional rate of social innovation.

### 3.5 Challenges to stimulate social innovation via policies

To assess the major challenges to manage (i.e. stimulate) social innovation, the partners indicated the two main difficulties.

- convincing SMEs/entrepreneurs of the relevance of social innovation: The creation of awareness for social innovation is even more difficult than compared to the creation of awareness of general, economic innovation.
- establishing economically sustainable social solutions: Partners indicate that policies (self-sufficient initiatives that can sustain even when the subsidy has stopped)



## 4. Methodology and outcomes of the thematic workshop

Prior to the workshop, the PASSPARTOOL partners were asked to present their social innovation projects. They are shown below:

Partner	Project name	Project description	Social goal (planet, people)	Realized output (when available)	Success or not, and why?
RRDA	<b>Entrepreneurial Polish community]</b>	Establishing and developing direct contacts between Polish living in Ukraine and Poland through: - series of training courses on entrepreneurship (32 hours of training). During the trainings, participants submit their ideas for establishing or developing a business related to Poland.  Target group: people of Polish origin, students, graduates, unemployed people, people intending to start a business and leaders of Polish diaspora organizations in Ukraine.	PEOPLE: • Increasing knowledge, skills and entrepreneurship of 20 Polish community members living in Ukraine through training in establishing and running a business; • Increasing practical competences of 8 participants through completion of internship in enterprises in the Podkarpackie Voivodeship.  Aims: • Promotion of Polish culture among the Polish community in Ukraine • Initiation or development of cooperation with Poland by project participants • Promotion of entrepreneurial attitudes • Social and professional activation of the participants and activation of the Polish community in Ukraine.	- 20 people trained in setting up a business and writing a business plan - 8 people completed paid internships in Polish enterprises in the Podkarpackie region	Yes, because many participants established close relations with Poland, returned or started their business activities in the Podkarpackie region.  The internships took place in Poland, which was important from the point of view of expanding knowledge about Poland, establishing contacts, promoting Polish culture, science, education and economic and political achievements.
RRDA	<b>Urban Lab Rzeszów</b>	Urban Lab is an instrument (organization and physical space - office and / or part of the city selected for experimenting with selected solutions) of cooperation between municipal authorities and residents, enterprises and scientific entities, aimed at improving the quality of life of residents through innovative solutions to identified problems (initiating, testing, implementation and evaluation of projects) and generating additional value with the use of municipal resources.	PEOPLE: Urban Lab conducts a broadly defined activity as a "city laboratory", which is a space for discussion of residents, social organizations, representatives of universities and business on the directions of city development.	Urban Lab's mission has 4 pillars:  1. Cooperation with Partners to develop solutions for diagnosed urban problems. 2. Providing city data on online portal ( <a href="http://www.otwartedane.erzeszow.pl">www.otwartedane.erzeszow.pl</a> ), useful for all groups of city stakeholders, which can also be used to create innovative solutions and projects implemented by Urban Lab and its Partners. 3. Running the Urban Cafe, which is a space for meetings and debates of the city's residents with its authorities, local governments, scientists and business representatives, where coffee is only a pretext for discussion.	Yes, because Urban Lab is an urban space available to all who want to have an impact on changes in the city and setting directions for its development. It is both a space for the exchange of thoughts, views, ideas, and a place where innovative solutions for the city are created.

				4. The activity of the Innovation Incubator, supporting the process of developing innovative projects submitted by residents.	
SNN	<b>E-Waste Academy</b>	E-Waste Academy helps people with a distance to the labour market to find work in the waste processing industry. Virol founded this school and builds upon a prior project: it aims to increase employment in the region of more technically skilled personnel.	PEOPLE: Help people with a distance to the labour market to find work	- 64 people have been trained and moved on to a paid job, either with Virol or other companies in region. - 4 participants continued their studies after training completion	Yes. Despite stopping of funding, the project is still able to continue. They grow further with currently sixty workspaces. High success rate for participants of the program.
SNN	<b>Centre of Expertise Smart Sustainable Manufacturing</b>	The Centre of Expertise reduces the gap between students from universities of applied sciences and the northern business community. NHL Stenden University of Applied Sciences worked together with Northern Dutch companies and University of Groningen to develop a Centre of Expertise Smart Sustainable Manufacturing. The CoE connects knowledge institutions and business community in order to initiate digitalization in the manufacturing industry.	PEOPLE: connect students and companies with each other in order to initiate digitalization in the manufacturing industry. Students learn from companies & companies learn from each other and from students.		Yes. Wilbert (initiator): "We have been at it for about a year now. This is what we had in mind and it works. We are getting the professionals at the companies to learn again. And the affiliated knowledge institutions, from secondary vocational to university, are learning from each other, from the companies and vice versa".
SNN	<b>Founded in Groningen</b>	Aims to connect, support, and promote startups, companies, and initiatives in the innovation ecosystem of Groningen in order for them to innovate with more impact and grow even faster. Stimulate entrepreneurial talent with inspiration and knowledge and connect them with the right network to start doing business.	PEOPLE: connecting, supporting, and promoting start-ups, companies, and initiatives in the innovation ecosystem of Groningen in order for them to innovate with more impact and grow even faster.  Startups and innovative entrepreneurs receive knowledge, tools, and networks to recruit and retain talent. Help businesses to scale up via a strong regional network with public and private launching customers and an (inter)national network.	Over 300 startups & partners, over €250 M available capital and over 200 events organized.	Yes. The initiative has helped many pilots to become successful.
LEO	<b>Donegal County Enterprise Fund (not-for-profit company and with charitable status)</b>	Provision of a suite low interest loans to micro businesses, female entrepreneurs, long-term unemployed persons and persons with disabilities to assist them start their businesses.	PEOPLE: Assist more people to be gainfully employed through self-employment and thus enhance the economic and social conditions within the county.	Established in 1987 to date the Fund has approved over 589 loan with a value of €4,8 million	Yes. It filled a particular gap as when it was set up bank loans were between 14% and 19% and the Fund offered loans at 5.75% but now limited by available capital resources. Now also

					providing enterprise space as source of revenue for the company.
FUNDECYT	<b>EFES</b>	EFES is a cooperation project for the development of a cross-border ecosystem that promotes entrepreneurship and social economy for the EUROACE region.	PLANET/ PEOPLE: The project is aimed at fostering the creation of new projects, businesses and sustainable jobs; promote cooperation among the agents involved in the territory; promote innovative business models with high social impact; facilitate access to funding through specific financial instruments.	<p>2 Social Entrepreneurship Accelerator were launched. First phases of social projects realized to turn it into a viable project and potential social enterprise/entrepreneurship.</p> <p>2 Social Enterprise Growth Program realized that provide access to specialized services of advice, support and training aimed at growth and consolidation of social enterprises.</p> <p>Other activities were realized in parallel: a) MOOCs and many workshops and training to stimulate the social innovation ecosystem in the regional context; b) reports and guides as the "Creating Value" Tool and Resource Guide c) good practices identification and study visits.</p>	<p>Participation Success: a total of 58 people participated in the whole process (Accelerator + Consolidation) in the 2 editions.</p> <p>Implementation of favourable measures in regional context to support social entrepreneurship, such as the inclusion of a new legal form or programs adapted to social business.</p>
FUNDECYT	<b>RAISE YOUTH</b>	Rural Action for Innovative and Sustainable Entrepreneurship for Youth (RAISE Youth), is a interregional project funded through the EEA and Norway Grants Fund for Youth Employment	<p>PEOPLE/ RAISE Youth Specific Objective: pilot and promote an innovative RAISE Model of (self)employment for youth NEETs with primary focus on age 25-29 based on sustainable agri-business in 4 rural regions of EU with high unemployment rates and depopulation. Rural areas NEETs have no job market opportunities, but by pooling resources in socially innovative ways this may create (self)employment and entrepreneurial businesses.</p> <p>Through social innovation, new jobs can be created and filled, using principles of sustainable development in agribusiness, especially rural tourism which is a multiplier of employment and economic development.</p>	<p>4 International Demonstration Centres based on a common methodology but adapted to each country specific rural NEETs situation, and aligned in 3 main areas: Agriculture, Tourism and Digital.</p> <p>Demo Centres are hubs of activity and social innovation laboratories, offering services from training, mentoring, learning by doing, group and individual approaches to spaces of changes and social participatory process.</p> <p>1 Pre-incubation methodology to accelerate social entrepreneurship projects framed in demo centres.</p> <p>This training itinerary was designed to offer an agile and deep training that allows the promoters to design, define and concretize their entrepreneurship projects and the associated impacts from a holistic approach that integrates</p>	Although the project still runs, some evidences exists that a community is created around the Demo Centres in each context. NEETs attracts interest in dissemination and training activities.

				their personal perspectives with the needs of their communities and in harmony with nature.	
FUNDECYT	<b>ImpactAgencies</b>	ImpAct Agencies is an EU-funded project (INNOSUP-05-2018-2020) - Peer learning of innovation agencies, where partners involved will apply the twinning advanced methodology to create new modular tools and services through a peer review and evaluation.	PEOPLE: To improve the innovation support actions of regional agencies whose activities and services are addressed to SMEs achieving social impact. The consortium is composed by 4 experienced Innovation Agencies (Hungary, Ireland, Italy, and Spain) that aim to establish a novel open model for constant development in a community of social innovation agencies	1 Built Community of European social innovation agencies.  The result will be a Design Option Paper including several service delivery options for innovative frameworks, services, and strategies	Although the project is still executed, knowledge has been exchanged. The combination of those services linked to open social innovation model is still being evaluated. The project enriched led to the introduction of new services through supporting social entrepreneurs. One of the results is the interregional community of social innovation agencies
ARTI	<b>PIN Pugliesi innovativi</b>	Ongoing regional programme funded by the Operational Programme 2014-2020, that offers to young groups financial and managerial support aimed at developing new entrepreneurial projects capable of addressing specific territorial and community issues and finding sustainable solutions	PEOPLE: Stimulate youth activation and entrepreneurship	So far, a total financial investment of €15M, with more than 6000 projects applied, 500 projects funded, 400 youth enterprises established, about 600 specialized business services and 60 training and networking session provided	It proves to be particularly effective in supporting the emergence of ideas and their development into business models
ARTI	<b>Luoghi Comuni</b>	Ongoing regional programme, funded by the national FLC, focused on exploiting under-used public spaces through the activation of youth organizations	PEOPLE: Achieve local development, urban regeneration and meaningful impact on the local communities	So far, 65 public spaces available for social activities and more than 40 youth organizations involved in social innovation projects with local communities	By innovating the administrative procedures, the local resources are better exploited for the good of the community
LIC	<b>Create Lithuania</b>	“Create Lithuania” is the first and still the only programme for professional development and the applicability of best foreign practices to Lithuania. It enables professionals to contribute towards shaping the future of modern Lithuania with their knowledge and ideas.  Since 2012, the project has been annually inviting professionals with internationally acquired experience to participate in the programme. For 12 months participants of “Create Lithuania” advise (on rotating basis) public sector bodies on national and regional issues in the areas such as the improvement of Lithuania’s image, the	PEOPLE: 1. To attract young Lithuanian professionals to come back to Lithuania and reduce negative effects of emigration; 2. To support public sector institutions in adopting innovations (new projects, new ways of working etc.)	222 projects implemented; 185 professionals returned to Lithuania; 80% of the participants stayed in Lithuania after the programme.	Yes. Sufficient programme benefits and opportunities for the professionals: • initiate and / or participate in the implementation of major projects in Lithuania’s public sector; • apply the knowledge and experience gained abroad; • successfully integrate into Lithuania’s labour market and gain valuable professional experience while working for Lithuania’s public sector and taking part in the programme’s training and additional activities; • expand your network of professional contacts and attend meetings with strategic political, economic and social decision makers from Lithuania and abroad.

		enhancement of competitiveness and business environment, the promotion of entrepreneurship and foreign direct investment, etc.			PROGRAMME'S BENEFITS for the participating public authorities and for Lithuania: • knowledge, partnerships, networks, culture change
LIC	<b>Junior achievement</b>	Junior Lithuania prepares young people for employment and entrepreneurship. It creates pathways for employability, job creation and financial success through its various programmes. It is based on the idea that entrepreneurship education is essential not only to shape the mindsets of young people but also to provide the skills, knowledge and attitudes that are central for tomorrow's jobs	PEOPLE: Programme intends to: work at all levels of education. • Train more teachers and ensure curricula focus on developing entrepreneurial skills needed for the jobs of the future and society at large. • Build partnerships between education and business sector. • Encourage cross-ministerial cooperation at national level to support entrepreneurship education. • Promote the ESP as a unique international certification for young people. • Leverage education technologies to appeal to 21st century learners and increase the impact of education.	350 schools participate in the programme; 200000 school students participated in the programme. Students who have participated in entrepreneurship programmes 3-6 times more likely to start their own business. They are better equipped to become entrepreneurs, also less likely to drop out or be unemployed, and more likely to earn higher incomes and be satisfied with their careers.	Yes

**Table 2:** Overview of social innovation projects of PASSPARTOOL partners

Overall, the table shows the variety of policies used to stimulate (or engage in) social innovations. The majority has an aim on stimulating people to become more entrepreneurial and employable, and/or to equip them with skills that are relevant for future jobs. The link with economic outcomes is highly intertwined with achieving the social goals.

During the TW3, we delved deeper into the topic by taking a case-based approach. Through the discussion of real-life examples, we tried to establish learnings (see section 4). The following social innovation projects were selected from a wider list of social innovation projects: Create Lithuania (LIC) and RAISE Youth (FUNDECYT-PCTEX).

The learnings from the discussion of the two projects are summarized below:

1. *What gets measured can get managed and improved:* the ability to improve effectiveness of social innovations – and policy making – is possible when the progress and success gets measured on multiple levels. *Create Lithuania* measured talent attraction (# of candidates, candidates’ educational background and work experience), project implementation (# of projects), and talent attraction (# of candidates remaining in Lithuania, proportion employed by public sector). The monitoring of relevant data led to improvements in the selection process, communication campaigns, project management, satisfaction of training and program.
2. *Pick relevant metrics and compare against other fitting example projects to evaluate social innovation initiatives.* Given the difficulty of comparing the social impact metrics, it is recommended to compare the proposed social innovation project with existing global/national/regional databases (for a list see [here](#)), or to compare the project against similar projects held in other similar regions, or to compare the project against other internal projects organized by the organization. In this way, the relative attractiveness of the project can be established. Naturally, and in line with point 1, it is important to collect data, and to critically reflect on the realized outcomes (e.g. relative performance against other social innovation alternatives)
3. *Convince social entrepreneurs to get the economics right:* the ability to build sustainable social innovation require that social entrepreneurs can also sustain their success after the subsidies are depleted. The E-Waste example is a successful example that can maintain itself after the initial (financial) stimulus. Although social goals are the purpose of the collaboration, all partners agree that the social entrepreneurs need to develop business models that are economically viable.
4. *Promote social awareness instead of social outcomes:* social innovation initiatives can be stimulated via subsidies that grant money on the expected performance consequences of projects (e.g., realized CO2 emissions, number of employees with a distance to the labour market hired, etc.), but they provide a risky dependence on external funding. For social innovation projects (which often have long-term consequences and are hard to quantify and costly to monitor) it is very hard to predict upfront what the societal benefits will be. Rather than providing monetary subsidies (i.e., “the carrot”) to promises made by SMEs/organizations, the partners concluded that it is better to confront SMEs with the relevance of social trends and how they impact the viability of business models of SMEs/organizations. It is recommendable to show entrepreneurs the business opportunities provided by social innovation, and warn them that in order to remain relevant they may need to introduce social innovations themselves. This approach helps to better prepare SMEs/organizations for the future.
5. *Create an ecosystem with a supporting infrastructure and services:* social entrepreneurs need to be facilitated by a supportive infrastructure that enables to them to connect to relevant others. They need to know where to find and connect to partners virtually and in real-life. Given the plurality of public and private parties that often need to be connected, it is important to “connect the islands.” This can be provided by having entrepreneurial meeting places, organizing of theme-base events, and use data to allow for smart specialisation. Also, a good legal and financial system should be in place, such that collaboration can occur offering attractive financial support, protect innovative entrepreneurs sharing valuable intellectual properties, and that facilitate collaboration with public organizations. It is important to note that the strength of the ecosystem depends on the overall quality of all relevant factors, and not just one factor.



## 5. Reflection on Social Innovation: Three Policy Directions

The discussions held in preparation and during TW3 has led to several policy reflections. It helped to identify three (policy) directions to measure Social innovation:

### Measuring Social Innovation is complex but necessary

- Social innovation is less visible, but it is highly important due to its long-term impact on the (regional) economy. Measuring the rate and impact of Social innovation is important to assess the innovativeness of regions, but extremely challenging because the Sustainable Development Goals tend to be broad. It is recommended to stipulate (or let SMEs/organizations) the goals behind innovations to assess the intentions of entrepreneurs;
- Adopt a “regional look” and identify the “purpose” of innovation,” to get more nuanced and enriched perspective on Social Innovation, and assess the areas where SMEs focus on and excel at;
- Collect primary data on SMEs to augment existing secondary data (e.g., national surveys), and compare social innovation projects with national, regional or organization-specific projects. The collection of region-specific data may cost money, time and effort, but it also helps to gain valuable region-specific insights, and include SMEs that are largely ignored in national monitors;
- Use a variety of measures (on broad SDG or region-specific societal goals) to assess the rate of innovation in regions.
- To assess the effectiveness of policies directed at Social Innovation, it is important to proactively measure the activities performed and the desired outcome in order to ensure a causal linkage between the policy and the intended change.
- Link the social measures to economic outcomes to infer the economic impact and resilience of entrepreneurs. The long-term viability of social entrepreneurs and their innovation depend ultimately on whether their social initiatives can sustain themselves without external funding/support.

### Convince SMEs to engage in Social innovation through business relevance

- Understand SMEs’ challenges related to social innovation by visiting and listening to them (company visits, attend business events, surveys to assess needs and satisfaction);
- Stress the importance of social innovations to SMEs: rather than promoting it with financial means, it is recommendable to change the mental models of managers of SMEs/organizations, such that they see social innovation as a means to seize business opportunities and remain relevant and prepared for the future;
- Stress the importance of building a successful business model that is economically viable. Although social entrepreneurs may have a social orientation, they also need to consider the business impact to build a sustainable business model.
- Persuade and connects SMEs/organizations to collaborate jointly on realizing social innovation. Make use of clever data analyses that connect SMEs/organizations based on shared interests and complementary skills;
- Demonstrate the positive impact of social innovation on the region (maintaining talent, growth of start-ups, attractiveness of regions to investors)

## Invest in an Ecosystem that Supports Social Innovation

- Social entrepreneurs need to be facilitated by a well-functioning infrastructure that enables them to connect to relevant others, find funding opportunities, get legal protection and support, et cetera. To avoid a high dependency on subsidies, support should be provided such that entrepreneurs can find their way independently, and build their ability to introduce and successfully market social innovation.
- The power and functioning of ecosystems depend on how well entrepreneurs can find relevant others with complementary skills sets. Bringing a plurality of stakeholders (public & private, large and small, young and old, etc.) may provide the needed variety for creative solutions, as well as highlight the power, interest and alignment of needs of stakeholders. Stakeholder mapping (interactive charts) may help organizations with similar interests to find each other, and identify relevant parties that should be part of the solution. Organizing meetings (hackathons), which bring together like-minded entrepreneurs and organizations to tackle common societal problems, can unleash the innovative power of the diverse ecosystem partners.
- Measuring Social innovation becomes more useful when measured across several years, as patterns and trends can emerge, and the allows for (long-term) policy impact evaluations. The measurement of Social innovation for SMEs/organizations helps to inform these organizations about the latest trends, as well as connect them in meaningful ways. Frontrunners in social innovation can be identified, and be asked to act as mentors

In sum, TW3 provided the opportunity to discuss the importance and complexity of (stimulating) social innovation. It also gave the opportunity to partners to share their experiences on Social Innovation. Social innovation is considered highly relevant in the regions of each of the PASSPARTOOL partners, but also extremely difficult to monitor as there is a lack of official national statistics and because of the variety of social innovation that make comparisons more difficult. Furthermore, it appeared extremely difficult to assess the positive (economic) impact of social innovation (initiatives), as they take time to materialize, and because of their “soft” nature. In the TW3, we have discussed several solutions and the provision of an infrastructure that fosters long-term measurement of social innovation and creates a positive economic impact.

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