Building Local Ecosystems for Social Innovation

A Methodological Framework

OECD

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Social innovations have proven to be valuable in identifying, designing and implementing new solutions to social and environmental problems. The recent COVID-19 outbreak has put a spotlight on the potential of social innovation as a resilience mechanism, including for local development. This paper presents a preliminary framework for analysing social innovation ecosystems at the local level. It can help policy makers to better understand the different concepts around social innovation, and to develop policies to support social innovation and its implementation. The first section considers the features of social innovation and the benefits it can bring. The second section provides an analytical framework for social innovation at the local level. The final section sets a number of guidelines that support the implementation of social innovation ecosystems at local level, including examples of specific policy instruments.

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Acknowledgements

Foreword

The COVID-19 pandemic has accelerated the momentum of governments, citizens and the private sector in finding new solutions to global challenges. These challenges include increasing inequalities between people and places, social exclusion, health disparities, and poverty, as well as climate change and protection of the environment. Social innovation is one approach to address these complex challenges in new and innovative ways.

Social innovation is more important than ever. With public finances stretched due to the pandemic and recovery efforts, social innovation, as part of new social welfare policies and other novel approaches to policy has an important role to play.

Awareness of the potential of social innovation continues to grow. Since the 2008 Global Financial Crisis (GFC), in terms of experimental policy-making and research, policy makers have launched a number of inspiring examples of social innovation such as the *Social Innovation Factory* in Belgium identifying and scaling socially innovative concepts; *Lab para la Ciudad* in Mexico, engaging citizens in the co-creation process; or more recently, the *#WirVsVirus* hackathon in Germany, bringing together thousands of participants for possible solutions in light of the COVID-19 outbreak.

However, knowledge gaps in understanding the transformational nature of social innovations at the local level may be holding social innovation back from delivering on its potential. Currently, most of the evidence around social innovation is presented through case studies and other anecdotal sources. There is limited data and statistical evidence on the role and impact created by the vast majority of social innovations individually or collectively, which may be holding back its growth, for example through accessing finance. There is also a need to understand the wider ecosystems that generate different social innovations.

While the field is still in the early stages of development, this paper provides a preliminary framework to help the global community in building this needed evidence base. Such a systemic approach of applying a common framework in different places will help identify new sources of data, test alternative approaches, and gather data around social innovations across different local areas. As places experiment with the development and measurement of their local ecosystems, those new insights could help refine future iterations of a local ecosystems measurement framework.

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Social innovation is increasingly called upon to address social challenges

Social innovations have proven effective in identifying, designing and implementing new solutions to social and, indeed, environmental problems. They seek to increase socially desirable outcomes, such as well-being and health, quality of life, social inclusion, solidarity, citizen participation, environmental quality, and the efficiency of public services. Social innovation brings together private, public and non-profit actors with citizens to develop innovative solutions to societal challenges, such as the microcredit concept pioneered by Muhammad Yunus to facilitate access to finance for the poor, or alternative educational methods focused on children with special needs, as was developed by the Montessori approach.

The COVID-19 pandemic has brought the role of social innovation to the fore by providing innovative solutions aimed at complementing government action to "build back better." Social innovation is often associated with the potential for systemic or transformative change and can find responses to longstanding problems. This makes social innovation a desirable component of recovery strategies.

Social innovation has a number of unique characteristics

While there is not a single commonly-agreed definition of social innovation, it is typically identified by a number of characteristics. Social innovation starts with an explicit goal of addressing a social and, increasingly, environmental challenge. It is inherently collaborative, bringing together a wide range of actors including civil society, the public and private sectors as well as local networks. Social innovation tends to originate locally with significant knowledge sharing and participation from a diverse range of actors. Social innovations can vary in the form they take and can include new services, labour market integration processes, competencies, and even types of jobs, as well as new forms of participation of individuals in society. Similar to traditional innovations, social innovations follow a non-linear process, they are experimental in nature, and can benefit from digitalisation and technological developments.

Tightened fiscal space pushes policy makers to innovate and social innovation can be of help

There are at least five reasons why policy makers should pay special attention to social innovation, *First*, the evolving complexity of social challenges calls for collaboration and new forms of solutions. The promotion of social innovation helps bring together stakeholders with the objective of finding those solutions as demonstrated by the Mexican example of *Laboratorio Para la Ciudad*. *Second*, local economic and social resilience is not only about a region's ability to resist and repel shocks, but also about building capacity to adapt and reorient its structures to create new economic, social and cultural paths. The example of the city of Detroit showcases how social innovation can help identify these new paths. *Third*, social innovation can make locations more competitive by enhancing the power of networks and knowledge of

particular challenges. The Spanish Region of Navarra has implemented a plan where social innovation helps translate local knowledge and actors into a local competitive advantage. *Fourth*, it can improve impact and value for money of public spending by applying fresh and more efficient approaches. *Portugal Inovação Social* is an example where preventive approaches improving value for money are being applied. *Fifth*, social innovation is increasingly recognised as an important component of the new innovation framework necessary for sustainable development and more social and sustainable practices. Belgium is applying this approach through the Wehubit programme to accelerate sustainable development.

Policy makers can develop an enabling social innovation ecosystem

A social innovation ecosystem is a set of actions designed to promote the development, and growth of social innovations, partly through improving interactions among actors. Policy makers can help develop more efficient ecosystems by creating an enabling environment and supporting elements of the ecosystem where there is a void. This paper provides an approach for supporting the local social innovation ecosystem through three pillars: *Framework conditions*, *Policy implementation measures*, and *Progress dynamics monitoring.* All three pillars represent the context that enables or hampers the unfolding of social innovation and allow analysis of the dynamic policymaking cycle around social innovation.

Framework conditions (pillar 1) are essential for understanding both the existing situation at the local level and what needs to be addressed. The framework conditions include: i) culture and behaviours, ii) laws and regulations, iii) institutional framework, iv) social innovation community, and v) resources available. The area of culture and behaviours analyses the local traditions, behavioural and societal attitudes, as well as the existing needs in the territory. The area of laws and regulations serves to better understand the existing legal and regulatory frameworks. Institutional framework defines the vision, the form of a public policy, strategy and the institutional set up around the social innovation policy-making and implementation process. The quality and diversity of the social innovation community constitutes the basis for success of the social innovation ecosystem in a particular territory. Finally, available resources play a role (financial resources, infrastructure and support programmes at local level).

Understanding these framework conditions surrounding social innovation can help develop a customised strategy and action plan on a local level. Framework conditions can also help to measure the capacity of a territory to use social innovation. Going through the analysis of distinct areas of framework conditions could be helpful for policy makers in identifying policy gaps and areas where support is needed most. By applying a set of qualitative and quantitative indicators, it may be possible to identify the areas which are more or less advanced. In the longer term, it could lead to possible benchmarking of different territories.

Policy implementation measures (pillar 2) require an alignment and combination of local resources available and political priorities. Similar to support for traditional innovation, policy makers can act through demand-side measures and supply-side measures. Demand-side policies such as public procurement, regulations or policies supporting private demand have been increasingly used for innovation, and are also highly relevant for social innovation. Supply-side measures aim to increase the number and quality of social innovations and could include capacity building, provision of soft and hard infrastructure, improving access to funding, and market access beyond public procurement, among other areas.

The progress dynamics monitoring (pillar 3) can help identify changes to the framework conditions and analyse the outcomes of measures taken so as to adjust policies as needed. A dynamics monitoring, looking at the variety of changes at the local level, can help policy makers better understand economic and social changes generated by specific social innovation programmes. Although impact measurement of social innovation is still at the early stage and encounters a number of challenges, digitalisation of society creates an opportunity to gather and analyse information. Data banks and

information on trends by citizens allows new opportunities to both create and analyse social innovation. On-going work the OECD social impact measurement and the upcoming reports will likely only facilitate agreement regarding common and acceptable approaches for a variety of social innovation actors.

The final section of the paper provides suggestions on how to promote social innovations at the local level, offering a description of the approaches and possible tools for policy makers. The potential actions depend on the local social innovation ecosystem and its stage of development. For each action, the report provides elements to consider as well as pitfalls to avoid, along with concrete examples from different places.

1. Introduction to social innovation

Social innovation focuses on creating positive social change

Compared to traditional innovation, social innovation aims to create solutions to societal challenges that deliver positive social outcomes. Although well-timed and well-targeted traditional innovation can also achieve positive social outcomes by boosting productivity and driving economic growth (OECD, 2015[1]), "social innovations are distinct from technological innovations inasmuch intended purpose and objectives differ, notwithstanding outcomes (e.g. improving economic performance) may overlap" (Howaldt and Schwarz, 2010[2]). While companies innovate almost exclusively to improve productivity, expand profits and boost competitiveness to reach new markets, social innovation seeks primarily to create new social structures (Cajaiba-Santana, 2014[3]) and to increase social values, such as well-being, quality of life, social inclusion, solidarity, citizen participation, environmental quality, and others. (Echeverría, 2008[4]).

Traditional concepts and models of innovation are not always useful or appropriate for understanding and supporting socially-driven innovation. Often the social need is the starting point for social innovation, unlike invention which acts as a trigger for traditional innovation. That is why some of the traditional models of innovation focused on research promotion are less relevant. In addition, in practice, because profit is not the primary motive, social innovation differs from traditional innovation, through finding solutions to problems via the collective knowledge and resources of a variety of stakeholders, including national and regional authorities, businesses, and social economy actors and citizens, among others; all driven by the same social motive.

Social innovation is not an easy concept to define

While many definitions of social innovation exist, no single notion is accepted by all, even if most definitions share similar characteristics. There is an abundance of concepts in the sphere of social development policy and practice. There are several ways of defining social innovation; each highlights a particular aspect while at the same time reflecting the broad multidisciplinary scope. Annex A lists a number of definitions as well as an OECD definition (OECD, 2000[5]) adopted by the OECD Forum on Social Innovations and endorsed by the LEED (Local Employment and Economic Development) Directing Committee. Its working definition suggests that social innovations "can concern conceptual, process or product change, organisational change and changes in financing, and can deal with new relationships with stakeholders and territories". Approaches to social innovation notably concern innovations in the spirit of those defined in the international Oslo Manual (OECD/Eurostat, 2005[6]), but with the primary goal of creating positive social change. Typically, definitions of social innovation recognise that it "is a new practice, is born as a response to social or environmental need, is open to engaging variety of actors, and is social not only in its purposes, but also in the way it is delivered" (OECD, 2016[7]). Figure 1 proposes an understanding of how social innovation encompasses a wider set of actions compared to the individual actions of various actors. Similar to conventional notions of innovation, it includes new products, processes or organisational changes, albeit where the objective is to respond to social and environmental needs.

Figure 1. Representation of social innovation in context

Innovation sphere including:
- product
- process
- marketing
- organisational change, etc.

Societal (social and environnemental) needs

Social innovation responses

Individual responses by actors

Public sector | Private sector

Civil society | Social economy
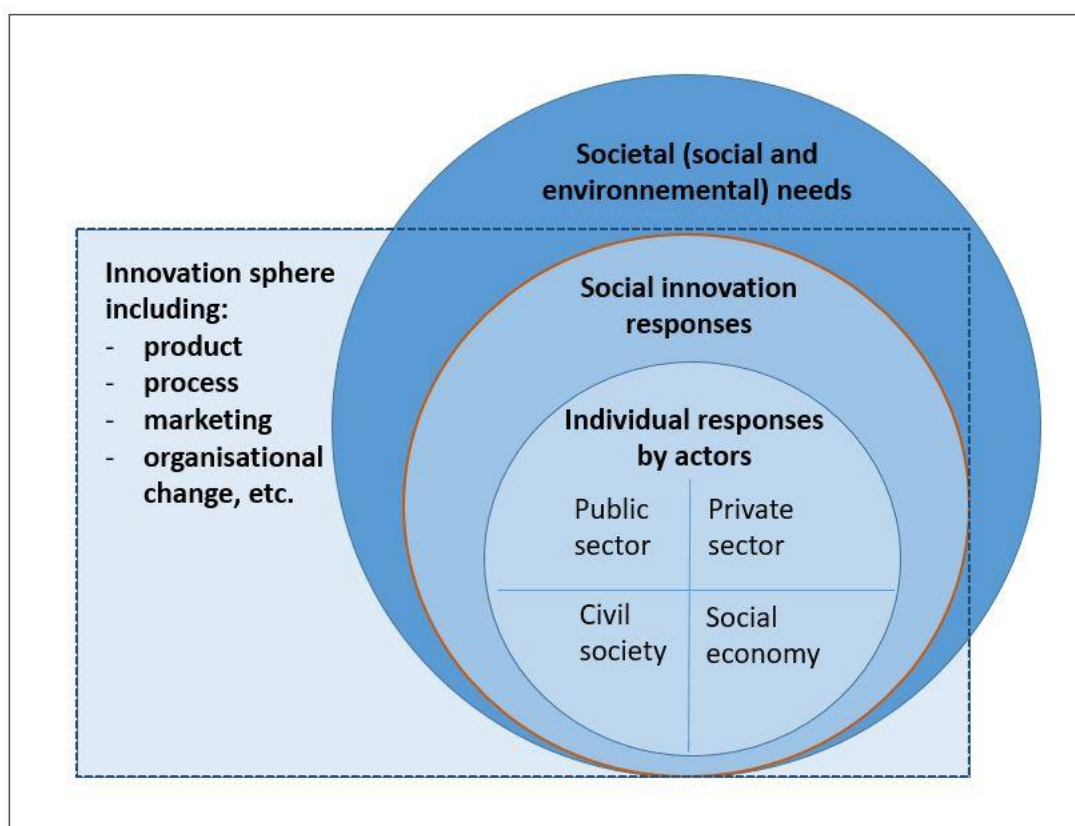
Source: Authors' elaboration

What characterises social innovation?

Social innovations have proven to be effective in identifying, designing and implementing new solutions to social and environmental problems. Social innovations tend to originate locally and develop collaboratively with significant knowledge sharing and participation from relevant stakeholders (Krlev, Anheier and Mildenberger, 2019[8]). A review of around 1 000 social innovations by the SI-Drive project found that most were intended to satisfy a concrete social demand (71%) and/or to tackle a clear social challenge (60%), whereas some (32%) wanted to achieve systemic change (Howaldt, Kaletka and Schröder, 2016[9]). Social innovations can vary in the form they take and can include new services, new labour market integration processes, new competencies, new jobs, and new forms of participation that improve the position of individuals, including those forming part of the workforce and their quality of life. Academic literature identifies specific features of social innovation, such as social objective, social change, sustainability, collaboration, creativity and many others (see Annex A). These features shape social innovation in many ways.

Social innovation is inherently collaborative

Social innovation is generally a product of collaboration between several actors, either directly or through a trusted intermediary, which results in collective knowledge building. Such collaboration involves a variety of players from different spheres and promotes a "bottom-up" and grassroots-empowerment approach, as opposed to a "top down", private sector, and expert-led approach. In the bottom-up model, citizens proactively take charge of their future and self-organise in order to produce

solutions to shared and perceived challenges (Sgaragli, 2014[10]). Moreover, it is natural for the majority of social innovations to operate on "open innovation"[1] principles (Chesbrough, 2003[11]) (Chesbrough and Di Minin, 2014[12]) in terms of knowledge sharing and ownership, with knowledge sharing considered the norm. This process of collaboration of actors often results in building collective or group intelligence and provides a particularity of solutions developed. A recent study in Mexico shows how actor collaboration in value chains can create an opportunity to scale social innovation. The study analysed a joint initiative of social enterprises that coordinate an organic coffee value chain in one of Mexico's poorest regions. In a situation where institutions (mainly the state and the market) were weak and not able to fulfil their expected role due to poor economic conditions, the local community have united in order to build together a whole coffee value chain. Various actors including farmers, local community actors and their families tapped into their community's rules and culture, managed to promote innovation and create social value involving the various actors of local communities (Agostini, Bitencourt and Vieira, 2020[13]).

Social innovations are diverse in their nature

Social innovations cover a variety of sectors and fields, and can take many forms including new services, products, labour market integration processes, and even new forms of participation of individuals in society, among many others (Ashoka and McKinsey, 2020[14])**.** This diversity adds value to social innovation by bringing together and integrating various actors, combining their knowledge from different fields and creating outputs that can take various forms, such as products, new practices or new areas of collaboration. Social innovation can also be applied in a variety of sectors of the economy, such as health, finance (microcredit), employment (e.g., new employment models for disability) and utilities (e.g, renewable energy cooperatives). Social innovation actors come from all walks of life and can include the public sector, the private sector, and civil society. Because diversity can drive innovation, it is important to value difference, and to find ways for people from diverse backgrounds to come together as well as share experience and knowledge. However, this diversity of actors, sectors and models makes social innovation a difficult concept to define.

Social innovation is typically anchored at the local level

Most of the academic literature agrees on the fact that social innovation originates locally and is perceived to be a 'highly contextual phenomenon' (Moulaert, 2007[15]). Social innovation initiatives often arise from a reaction to concrete local issues. Social innovation is often either locally or regionally specific, or/and negotiated locally between agents and institutions that have a strong territorial affiliation (Sgaragli, 2014[10]). This local anchoring does not preclude a social innovation having wider impacts beyond a locality or being connected to other places. At the same time, this strong affiliation to local conditions can make it challenging for some of the social innovations to scale, since in a different location conditions might not be exactly the same.

Social innovation, like most other innovations, follows a non-linear process

Innovation processes are difficult to predict and tend to be non-linear in nature; social innovation is no exception. Moreover, the diversity of actors engaged and the process character of social innovation, where actors from different stakeholder groups take the lead as the social innovation progresses, make its governance even more complex (Phillips, Alexander and Lee, 2017[16]). Such non-linear development patterns combined with a diversity of actors make it hard to develop a single, universal approach to

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[1] Open innovation concept, described by Chesbrough in 2003, explains the evolution of the innovation management processes not relying only on internal resources of the organisations for sourcing knowledge. The open innovation principles are currently widely used by various organisations sourcing ideas and data from outside of the organisations and enhancing collaboration with external actors.

supporting social innovation and monitoring it. Practitioners of social innovation have to adapt their approaches to address the specific nature of each type of societal challenge.

Social innovations can take time to achieve transformative change

Because of its experimental and often very disruptive nature, social innovation might take longer to become an accepted practice compared with business innovations (Kinder, 2010[17]). Social innovation has a strong focus on path-breaking. It tends to be evolutionary in character and may require a number of changes to be introduced prior to being applied (i.e. less strict regulations, modifications to investment practices, social acceptance and transformation of the public sector). These conditions could define the level of impact and success of social innovation from one territory to another. On the positive side, this experimental nature of social innovation as well as the collaboration process among various actors involved, can lead to systemic or transformative change, although it might require a long timeline (Westley, McGowan and Tjörnbo, 2017[18]).

Social innovation can also be technology-driven

Social innovation is clearly part of the next production revolution, as characterised by a fusion of technologies and their integration into social progress (OECD, 2017[19]). Technology is increasingly recognised as a driver of social innovation and vice versa (Krlev, Mildenberger and Anheier, 2020[20]). Digitalisation makes it easier to include more actors in social innovation and creates a set of new opportunities at the crossroads between social challenges, new technologies (for example the Internet of Things), open-source design and manufacturing. Torino Social Impact, in the city of Turin (Italy), represents a successful example of technology-driven social innovation ecosystem (see Box 1). Another example of this technological drive is the possibility for social innovation actors to develop "social manufacturing" or shared participation between firms and individuals in the production of goods. This process can extend to the ideas of individuals through crowdsourcing to manufacturing, and was explored by the Mondragon co-operative in Spain (OECD, 2016[7]). Digitalisation also allows social innovation to reach out to the new communication infrastructures such as social media through which social innovation concepts are mediated and spread, or which can even create social movements.

Digital technologies could represent a major breakthrough in the future development of social innovations. The COVID-19 crisis has massively accelerated some pre-existing trends, in particular digitalisation. Many social innovations have seen their models severely compromised and sometimes even shattered. "Career Bus" in Romania could be a good example of how its operational model was compromised due to COVID-19 restrictions. The winner of the 2018 European Social Innovation Competition; was addressing the issue of career choice of teenagers in remote areas of Romania. Most of traditional jobs were at risk of automatisation and the objective of the initiative was to broaden rural perspective, showing young people the options and career opportunities they might have; unfortunately it was impossible to implement it during the COVID-19 outbreak. An earlier adoption of digital technologies, coupled with a more structured financial situation, might have offered more resilience and, specifically, could have allowed social innovators to deliver more scalable, robust and structural solutions to the new dramatic emerging problems. Favouring and encouraging the adoption of digital and other technologies is crucial to enable social innovators to scale their impact and offer resilient solutions. This goes hand in hand with the decreasing costs of technology, as well as addressing the technological divide, which implies that technologies be affordable and accessible for all, including access to data infrastructure and the skills to use them.

The inherent link between social innovation and technology has also gained prominence over recent years, through the emergence of the concept of the Problem-oriented Innovation System (PIS). Studies have argued that a combination of technical innovations and social innovations are required to solve societal challenges. The concept of PIS suggests that, rather than focusing on the development

of a particular technology or industry, innovation systems should focus on solving challenges, making good use of technical and digital innovations alongside economic and social innovations (Ghazinoory et al., 2020[21]).

Box 1. Torino Social Impact: A technology-driven social innovation ecosystem (Italy)

Torino Social Impact is an open, socially-oriented ecosystem platform or technology-driven cluster designed to address "societal challenges". It gathers over hundred companies, institutions, financial operators, universities, charities, foundations, and social enterprises in the city of Turin, Italy. The mission of Torino Social Impact is to strengthen the city of Turin's local economic system by fostering innovation and entrepreneurial solutions "pursuing economic goals with social impact objectives", solving "societal challenges".

The platform is an example of an open and collaborative territorial alliance, and a collective brand to foster a local ecosystem where social innovators, companies and investors can experiment and develop impact solutions and pursue financial goals alongside creating a social impact. The defining objective of this platform is to promote development and scaling of social innovations by applying emerging technologies, new financial tools, entrepreneurship and collaboration techniques. Although each partner carries out its own social impact projects, thus composing a cluster rich in skills, initiatives, opportunities and services, the main focus is to enhance collaboration among the actors. Each actor of the platform has to sign a Memorandum of Understanding aimed at sharing ideas, experiences, and projects for the ecosystem.

The platform gathers a number of pilot technology–driven initiatives. For example, the Torino Wireless Foundation (TWF) is in charge of technology-transfer processes together with I3P, an academic Incubator. TWF is a public-private partnership aimed at fostering knowledge-based development of Piemonte Region, accelerating growth of companies using technology as a strategic factor and seeks to launch an acceleration program aimed at technological transformation of impact-oriented and volunteering organisations, enhancing the Torino Social Impact network.

Although it is a relatively young initiative, and concrete impact is yet to be proven, it is an interesting example. It is relevant because of the scale of involvement of the variety of actors and high potential of collaboration between social economy actors and the private sector and other actors exploring how social innovation could be part of new technologies and digitalisation.

Source: (Torino Social Impact, 2021[22]). https://www.torinosocialimpact.it/

Who is engaged in social innovation?

Social innovation brings together private, public and non-profit actors, together with citizens to develop innovative solutions to emerging societal challenges. Social innovations are initiated in, and provided by, all parts of society, including public sector bodies and companies, NGOs and other civil society actors such as citizens (Moulaert et al., 2014[23]). There are a vast number of social innovation initiatives taking place across the world, in which individual and collective actors from state institutions, business, civil society and academia are playing a variety of roles – from initiation to dissemination and communication via various channels (Butzin and Terstriep, 2017[24]).

Civil society

Civil society includes citizens, movements, and non-governmental organisations as well as networks, academia and other relevant entities. While any of these actors can initiate or contribute to social innovation, civil society organisations do not have a monopoly on social innovation design and implementation. Citizens could play a leading role in social innovation, which is also facilitated through digitalisation that enables citizens to proactively take charge of their future and to self-organise in order to produce solutions to perceived challenges. An example of this was the organisation of grocery shopping for the elderly during the COVID-19 crisis. Informal groups, such as activist movements, may also be involved in social innovation processes and could effectively support the development and design of relevant social innovation practices (Carberry et al., 2017[25]). Networks of social innovation actors serve as intermediaries, enable collaboration and enhance these actors' ability to contribute. They play a particularly active role in the promotion and support of social innovation, and in gathering knowledge and evidence about social innovation actors as well as connecting ideas, resources and people (Dobele, 2015[26]). Having a strong local network is typically an important aspect underpinning the development and growth of social innovations, although for some innovations, such as open source software, these networks can quickly expand from their local roots (See Box 2). Academia could also play a role in social innovation through research creating knowledge which could be applied and scaled by other actors as well as action-research projects.

The public sector

Government has traditionally played an important role in creating social value through public services provided at national and local levels. Government is responsible for the development and supervision of public national and subnational policies and strategies in various fields, some of which are closely related to social innovation practices (e.g. education, social affairs, environment, etc.). Government also has a role to play in developing an enabling environment for the exchange of ideas and practices among different public and private players and in facilitating their implementation. In some cases, the government can also directly fund social innovation initiatives.

The private sector

Businesses are increasingly interested in social innovation, as social and environmental factors have a growing impact on their bottom line. The latest trends show that the private sector has begun to create relationships with civil society and social economy organisations and is becoming more involved in social initiatives. Concepts such as *Environmental, Social and Governance (ESG) standards, Corporate Social Responsibility (CSR), shared value* (Porter and Kramer, 2011[27]), *inclusive business* and the global *social purpose or B Corporation movements* are increasingly evident in private sector practices. Businesses engage in social innovation (Herrera, 2015[28]) by providing skills and competences, supporting the development of business models and often providing the necessary resources. Increasingly, private sector actors realise that without collaboration with other actors they are unable to solve complex societal issues on their own and are eager to be part of the change. Even though often they start through passive collaboration as a member of a group around selected societal challenge, there are examples where the private sector is an active collaborator with the goal of co-creating a solution (e.g. transition innovation platforms such as [Circular Flanders](https://vlaanderen-circulair.be/en)[2]).

In addition to businesses becoming increasingly socially innovative and responsible, there are new types of entrepreneurial initiatives aiming to address societal issues, and they are on the rise. These include social entrepreneurship initiatives belonging to the private sector (e.g. *profit with purpose*

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[2] https://vlaanderen-circulair.be/en

businesses), as well as *impact entrepreneurship*, defined as the development of sustained applications and solutions that collectively address grand challenges making the world a better place (Markman et al., 2019[29])**.** These initiatives are not necessarily social enterprises described in the section below.

The social economy

Social economy organisations primarily focus on addressing societal needs while developing economic activities through business models based on collaboration, typically at the local level. They include associations, cooperatives, mutual organisations, foundations and social enterprises. Typically these organisations share a number of common values such as solidarity, primacy of people over capital, and democratic and participatory governance (OECD, 2018[30]). Social economy organisations can often be seen as initiators and implementers of social innovation because their missions are strongly associated with social or environmental purposes (Bekker et al., 2013[31]). Research also specifically refers to the important role social enterprises play in social innovations (Richez-Battesti, Petrella and and Vallade, 2012[32]). Due to the specific features of social economy actors, including their inclusive and participatory governance as well as their local roots, they are important candidates to engage in social innovation dynamics.

The ecosystem

Many social innovations are developed and implemented by several different actors working together. The SI-Drive project has mapped and analysed some 1 000 social innovation initiatives across Europe and has come to the conclusion that social innovations are characterised by the wide range of actors involved. These actors may perform a variety of roles, which fluctuate across different innovations and the development process for a single innovation. Cross-sector collaborations (Le Ber and Branzei, 2010[33]) emerge as a common pattern in initiatives developed through alliances, with actors fulfilling specialised functions that take advantage of their complementarities and synergies (Butzin and Terstriep, 2017[24]). Out of 239 social innovation initiatives analysed, about 38% involved all three sectors (public, private and civil society) and 30% involved at least two. Civil society was involved in the vast majority of these initiatives (Wascher et al., 2018[34]). These findings highlight that promoting an ecosystem approach, not simply supporting just one type of actor, can better ensure dynamism and agility within the system. An environment of trust is needed to help underpin these relationships.

Why should policy makers support social innovation?

Due to the wide range of potential benefits that can arise from social innovation, such innovation has become a clear policy priority for many governments. Since the early 2000s, the concept of social innovation has gained more prominence at national and local levels. A 'new wave' of social innovation policy was initiated following the 2008 global financial crisis when governments were trying to identify new ways to address social exclusion and socio-economic restructuring (BEPA (Bureau of European Policy Advisors), 2011[35]; OECD, 2010[36]; Noya, 2009[37]).

Recently, the COVID-19 pandemic has brought the role of social innovation to the fore by providing innovative solutions aimed at strengthening public services to complement government action. The crisis has accelerated the emergence and increased visibility of inspiring social economy and social innovation initiatives in partnership with government (see Box 2), displaying their positive contributions towards empowering people, reinforcing location-centred dynamics and reshaping enterprises and territories (OECD, 2020[38]).

The social challenges faced by economies urgently call for new forms of collective action between public and private actors that can be readily integrated into policymaking. Social movements, such

as the "yellow jackets" in France, and growing inequalities have put pressure on policy makers to identify new models and new ways of doing things to achieve more just and sustainable futures. An example of such collective action is the COVID Response Alliance for Social Entrepreneurs (WEF, 2021[39]) that was launched in April 2020 by leading social-sector organisations aiming to help mobilise support and raise awareness about the role social economy actors play in addressing the crisis. Social innovation is an opportunity in this context because of its capacity to mobilise competences and resources beyond sectoral (public, private, civil society) boundaries (OECD, 2011[40]). Social innovations are often not a single service or product, but a wider transformation of social practices that enhance society's resilience and capacity to act (European Commission, 2013[41]). Indeed, the European Commission argues that policy makers should explore the benefits social innovation can bring.

Box 2. Example of the #*WirVsVirus* hackathon (Germany)

Governments countering the coronavirus with open social innovation

One of the best-known examples related to COVID-19 is the #*WirVsVirus* (translated as "we against the virus") hackathon in Germany. This was held virtually from 20 to 22 March 2020 and was organised by the German Federal Government in partnership with social economy organisations. Over 28 000 participants spent the weekend working on projects that tackled one of 48 different challenges around the COVID-19 crisis. After two days of coding and conference calls, over 1 500 projects were proposed to the jury, resulting in over 150 projects and promising solutions that are now being taken forward. A year later a number of these solutions have been implemented. This includes initiatives such as *Erntefrisch* (Freshly Harvested). *Erntefrisch* is a platform linking farmers and greenery producers with the customers and offering direct online marketing of fruits and vegetables. Another example is *Digitale Bühne* (Digital stage) which offers an audio and video conference solution for music and theatre performances with high audio quality, low delay and simultaneous use of multiple audio and video sources.

What made the #*WirVsVirus* hackathon unique was its unprecedented urgency and scale. The example of #*WirVsVirus* also shows how new technologies can support the mainstreaming social innovation, making it easier to source the participation of citizens and other stakeholders. The effort not only produced viable and useful technical solutions, but also empowered thousands of participants to take action, learn, and create alongside others.

Source: https://wirvsvirus.org/, (Gegenhuber, 2020[42])

Five reasons for policy makers to promote social innovation

1. Work together to find innovative and new solutions to public policy challenges

The evolving complexity of social challenges calls for collaboration, which should take new forms and be agile. Even if technological innovation solutions are clearly needed in order to address such challenges as climate change, the most urgent and important innovations in the 21st century will take place in the social field (Howaldt, Domanski and Kaletka, 2016[43]; Vienna Declaration, 2011[44]). These challenges accelerate change and redraw the playing field for social action. Many priorities change rapidly, and this also requires institutions and communities to organise themselves to develop new capacities, new partnerships and new connections that can respond quickly. The recent pandemic is the best example. Academics refer to this ability of the system to adapt and take a new form as a concept of "plasticity'' (Chandler, 2020[45]). Social innovation is particularly well suited for this plasticity through the various collaborations it involves to provide more flexible and agile responses to public policy challenges. The

Laboratorio para la Ciudad in Mexico City (see Box 3) provides an example of how policy makers can work with diverse actors to find the right solutions at the local level.

New forms of collaboration have also emerged, with new actors such as *meta-organisations.* These are collective actions, made up of autonomous actors not bound by authority but sharing the same system-level goal. They may be an effective means of managing complexity and catalysing resources that each of the actors can possess and use to innovate for the public good. Dormant knowledge could serve a good example of resources that could be used again thanks to meta-organisations. Many organisations currently possess dormant knowledge and technologies or patents currently being used only for commercial purposes or not even used but which could be put to significant social use (Huysentruyt, 2021[46]). When the same knowledge could be used for the social good this could be beneficial for several partners, including businesses by accessing new markets. Examples of these meta-organisations range from the [UN Global Compact](#) to various partnership platforms such as *Grow Asia*, addressing issues of inclusive and sustainable agricultural development in South East Asia. Promoting the creation of these coalitions of meta-organisations could help more holistic approaches to critical societal problems and are well suited to addressing institutional and market gaps (Valente and Oliver, 2018[47]).

Box 3. *Laboratorio Para la Ciudad* (LabCDMX), Mexico City (Mexico)

The urban laboratory invited citizens and other stakeholders to reimagine the city by setting up dialogue between them and public institutions.

Mexico City is one of the largest cities in the world, with a population of over 21 million people. In a megapolis of this scale, any social problem is magnified. The *Laboratorio Para la Ciudad* was created by the mayor to operate as an experimental arm and creative think-tank of the Mexico City government between 2013 and 2018. It has contributed to numerous improvements.

A particular feature of the Lab was that it operated in a different way to the average government unit. The Lab was a place to reflect about the city, test new ideas, and develop and nourish new projects related to societal issues. Projects were incubated, often in collaboration with other government agencies, civil society, academia, etc. One other interesting feature of the Lab was that it acted as a mediation mechanism between government departments and dissatisfied city residents.

By May 2018, the Lab has generated a number of concrete outputs, including the training of some 400 civil servants, 52 prototypes of applications, five tools designed to address the needs of citizens, and engagement with 13 different ministries, involving them in the projects. One specific example was the support given to drafting the Open City Law regulating the protection of personal data. The Lab has greatly contributed to creating trust between citizens and public institutions. Unfortunately, the Lab was not able to find a sustainable business model to continue its activities. Nevertheless, it strengthened the social innovation ecosystem in Mexico City and created much closer relations between the government, citizens and other stakeholders.

Source: https://towardsthehumancity.org ; https://labcd.mx/

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2. Develop resilient solutions

Local economic and social resilience is not only about a region's ability to resist and repel shocks, but also about building capacity to adapt and reorient its structures to create new economic, social and cultural paths and solutions. The resilience of a social-ecological system is determined by the capacity of the actors to learn from their experience, gather knowledge and respond to changing conditions, or in other words, it relates to their adaptive capacity (Folke et al., 2010[48]). Social innovation is often seen

as means to develop models, solutions and prototypes that help communities become more self-sufficient. Resilience theory suggests that the processes of adaptation and transformation are dynamic, cyclical and infinite (Westley, 2013[49]). This resonates well with the social innovation processes that build social resilience and allow complex systems to change while maintaining continuity. Because social innovation processes typically take place over a number of phases (feedback loops) (Horgan and Dimitrijevic, 2018[50]), they allow various actors and networks to collaborate, learn, adapt and, occasionally, find resilient and sustainable solutions.

Strong connections among social actors and consistent knowledge transfer across networks help build resilience. Such networks are build the capacity to continuously find new and more diverse solutions. Finally, participating actors also learn through the process of innovation itself, to better understand the way systems can be adapted throughout the whole process (See Box 4).

Box 4. City of Detroit (United States)

An example of how social innovation initiatives contributed to local economic and social resilience

Detroit was declared bankrupt in 2013. Its revival hinges on social equity, economic diversification and grass-roots initiatives grounded in collaboration between business and civil society, and in broad-based civic engagement. The revival strategy was built on inclusive growth, to which residents have not only contributed with ideas but with which they have also engaged, making the renewal process a success. The characteristics of the current wave of Detroit's regeneration are very different to those of its industrial peak in the twentieth century: regenerative activity is decentralised, bottom-up, participatory, innovative and inclusive.

Source: City of Detroit, (Enelow, 2014[51])

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3. Make locations more competitive

By taking advantage of networks and knowledge of particular challenges, social innovation can help translate this knowledge into a competitive advantage. One of the main characteristics of social innovation is that it drives social change by making new social practices a norm. Social innovation is not only about the end result, it also focuses on the process by which change happens. By regularly involving stakeholders, it also creates a better understanding of a particular challenge in the local area. This collective knowledge and experience is a valuable resource. Moreover, as demonstrated by Porter (2004[52]), new competitive economic development models depend on the success of the collaborative process, involving government at multiple levels, civil society, private and network actors (see Box 5).

Social innovation can also be a driver of local development and regeneration of marginalised and peripheral areas. These are areas far away from large and medium-sized urban centres, and from their associated infrastructure, which need specific strategies to find their place in a globalised world. Social innovation can harness existing networks in the local community to support long-term and more inclusive development.

By supporting scaling of social innovation, territories could also create a unique competitive edge. However, scaling social innovation is different from making a company grow; rather it refers to the possibility to grow social innovation impact up to the point where it reaches the level of need. The most well-known concept of social innovation scaling process (Mulgan et al., 2007[53]; Murray, Caulier-Grice and Mulgan, 2010[54]) illustrates different stages of innovation in a highly simplified form when they start from prototypes and move on to become everyday practice. However scaling of social innovations rarely offers the opportunity to use standard approaches and instead often requires adaptations (Bradach and Grindle,

2014[55]). Several EU projects (BENISI and TRANSITION, 2015[56]) have analysed social innovation scaling approaches based on over 500 social innovations; this research has led to development of four scaling strategies for social innovation. (See also Action: Scale social innovation).

Box 5. The Region of Navarra (Spain)

Social innovation can give a region a competitive edge and be a source of specialisation

The Region of Navarra has been one of the pioneers of promoting social innovation in recent years. The social economy plays an important role in the region with 1 254 social economy businesses employing at least 20 430 people, representing nearly 9% of the working population in the private sector in 2019. Following the region's Social Economy Plan 2017-2020, a new plan for the 2021-2023 period is focused on building an optimal ecosystem for social innovation.

The region has put a number of initiatives in place. The Social Innovation Unit was created in 2017 as an important action under the Government of Navarra's Integral Plan for Social Economy 2017-2020, which was prepared by the General Directorate of Economic and Business and Labour Policy in collaboration with the Spanish Business Confederation of Social Economy (CEPES) in Navarra. It is a pioneering action, which entails the creation, for the first time in the region, of a reference entity to promote economic initiatives that generate a positive social impact.

The unit's first output was a dedicated ecosystem for social innovation with a customised methodology at local level. At the time of writing of this report there were 39 social innovation projects being implemented, including initiatives to improve the quality of food in schools and improve access to health via online services in rural areas, to cite just a few examples.

Source: Government of Navarra (https://economiasocialnavarra.com/)

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4. Improve impact and value for money of public spending

For many welfare states, the traditional approach to tackling societal challenges has been led by governments and financed through taxes. Social innovation can help create impact and value for money through new approaches and by preventing and reducing future spending. Services of general interest are provided either for free or for a low fee. Increasing needs, such as with an ageing society, and slower growth in many OECD economies, have placed greater burdens on government budgets and created a demand for innovating the ways in which social challenges are addressed.

Social innovation can support public authorities by introducing preventive approaches that cut future costs or explicitly reduce the negative externalities of economic activities. For example, in healthcare, social innovation can help prevent diseases and optimise the use of hospital beds by creating partnerships with social economy organisations ensuring care at home; or by creating the right partnerships to find approaches to improve medication compliance, thereby helping governments generate savings or reduce future costs (see Box 6). By creating partnerships between various actors, such as social economy actors and businesses, social innovation brings together knowledge and skills, combining them with a strong societal purpose that enables preventive solutions to be found (see Box 7). Social innovation should not be seen solely as a way of cutting back on public investment and services for health and welfare (Peck, 2013[57]).

Box 6. Cities Changing Diabetes Programme (CCDP), (United States)

An example of social innovation which tackles a health challenge and helps to reduce future public spending

In the United States alone, the estimated total economic cost of diabetes in 2017 was USD 327 billion, a 26% increase over the previous estimate of USD 245 billion in 2012, indicating the dramatic rise of diabetes over the last few decades. The CCDP was started in 2014 by three global partners: the Steno Diabetes Center Copenhagen, University College London and Novo Nordisk, working with cities around the world. Together with city governments, the research sector and local civil society bodies, such as community and patient organisations, these partners are working on the common goal of addressing the issue of diabetes by creating tools, and exploring behaviours and actions.

The CCDP has developed an Urban Diabetes Toolbox, enabling city and health leaders around the world to create an action plan for tackling diabetes in their own cities. Moreover, the toolbox allows cities to forecast the impact that reducing obesity could have on both the prevalence and cost of diabetes. Applied to Mexico City, the CCDP Projection Model shows that, if no action is taken, the prevalence of diabetes will grow from current levels of 15.7% of the population to 22.8% by 2045. The extra 7%, representing an additional two million individuals with diabetes, would cost approximately USD 2 billion more in healthcare expenditure. However, if concerted action is taken now, diabetes prevalence could be limited in the future saving upwards of USD 669 million.

Source: https://www.diabetes.org/; https://www.citieschangingdiabetes.com/toolbox.html

While many still see social innovation as a way for governments to address societal challenges at lower cost, social innovation should not be limited to this. One of the criticisms raised around social innovation following the 2008 global financial crisis was that it was strongly influenced by management science and the expectation to optimise public expenditure. While social innovation covers economic aspects and can help cut costs, through, for example, a better allocation of resources in the provision of some services and goods, seeing it merely as a means of cutting costs can easily lead to a restrictive interpretation of social innovation. Limiting its role to financial optimisation would especially diminish its role in collaboration and the positive externalities it can bring (European Commission, 2017[58]).

Box 7. *Portugal Inovação Social* (Portugal Social Innovation) (Portugal)

An example of concrete action implemented to ensure preventive approaches that explicitly reduce the negative externalities of economic activities.

Portugal Social Innovation is a government initiative aimed at promoting social innovation and stimulating the social investment market in Portugal. Since 2014, the initiative mobilised around EUR 150 million from the European Social Fund, as part of the Portugal 2020 Partnership Agreement and channelled these funds through 4 financing instruments dedicated to funding projects that offer alternative and innovative solutions to social problems. Each of the four instruments focuses on a specific stage in the life cycle of social innovation projects. All of these instruments are focused on fostering the social investment market in Portugal, including the Social Impact Bonds programme.

Social Impact Bonds help to finance, using an outcome-based contract, innovative projects committed to achieving social outcomes and efficiency gains in priority public policy areas, such as social protection, employment, healthcare, justice, education and digital inclusion. The application is made

within a tripartite partnership of entities: social investors (finance the project), public entities (ensure the project alignment with public policy and the relevance of the expected results), and implementing entities (carry out the project). Such a contract provides that, if the contracted social outcomes are achieved, the social investors will be fully reimbursed by the outcomes payer, which in this case is Portugal Social Innovation. Portugal has already promoted five Social Impact Bonds open calls. By May 2021 there are 15 approved Social Impact Bonds within four regions of Portugal for a total of EUR 4.6 million.

Six of these Social Impact Bonds are nearing completion. One example is *Projeto Familia* a family preservation programme that works with families, children and young people at risk of institutional care. The project highlights positive impacts, with some 70% of children remaining safe and well at home (contractually 50%). Another positive factor is financial cost, which allows a substantial cost reduction for the government. The yearly cost of monitoring one child per year in this project is equivalent to the monthly cost of keeping a child in the institutional care and represents around EUR 700 (Institute of Social Protection).

The Social Impact Bond model takes advantage of the skills and creative resources of civil society and the private sector to, in partnership with the public sector, develop and experiment innovative solutions that are promisingly more efficient to respond to priority, and complex, social problems while leaving the financial risk of this experimentation on the side of the social investor. If the execution of the projects confirms the expected results, these new solutions can be expanded or integrated into public policy in the future. In this way, it fosters the adoption of a culture of experimentation and innovation within the public administration, testing a new logic of public investment with payment based on measurable results.

Source: Government of Portugal, https://inovacaosocial.portugal2020.pt

5. Encourage more social and sustainable practices in line with the SDG agenda

Social innovation is increasingly recognised as an important component of the new innovation framework necessary for sustainable development. Social innovation, by definition, tackles social and environmental issues that are translated into sustainable practices that are respectful of the primacy of human needs and natural ecosystems. It also contributes and supports all 17 Sustainable Development Goals (SDG) (Millard, 2018[59]). A recent study analysing some 136 cases of social innovation was able to assign nine of ten cases to one or more SDGs, with most case studies dealing with an improvement of health and well-being (Eichler and Schwarz, 2019[60]). The increasing dialogue between the social innovation and sustainable development communities is also helping to chart the future policies and principles of societal development. By getting involved in social innovation, policy makers as well as other actors could also tackle at the same time many of the 17 SDGs. For example, the Belgian development agency implements a new Wehubit programme supporting local actors to scale digital social innovations addressing development challenges.

2. A social innovation ecosystem at the local level

To better capitalise on the potential of social innovation, an "ecosystem" that encourages, promotes and scales such innovations is a policy opportunity. Individual social innovations are not enough to produce systemic change. They need to be nurtured and scaled to reach impact. This leads to the need for a full-fledged ecosystem to support the creation and development of social innovations, as well as policies that support collaboration, initiation and implementation of social innovations. The creation of a social innovation ecosystem could be the first step of a structural approach to social innovation, with efforts by both the public sector and other actors to create enabling conditions for the initiation and development of social innovations.

There are a variety of approaches to a social innovation ecosystem analysis

A social innovation ecosystem is a set of actions designed to promote the development and growth of social innovations, partly through improving interactions between actors. An ecosystem is a metaphor borrowed from biology – as an effort to describe patterns of closely connected interrelations between the actors that need to interact "in order for a focal value proposition to materialise" (Adner, 2016[61]).

The concept of a social innovation ecosystem builds on the definitions of innovation ecosystems. According to Moore (1993), the ecosystem is a community of actors that are somehow interconnected and enables these actors to interact with each other to generate a certain value proposition (Moore, 1993[62]). This argues for the rise of interdependence, and the potential for symbiotic relationships in ecosystems as they develop. Academic knowledge on social innovation ecosystems is growing. There have been several attempts to analyse and develop frameworks about the social innovation ecosystem.

When, within a specified territorial area, different actors actively and regularly co-operate towards a common goal, and identify effective forms of partnership that create both individual returns and shared value, they make up an ecosystem. Often initiated by one individual or organisation, it is frequently a collaboration of the "trio" of civil society, public bodies and business. Some academics also refer to the concept of the "quadruple helix" (Carayannis and Campbell, 2009[63]), adding civil society to the traditional innovation processes which is typically a product of collaboration of research institutions, the public sector and business or the so-called "triple helix".

By involving civil society in the innovation process, government, industry, academia and civil society work together to co-create and drive specific structural change. Transformative change, the goal of social innovation, does not happen in the short run and might require a long time before achieving impact and systemic change (Westley, McGowan and Tjörnbo, 2017[18]). One example is a quadruple helix innovation in North Karelia, Finland (Puska, 2002[64]) (see Box 8). The example highlights a collaborative approach involving all actors within the quadruple helix model who helped develop an action plan that led to the decrease in coronary heart disease mortality in a particular territory by 73% over a period of 25 years. This was made possible through the means of communication, legislative changes, workplace

programmes and collaboration with the agro-food industry. Examples similar to this one can be found across a variety of industries and fields such as education, employment and environment, among others.

A new wave of research around social innovation ecosystems has helped to further deepen the understanding about the differentiated approaches. A recent study by Pel et al. (2020[65]) based on the analysis of 20 transnational social innovation networks, referred to three main elements (or pillars) of ecosystems which are: local embeddedness, translocal connectivity (or translocal or international collaborations), and communication to broader society (discursive resonance). Terstriep, Rehfeld and Kleverbeck applied the regional innovation system approach helping to identify requirements for a regional social innovation ecosystem (RSIE) (2020[66]). Their research identified areas which include a legal framework for social innovation, cultural differences, a reference to social innovation in policy-driven strategies, as well as the role of enablers of social innovation such as incubators and experimentation labs (see Table 1).

Box 8. Example of quadruple helix collaboration in North Karelia (Finland)

An early and powerful example of a quadruple helix innovation is the North Karelia Project, which demonstrates the benefits of involving multiple actors from different fields to develop an effective solution to a societal challenge.

Challenge: In the 1970s, the North Karelia region in eastern Finland was suffering from very high cardiovascular disease levels, particularly among male residents. In response, the region developed a community-based intervention strategy, the first of its kind designed to shift the risk factor profile in this area.

Solution: A wide variety of programmes were established to tackle the issue of poor diet and lifestyle, drawing on resources and expertise across sectors. These included a workplace programme to help employees lose weight and stop smoking; media collaboration to produce a popular TV show following individuals losing weight; cholesterol lowering competitions among villages; strong anti-smoking legislation; collaboration with the food industry to reduce the salt content in food products; and collaboration with vegetable oil manufacturers to produce healthier spreads.

Impact: As a result of these targeted interventions, the age-adjusted coronary heart disease mortality rate among the male population aged 30-64 years old plummeted by 73% between 1970 and 1995. Coronary mortality before the North Karelia Project was about 690 per 100 000 men aged 35–64 in North Karelia, compared to 470 across Finland. Mortality reduced faster especially in the beginning in North Karelia than in all Finland. In 2011 the mortality among middle age men was about 100 per 100 000 and North Karelia had reached the national average.

Success factor: A collaborative approach, working with numerous community organisations within the quadruple helix model – the National Public Health Institute and schools (public authority); the Stanford Prevention Research Center (SPRC) and local health research centres (academia); the food industry (private sector); and associations and local NGOs (civil society) – was key to the success of this initiative.

Co-ordination: The national expert recommendations and programmes were prepared and implemented, with the involvement of the media, to develop communication campaigns and share knowledge with citizens. The National Public Health Institute, linked to the Ministry of Social Affairs and Health, co-ordinated the project at the national level. This project was academically researched by the SPRC. Established in 1972, the SPRC is a US-based consortium of renowned experts who are world leaders in investigating ways to prevent disease and promote health. SPRC investigators collaborate

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on numerous long-term projects aimed at translating research into effective ways of promoting well-being.

This example also highlight the fact that social innovation might take time in order to create a transformational change.

Source: OECD, 2016, World Health Organisation, www.ncbi.nlm.nih.gov

Although the quadruple helix ecosystem concept is relevant, policy makers might need to integrate other elements when analysing the social innovation ecosystem at the local level. The table below provides several of the approaches developed to analyse social innovation ecosystems (see Table 1). It includes, among others, an early version of the ecosystem approach developed by the OECD to look at the social innovation system in Croatia and the dimensions of the Social Innovation Index published by the Economist (The Economist, 2016[67]) comparing 45 countries, as well as elements identified by academic research. Other approaches were developed as part of the European Union research projects.

Table 1. Elements of the social innovation ecosystem according to selected approaches

	OECD report: National Framework for Social Innovation in Croatia	SI-DRIVE project	TEPSIE project	An explorative approach to a regional social innovation ecosystem (RSIE)	The Economist: National Social Innovation Index
Element 1	Framework conditions	Address social needs and challenges	Institutional framework	Actors	Policy and institutional framework
Element 2	Human capital	Given resources	Political framework	Institutions as structuring element	Financing
Element 3	Infrastructure (hard and soft)	Capabilities and constraints	Resources framework	Development of paths	Entrepreneurship
Element 4	Financial instruments	Actors, networks and government mechanisms	Social climate framework	Legal framework for social innovation	Society
Element 5		Process dynamics development		Environment for social innovation	
Element 6				Cultural differences	

Note 1: The number of the element does not refer to its higher or lower importance.
Note 2: An explorative approach to Regional Social Innovation Ecosystem (RSIE) model was elaborated by the author based on the research article.
Note 3: SI-DRIVE project stands for "Social Innovation: Driving Force of Social Change"; TEPSIE project stands for "The theoretical, empirical and policy foundations for building social innovation in Europe" project
Source: developed by the OECD based on (Domanski and Kaletka, 2018[68]; Krlev, Bund and Mildenberger, 2014[69]; OECD, 2016[7]; The Economist, 2016[67]; Terstriep, Rehfeld and Kleverbeck, 2020[66]).

This table indicates that there are a variety of approaches to social innovation ecosystem analysis, but some common elements can be found across several studied approaches. These elements include the existing institutional framework, the societal needs and the resources available. All approaches also take into consideration the existing cultural dimensions at the local or national level and availability of actors and relevant networks. Terstriep, Rehfeld & Kleverbeck (2020[66]) argue that, even if no best solution for a social innovation ecosystem exists, establishing an efficient social innovation ecosystem requires: governance mechanisms to co-ordinate actors; social innovation enablers such as social innovation hubs, and labs; and the integration of various modes of social innovation in strategies.

Social innovation ecosystems are at different stages of development across countries (Boelman and Heales, 2015[70]) **and regions.** There is also a discourse that potentially not all local contexts are capable of nurturing social innovation (Moulaert et al., 2014[23]), suggesting that social innovation is more likely in urban areas due to the combination of the framework conditions. Recent research, however, also confirmed that even in rural areas social innovation has been building momentum (Neumeier, 2017[71]) due to the uptake of bottom-up solutions and the development of ICT solutions, among other factors. With some countries and regions at the very beginning of the process and others with well-developed approaches to social innovation, policy makers could learn from these experiences to develop effective ecosystems that are relevant to their particular context.

However, most social innovations are either locally or regionally specific, and they often have a strong territorial affiliation, which argues for the development of a local or territory-specific ecosystem. There is not a single approved standard way to develop an ecosystem and it is often important for territories to develop their own ecosystem. Local strategies for social innovation are increasingly being developed, such as the case of Navarra (see Box 5).

The literature has identified a number of factors that could support a favourable environment for social innovation. One such example is the availability of finance to promote and invest in organisations or initiatives with social or environmental mission. Another favourable factor could be a reform to recognise a wider understanding of the term of innovation, allowing social innovation initiatives to benefit from public support. Another favourable factor is the availability of support infrastructure where citizens or social economy actors could get support and find partners to develop and nourish their ideas into projects and initiatives. Some of the constraining factors include lack of funding, lack of a volunteering culture and low governance quality. Other hindrances are related to human capital capacities such as a lack of managerial skills and the underdeveloped entrepreneurial culture (Boelman and Heales, 2015[70]).These factors should be integrated when analysing the ecosystems around social innovation.

Three pillars for social innovation ecosystem analysis

Policy makers at the local level need to have the tools and frameworks to analyse the situation and develop supporting policies for social innovation. A methodological framework is proposed for analysing the social innovation ecosystem, which aims at understanding the underlining conditions, supporting measures to promote social innovation and the ways and means to evaluate them. Three pillars (see Figure 2) represent the context that enables or hampers social innovation:

1. *Framework conditions* help to describe the existing situation surrounding the social innovation ecosystem at the local level, which includes the local culture and behaviours area, existing laws and regulations (at national and regional levels), the institutional framework, the existing community of social innovation actors, and the resources available. This pillar considers the relationships among the members of the ecosystem and their ability for co-operation. In summary, this pillar *describes* the existing context.

2. *Policy implementation measures* to enhance social innovation is the second pillar of the approach. This pillar helps to analyse and define the concrete measures taken to help social innovation actors in the context of the local ecosystem. It might include measures focused on creating a market for social innovations (demand-side measures) as well as measures improving the quality and quantity of social innovation (supply-side measures). Each territory would need to adopt its own set of measures. Further explanation and concrete case study examples are found in Section 3. In summary, this pillar considers how to *implement* variety of instruments to support social innovation.

3. *The progress dynamics monitoring* is important to spot the occurring changes to the framework conditions and to analyse the outcome of the measures that are taken in order to adjust the

necessary policies. It includes relevant local indicators to monitor progress. This pillar serves to *analyse and adjust* necessary measures based on the objectives and needs.

Figure 2. Analytical framework for a local social innovation ecosystem
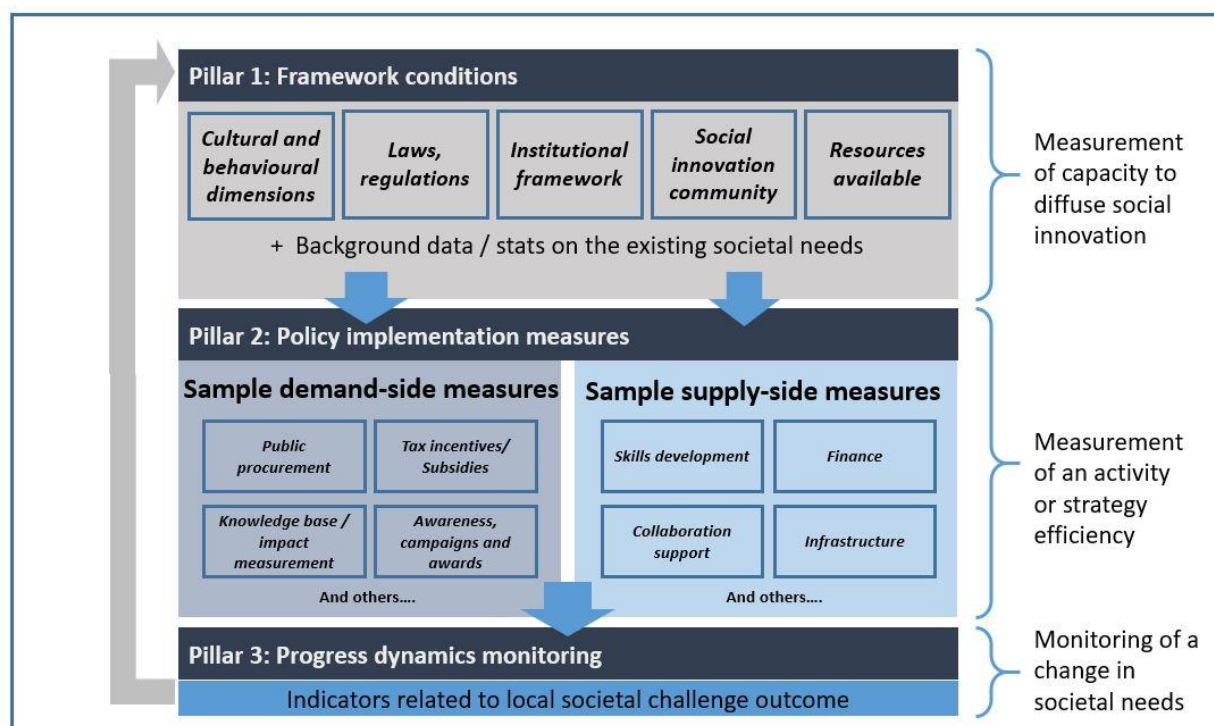
Source: Authors' elaboration.

The framework conditions of local social innovation ecosystem

Framework conditions (pillar 1) are essential to understand the local context and the needs that exist. Framework conditions matter to the emergence of social innovation. Less obviously, such framework conditions are not only represented in the existence of formal institutions, or quantifiable resources, but also in societal discourse (Krlev, Bund and Mildenberger, 2014[69]) shaped by various actors and existing attitudes impacted by news media (Krlev and Lund, 2020[72]). These local conditions underpin the development of the vision for supporting social innovation. Social innovations do not emerge in a vacuum. A territory with an active civil society, social entrepreneurship and institutions that has a system in place to help innovation grow and develop, is also more likely to create and nurture social innovations. Understanding these conditions could help shape social innovation policy design and development. The current framework proposes to analyse the following areas: i) *culture and behaviours*, ii) *laws and regulations*, iii) *institutional framework*, iv) *social innovation community, and v) resources available*.

Culture and behaviours

The area of culture and behaviours analyses the local traditions, behavioural and societal attitudes of the population and business community, as well as the existing needs in the territory. Culture and behaviour attitudes have been mentioned by several research initiatives as an important element of the social innovation ecosystem (European Commission / TEPSIE, 2014[73]; Krlev, Bund and Mildenberger,

2014[69]; Terstriep, Rehfeld and Kleverbeck, 2020[66]). Research has shown that regional culture informs the culture and behaviours of organisations and vice versa (Cooke and Rehfeld, 2011[74]).

The economic development of countries or regions are significantly influenced by the value of social capital, i.e. the sum of trust, networks, and norms (Calcagnini and Perugini, 2019[75]). Both institutional and inter-personal trust emerge as crucial pre-conditions favouring the emergence of social innovation ecosystems. Strong levels of trust at the community level facilitate interaction, co-operation and can ultimately lead to the emergence of innovations to tackle societal challenges. While national-level measures of trust exist (ex: trust in government, or trust in media) and should be taken into account by policy makers when analysing their social innovation ecosystem, the drivers of trust tend to differ locally. Data suggests that people trust more subnational institutions over national ones (OECD, 2016[76]).

In some regions or cities, trust within communities might be driven by traditions of co-operation and local partnerships. In others, trust in specific institutions might be the driver. Policy makers could therefore develop measures enhancing trust which are targeted to the specific context of their community and measure features of trust that characterise them. An example of this is cultivating trust in police at a local level, an effort applied in quite few cities. The level of trust could very much determine the performance of an ecosystem, and the lack of it could make the entire effort fail. However, "developing trust among non-profits, corporations, and government agencies is a monumental challenge" ((Kania and Kramer, 2011[77]) . Looking at gaps between citizens' perceptions and actual data could be another interesting way to measure local trust and raise awareness. For example, cities in the Netherlands have undertaken surveys to measure citizens' perception of safety and compared results with actual data. This helped identify gaps in safety perception of citizens and rebuild community trust.

Perception is another element policy makers could measure to better understand the current situation around social innovation. Policy scholars have made an argument for turning more explicitly to perceptions, discourse and framing, which is for example reflected in (social) media reporting (Krlev and Lund, 2020[72]). Research has stressed the role of compassion for the success and impact of innovators, so that indicators of social values and public awareness should prove to play a decisive role for the emergence of social innovations. For example, compassion elicits prosocial motivation, which fosters greater commitment to action (Miller et al., 2012[78]). There is empirical evidence which supports the view that social values, such as tolerance, rule of law and democracy, progress in nations where the benefits of economic growth accrue to all (Friedman, 2006[79]).

High levels of entrepreneurship activity is an indicator of actors' engagement to transform an opportunity into reality as well as the ability to so. Entrepreneurial process entails taking risks and transforming ideas into viable mechanisms and business cases. Social innovators often have to transform an idea into a prototype and further on into a viable concept. This process requires entrepreneurship skills and right risk-taking attitude and a high level of creativity (Hoelscher et al., 2015[80]). Entrepreneurship considers the risk-taking mind-set, early-stage entrepreneurial activity and whenever possible motivation for entrepreneurship (Bosma et al., 2021[81]). This also correlates with other research around social innovation (Klaverbeck et al., 2019[82]; Krlev, Bund and Mildenberger, 2014[69]) which suggests that behavioural patterns around information are related to *attitude, intention and ability.* It proposes the logic that people first need to create awareness around the needs for social innovation, the intention to act upon it and finally, that they have the resources to take an action. The research suggests that the higher are the suggested metrics across these dimensions, the more it will foster social innovation.

By analysing the background information and behavioural patterns in a territory, policy makers could develop a more customised approach and arguably improve the likelihood of the success of an ecosystem. A territory with many new social economy organisations, such as social enterprises, as well as traditional social economy organisations, such as associations, co-operatives, mutual organisations and foundations, could indicate fertile grounds for social innovation. The propensity for collaboration will be higher in cultures that have a more collectivist tradition or that follow "open innovation" principles. There

is also research suggesting that environments where the status of women is not recognised could hamper social innovation. These are just some of the examples which indicate that gathering this knowledge could help better plan the right ecosystem and focus on the right set of needs and resources available locally.

Information on this area could be collected through two main sub-areas which include that of local traditions and behavioural patterns, and that of background information. The table below (Table 2) provides information about the specific sub-areas with indicators, guiding questions and reasoning why specific areas are included. Local traditions and behavioural patterns are important in order to better understand the attitudes of the population, the likelihood of collaborations, and to understand whether citizens favour individual interests over group interests. Understanding local traditions could provide an indication of the interest of private sector actors seeking to serve collective needs (such as mutual organisations) or whether there is a local tradition of mainly public organisations in service provision. The background information sub-area helps policy makers get a better understanding of the existing situation in the local area and provide an indication of the needs and existing skills. The table below proposes five sub-areas of culture and behaviour indicators.

Table 2. Culture and behaviours indicators

Sub-areas	Guiding questions	Reasoning	Indicators	Source
Local traditions and behavioural patterns				
Social capital	Are there high levels of participation in public life and civil society? Are there high levels of inter-personal and institutional trust?	Social capital explores density and quality of relationships among social actors. There is evidence of high levels of perceived impact of social capital on strengthening collaboration among various actors of the system. This information helps to understand the attitudes towards norms, trust and levels of shared values.	• Membership in civil society organisations	World Value Survey
			• Civic engagement (Voter turnout (%))	OECD Regional Well-Being database
			• Number of Associations per population	Surveys; Available local data at the NUTS2 or NUTS3 level
			• Trust in the government, business and media (trust)	Edelman Trust Barometer Gallup World Poll
			• Trust in people around you (trust)	World Value Survey
			• Level of voluntary working (norms)	Volunteering in the EU
			• Level of social activism (norms)	World Value Survey
Solidarity	How do levels of solidarity compare with the other parts of the world or groups? What kinds of attitude for mutual aid exist?	Solidarity is a way to address the social, economic and financial problems especially in cases where state support is less present. High levels of mutual aid and solidarity could affect positively social innovation.	• Solidarity with elderly, unemployed, immigrants, etc.	World Value Survey combined with the local survey.
Level of well-being and non-discrimination	What is the level of life satisfaction?	Improved life satisfaction and well-being in general could have a positive effect on capacity for innovation and collaboration, and ultimately lead to more effective solutions to social and environmental challenges. Environments where status of women is not recognised could hamper social innovation.	• Overall level of perception of life satisfaction	OECD Regional Well-Being database
			• Social Institutions and Gender Index (gender discrimination)	OECD Social Institutions and Gender Index
			• Percentage of people who have friends or relatives to rely on in case of need (Community)	OECD Regional Well-Being database

Sub-areas	Guiding questions	Reasoning	Indicators	Source
Collaboration	What kinds of social attitudes and norms prevail? Has there been a tradition for collaboration between public, private and non-profit sectors? Are all social innovation actors involved?	Get an understanding of the likelihood to collaborate between the sectors (public/private). Get an understanding of the involvement of various actors (including underrepresented groups) in the collaboration which could increase the quality and depth of solutions proposed.	• Public-private partnerships, including research-industry or industry-government- research collaborations, • Research- civil society collaborations • Social / hybrid entrepreneurship collaborations • Opportunities of involvement of underrepresented groups in the process	Secondary research and interviews; Screening of institutional landscape
Entrepreneurship attitudes	Are citizens likely to engage in entrepreneurial activities? Are they likely to engage in social entrepreneurial activities specifically?	Social innovation does not solely require the idea but also the engagement to transform it into reality. It can also help better understand levels of risk-taking. This might also require a conducive business environment to engage in entrepreneurship as well as a risk-taking mind set.	• New enterprise creations • Self-employed, by place of birth, 15-to-64-year-olds	OECD Business Demography database
			• Total early-stage Entrepreneurial Activity (TEA) rate (% adults 18-64) • Motivation to make a difference in the world" as % of TEA (social entrepreneurship)	Global Entrepreneurship Monitor
			• Risk-taking mind-set, 18-64	Global Entrepreneurship Monitor
			• Business environment to start a business	World Banks Doing Business data
			• Population aged 18-64 with positive perceived opportunities who indicate that fear of failure would prevent them from setting up a business.	Global Entrepreneurship Monitor
Background supporting information				
Social background data	What is the level of unemployment? What is the poverty level? Are there significant inequalities? Can citizens access basic social services?	This information helps to understand local needs.	• Unemployment rate; inactivity rate; poverty rate; income inequality measures; life expectancy; access to health and social services; well-being indicators (overall and by age/gender)	GESIS[3]; OECD Social indicators
Educational background data	What is the level of education? Which types of skills are present at local level?	This data will provide information on the level of local skills. This information could also be useful to look at the level of creativity, as an important factor for any type of innovation. Trends in the number of graduates with degrees that focus on social and sustainability subjects might be interesting to observe.	• Graduates with degrees that focus on sustainability responsibility issues;	Secondary research
			• Skill needs at regional level	OECD data (Skill needs – regional statistics)
			• Share of labour force with at least secondary education (%)	OECD Regional Well-Being database
Environmental background data	Are people concerned with the environment locally?	This information helps to understand the level of concern with the environment.	• Level of waste, municipal waste • Greenhouse gas emissions,	Global Footprint Network; OECD environmental data

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[3] GESIS stands for *Gesellschaft Sozialwissenschaftlicher Infrastruktureinrichtungen* and data refers to the GESIS Leibniz Institute for the Social Sciences, a European data archive and research infrastructure provider. www.gesis.org

Sub-areas	Guiding questions	Reasoning	Indicators	Source
		Sustainability attitude is considered as a main predictor of pro-environment intention.	etc.	
			• Estimated average exposure to air pollution in PM2.5 (µg/m³), based on satellite imagery data (Environment)	OECD Regional Well-Being database

Source: Authors' elaboration and based on output of TEPSIE and IndiSI projects

Unfortunately, there is yet not a single method or set of ready-made indicators to measure social innovation or the framework conditions. Table 2 lists a number of relevant indicators which were elaborated by the author and inspired by research work of the projects *the theoretical, empirical and policy foundations for building social innovation in Europe* (TEPSIE) and *the Indicators of Social Innovation (IndiSI)* (IndiSI, 2020[83]; Klaverbeck et al., 2019[82]; Terstriep et al., 2021[84]). Of all the areas of the Social Innovation Framework conditions, it might be particularly challenging to gather local data for the Culture and behaviours area since it requires new data collection and some of the indicators are perception-based. This might call for additional primary data collection in a survey.

Local traditions and mind-sets are not set in stone and could change and evolve over time. Awareness campaigns, education (both formal and non-formal learning) and research can play important roles in raising awareness, transmitting knowledge and shaping public opinion to being more open to experimentation, debate and collaboration.

Laws and regulations

The area of laws and regulations helps understand better the existing legal and regulatory frameworks around social innovation. Several other ecosystem methods consider this important area (Dobele, 2015[26]; Terstriep, Rehfeld and Kleverbeck, 2020[66]). They have a significant impact on the visibility, recognition and credibility of social innovations. Regulations also typically serve as a reference point for eligibility to public support schemes, notably regarding access to public procurement, and financial and non-financial assistance and benefits. Table 3 provides a suggestion of the indicators to be considered under each of the three sub-areas and provides reasoning as to why these elements are important. Policy makers could aim to create environments which provide structure, but at the same time allowing for experimentation and promoting collaboration and creation of partnerships.

Although the majority of legal definitions and regulatory frameworks are developed at the national level, there are also examples of how regional or local authorities can influence the regulatory environment around social innovation. They may support a local social innovation ecosystem through a set of laws, but also soft regulations, norms and bylaws. For example, in Flanders, Belgium, "social innovation" was initially defined as workplace innovation, and it was later expanded to include all innovative answers to societal challenges (OECD/European Union, 2017[85]), which allowed a number of social economy actors to obtain additional access to public funding. Laws and regulations that allow experimentation further support the ecosystem. Social innovation can require change in laws and regulations, particularly when applying a new concept. This could be done by creating specific pilot projects exploring how a specific change in regulations or norms can affect the development or uptake of social innovations. In these cases "smart regulations" or "sandboxes"[4] can allow testing of novel concepts while still protecting consumers and citizens (i.e. crowdfunding or time banks). For laws, regulations and standards around social innovation to be effective, it is crucial to involve social innovation actors in their

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[4] "Regulatory sandboxes" provide settings for testing innovations under real conditions and developing a smart regulatory framework - by making use of flexibility in the legal framework, e.g. provided in experimentation clauses.

development, as well as to enhance the capacity and knowledge of local policy makers and administrations around social innovation.

Policy makers could also pay attention to the laws and regulations that prevent some social innovation actors from participating fully. For instance, in some countries there are different forms of restriction placed on non-profit organisations (e.g. foundations or associations) from engaging in the sales of goods or services, or from establishing subsidiaries for that purpose. In other countries, there are no established legal ways for private companies to prioritise a social mission (see recent Social Enterprise Mapping reports (European Commission, 2020[86])). Administrative procedures or unclear definitions could hamper access of not-for-profit organisations or businesses to public support schemes or certain types of public procurement. Another area which requires particular attention is the administrative procedures which could support or hamper collaboration between different actors, where collaboration between for-profit and not-for-profit entities is not allowed, for example for public tendering.

Policy makers could also promote legal forms that enhance collaboration among actors. One example of a legal form that makes it easier for organisations to work together or even form consortia is a European Economic Interest Grouping (EEIG). The EEIG is a unique instrument which allows organisations from various countries from the EU to work together, notwithstanding the official address of the EEIG, the EU Community law thus directly encourages cross-frontier cooperation. This reference is particularly relevant for scaling and internationalisation of social innovations.

Finally, public procurement rules can support the development of the demand for a social innovation ecosystem. Accounting for an average of 12% of gross domestic product (GDP) in OECD countries, public procurement is a strategic tool for achieving wider policy goals, including supporting innovation, addressing environmental challenges, and promoting sustainable development (OECD, 2020[87]). Policy makers could promote the use of public procurement for the benefit of social innovation through various means, including the introduction of outcome-based public procurement (i.e. defining the outcome that should be achieved with innovative solutions) and functional public procurement (i.e. describing the challenge to be solved or the functions to be fulfilled), as well as through integration of social or environmental criteria (see the following section presenting concrete examples). The mix between outcome-based, functional, and social procurement can represent a valuable channel to stimulate social innovation.

Table 3. Laws and regulations indicators

Sub-areas	Guiding questions	Reasoning	Indicators	Source
Special legal regimes	Do social enterprises have a recognised legal form? Would existing regimes provide enough flexibility for social innovation? What is the uptake of special legal forms promoting cooperation?	Understanding the existing legal structures could help develop a more tailored ecosystem for social innovation. The available structures could allow flexibility to accommodate various demands. Internationalisation could pose issues, but uptake of special legal regimes promoting cooperation such as EEIG could be helpful.	• Presence of a special legal status for social enterprise • Uptake of special legal status (i.e. social cooperatives in Italy, or community contribution company (CCC) status in British Columbia, Canada, etc.)	Analysis of legal frameworks Local actor statistics
Social innovation recognised as part of innovation	Is social innovation recognised as part of the innovation agenda?	Recognising social innovation as part of innovation can open public investment opportunities.	• Number of social innovations as a share of innovations supported • Percentage of innovation budget dedicated to social innovations	Secondary research; Official reports and yearly budgets
Public procurement	Do local procurement rules	Public procurement can be a	• Number of contracts	Secondary

Sub-areas	Guiding questions	Reasoning	Indicators	Source
	encourage "buying social or green"?	sizeable market for social innovation initiatives.	provided to small entities • Percentage of procurement applying social or environmental clauses	research and interviews; screening of publicly available information
	How is it possible to encourage social impact using public procurement?	Outcome-based contracts and the Best Price-Quality Ratio criteria could be beneficial in increasing the opportunities for social innovation actors to access public procurement Functional requirements can also favour innovation by allowing for flexibility in designing solutions.	• Availability of outcome-based public procurement and contracting • Availability of procurement adopting functional requirements	Secondary; screening of publicly available information

Source: Authors' elaboration

Institutional frameworks

The institutional frameworks area looks at the vision, availability of a public policy, strategy and institutional set up around the social innovation policymaking and implementation process. Analysis of the institutional framework around the subject of social innovation can help shape the scope, the implementation modalities and instruments as well as efficacy of interventions (Krlev, Bund and Mildenberger, 2014[69]; Terstriep, Rehfeld and Kleverbeck, 2020[66]). Complementing the institutionalised forms of support, it is also important to look at the awareness of policy makers of social innovation or the intensity of political debates that will play a role for how well social innovation can thrive (Krlev et al., 2019[88]).

The institutional frameworks area includes analysis around three sub-areas: relevant policies, institutional roles or formal mandate, and a co-ordination mechanism at a local level. The starting point is to understand the main existing policies and institutions that are involved in elaborating, implementing, monitoring and evaluating social innovation related policies at the national and local or regional level. The second element is to understand if any local public institution has been taking the lead or is well-placed to have a mandate for social innovation promotion and implementation added into its activities. This analysis requires as well an understanding of the existing organisational structures, and availability of human and financial resource allocations to work on the subject of social innovation. The third sub-area of analysis refers to co-ordination mechanisms in place. Since in most cases social innovation is a horizontal activity, several institutions or policies might be involved. This argues for the establishment of co-ordination mechanism among variety of institutions involved in the policy design and implementation of social innovation at the local level. In addition, for local social innovation policy to be effective, it is crucial that relevant social innovation actors are involved in the discussions. There might also be the need to ensure co-ordination with the relevant national institutions or neighbouring territories. It will also explore the availability of a strategy or vision at the local level to develop and promote social innovation or its absence.

Table 4. Institutional frameworks indicators

Sub-areas	Guiding questions	Reasoning	Indicators	Source
Policy(ies) reference	Is social innovation referenced in one or several relevant policy documents? It can also be a part of a larger strategic document.	Reference to social innovation in policy documents defines the importance policy makers attach to it.	• Availability of a clear strategy around social innovation promotion or presence of its elements in other strategies • Availability of a clear action	Secondary research and local policy documents

Sub-areas	Guiding questions	Reasoning	Indicators	Source
			plan	
Institution	Is there a leading institution for social innovation policy development and policy implementation at the local level?	Availability of an institution or a committee with representatives of several institutions could help see the progress and advance with policy design and implementation	• Availability of an institution championing social innovation • Availability of an institution with a clear mandate to promote social innovation	Secondary research, analysis of institutional mandates
	Does it have dedicated resources to devote to social innovation? Are the human resources experienced in social innovation?	There should be sufficient resources (human and financial) available to advance with the planned activities. It is important that dedicated staff is competent in the area of social innovation. Autonomous capacity for regional public spending is a favourable factor in the innovation system.	• Financial (public social expenditures, public investment in relevant fields, public/private social seed funds.) • Human (availability of staff at local level covering issue of social innovation, staff education on social innovation)	Primary: progress reports and budget monitoring; Secondary through interviews, analysis of policy documents
Co-ordination and awareness	Is there a co-ordination mechanism in place to share information about social innovation implementation? Are local social innovation actors involved?	A variety of institutions could be involved in social innovation. A co-ordination mechanism can help improve delivery methods. The formulation of local policies around social innovation should involve social innovation actors.	• Availability of a working group or informal regular meetings among the public authorities and representatives of stakeholders.	Primary: progress reports and budget monitoring Secondary through interviews, analysis of policy documents

Source: Authors' elaboration

The Institutional frameworks area contributes to the social innovation ecosystem, but the challenge is to develop quantitative indicators to measure its impact. Most of the existing methods aim to measure the capacity for social innovation. This area of the framework, as presented in Table 4 measures the institutional readiness, assuming that if the proposed three sub-areas are performing well, this could create an environment in which social innovations could succeed.

Social innovation community

The quality and diversity of the social innovation community constitutes the basis for success of the social innovation ecosystem in a particular territory. A number of studies have highlighted social innovation actors and their collaboration as a cornerstone element of the social innovation ecosystem (Howaldt, Domanski and Kaletka, 2016[43]; OECD, 2016[7]; Terstriep, Rehfeld and Kleverbeck, 2020[66]). Community is built by the actors of the social innovation, including the private sector, public sector and civil society organisations, which could include a variety of social economy players and citizens. The objective of this community is to develop solid and meaningful partnerships, where their complementarities and synergies will define the quality of the functioning ecosystem.

The social innovation community area looks at how effective are these collaborations among the actors and whether the factors conducive to creating supportive social innovation community are present. Community is built on trust among actors, presence of the social innovation network organisations, and right environment promoting participation, collaboration, and empowerment. Collaborations could be enhanced by building on existing trustful collaborations among the actors, learn from those models and try to expand them as well as through working with the trust brokers by bringing

knowledge, establishing new relationships and connecting different groups of stakeholders with the aim of collaboration.

Over the last several years, much more research has been conducted around the area of collaboration and the roles of each stakeholder. The diversity of engaged actors and proponents of social innovation is one component that makes its investigation challenging. The SI-Drive project (Butzin and Terstriep, 2017[24]) confirmed that indeed, social innovation is characterised by the collaboration of various initiatives in which each actor finds its role. Several roles such as *network enabler, knowledge broker, resource broker, transparency and conflict resolution agent, and shared vision champion* have been identified by various research studies (Castro-Arceab and Vanclaya, 2020[89]). However, research also confirmed that no specific role should be dedicated to a particular actor as they can play multiple roles at different stages of the process and that the boundaries between the functions of different actors can be blurred. Notwithstanding the specific roles, an interesting element it is worth analysing and measuring is the mutual interactions among the various actors within the community of the ecosystem. Measuring level of co-operation among actors and elements around it could be revealing in analysing the effectiveness of the ecosystem and the needs perceived.

Although each social innovation is unique in the way it is built, the wider networks around it at the local level are key success factors in a strong ecosystem for social innovation. Collaboration requires new models of governance in favour of self-organisation and civic participation, allowing experimentation and unexpected results through the involvement of stakeholders. However, this flexibility over the roles of actors and the ongoing involvement of actors in social innovation makes it a challenge for policy makers to design agile policies and supportive frameworks. Table 5 below proposes three sub-areas around the statistics of the actors present locally, the availability of the citizen engagement platforms such as forums, and presence of social innovation network representatives locally.

Table 5. Social innovation community indicators

Sub-areas	Guiding questions	Reasoning	Indicators	Source
Actor statistics	Is there a prevailing type of actor locally in social innovation? Is there a reason for it?	An understanding of the presence of the actors locally could help to define actions to promote social innovation.	• # of cooperatives per capita • # of associations per capita • # of social innovation collaboration projects created with the support of public (or private) funding per year • # of private financers per territory	Local statistics and registration offices data; Secondary analysis and interviews
Social innovation networks	Are stakeholder networks available locally?	Social innovation networks can help to create partnerships and build skills of local actors.	• Local presence of social innovation network actors • # of social innovation engagement events organised per year	Secondary analysis and interviews
Social innovation actors interaction	What is the level of interaction among the various actors? Are there ways for actors to engage with the other actors?	Interaction of actors is a key element of the social innovation ecosystems. Its levels could indicate a level of state of the ecosystem.	• Percentage of stakeholders who have interacted with at least two actors over the last year • # of interactions with other actors per year • # of peer-to-peer support received • # Actors that have collaborated with at least one actor over the last year	Civil Society Index Programme implementation reports Surveys

Source: Authors' elaboration

Available resources

The available resources area analyses the presence of financial resources, availability of infrastructure as well as support programmes at local level. Similar to other innovations, social innovation requires resources to be able to develop and scale. Most of the studies highlight the importance of analysing resources as part of the social innovation ecosystem (European Commission / TEPSIE, 2014[73]; Howaldt, Domanski and Kaletka, 2016[43]; OECD, 2016[7]; Terstriep, Rehfeld and Kleverbeck, 2020[66]). The available resources area looks into the locally available support mechanisms, which could include public financial support, private financial support, and support with provision of advice as well as physical infrastructure. Table 6 provides a list of suggested indicators for available resources.

Access to finance is seen as critical to developing successful social innovations. Such finance can come from public support programmes for social innovation, innovations in public procurement, but also from an emergent field of impact-oriented financing or impact investing (OECD, forthcoming[90]). Social venture incubation, following the example of commercial venture start-up hubs and coaching, is considered another important influencing factor. Comparative welfare studies further suggest that the level of public social expenditure as well as that of volunteering will have a positive influence on social innovation.

The social innovation infrastructure is an important element of support for local social innovators. It may include physical infrastructure (or hard infrastructure) such as incubators, accelerators, co-working spaces or more sophisticated spaces with testing or production equipment. A recent report has made a reference to social infrastructure demonstrating its economic, social and civic value, and hence making it an important element of social innovation (The Bennett Institute for Public Policy, 2021[91]). Social infrastructure includes physical spaces of community life such as cafes, libraries, community halls and gardens just to cite few. These spaces are important for regular interactions between and within the diverse sections of a community, and are often a source of meaningful relationships, where new forms of trust and feelings of reciprocity could be developed. Infrastructure can also include support with skills and capacity upgrading (soft infrastructure) through advice, mentoring or peer-advice. It is important to note that social innovations might require specific support compared to traditional businesses, which might not be available locally. An example of such support would be impact measurement.

Table 6. Available resources

Sub-areas	Guiding questions	Reasoning	Indicators	Source
Public financial resources	Are there any publically funded programmes to support social innovation? Does financial support exist for the entire lifecycle of social innovation?	This information helps to understand if there are available support mechanisms in place at local level	• Budget available from national resources • Budget available at local level • Level of public social expenditure	National or local policy documents The OECD Social Expenditure Database (SOCX)
Private financial resources	Is impact investment available at local level?	This information helps better understand in the level of availability of impact investment at local level.	• Number of impact finance institutions operating per capita at local level • Impact investment at local level • Private social expenditure as percentage of GDP	Surveys; Local press and interviews. The OECD Social Expenditure Database (SOCX)
Available infrastructure (hard / soft)	Is enabling support available at local level – both in the form of hard infrastructure as well as soft infrastructure such as advice or mentoring support? Which support is available locally?	This information helps understand whether social innovators can get support locally with initiation and development of their projects. To see if specific support for impact needs is available.	• # of incubators, accelerators or other relevant infrastructure available locally • # and scale of impact-specific support programmes available locally	Secondary research and interviews

Sub-areas	Guiding questions	Reasoning	Indicators	Source
			• Availability of a directory of all support available locally which could be easily accessed • # of social infrastructure facilities per 10 000 population	

Source: Authors' elaboration

Progress dynamics monitoring

The progress dynamics monitoring (pillar 3) is important to spot the occurring changes to the framework conditions and to analyse the outcome of the measures that are taken in order to adjust. The capacity to adapt to changing circumstances, to adjust local implementation strategies or transfer relevant knowledge is crucial (Strambach and Halkier, 2013[92]). Although measuring social innovation is still a challenge, a dynamics monitoring looking at the variety of changes at the local level can help policy makers better understand economic and social changes generated by specific social innovation programmes and assess the overall impact or outcome of the social innovation ecosystem. Progress dynamics could be analysed based either on the level of an individual measure or programme, or based on measuring change compared to the baseline indicators of a particular area, such as education or health. Both approaches could be acceptable, but would require the establishment of baseline indicators early on. It might be a challenge, however, to measure the impact of a particular policy instrument on the overall progress of the social or environmental indicator. For example, the regional unemployment levels, could be affected by geographical immobility of workers, a mismatch of skills in the local labour market, or other factors. It is difficult to determine how a specific policy instrument could affect this indicator in isolation from the other ones.

Impact measurement of social innovation is still at the early stages and encounters a number of challenges. Although the area is still relatively new, a few reports indicate the importance of the subject (European Union/OECD, 2015[93]; OECD, forthcoming[94]) and a variety of methodologies or tools are being tested (OECD, 2016[7]). For example, social innovation is largely disregarded in innovation metrics. There are a number of reasons why measuring social innovation is a challenging endeavour, including the fact that it requires simultaneous action on a number of interlocking levels (Seelos and Mair, 2017[95]). Social innovation programmes can take a variety of forms and produce impact directly or indirectly (van Wijk, 2018[96]). Impact is also typically locally embedded which means that its conditions could vary from one territory to another. Finally, often, as is the case also with social impact measurement (Krlev, Bund and Mildenberger, 2014[69]), social innovation encompasses and is shaped by "soft" social indicators, which are not easy to capture let alone quantify. In addition, for social innovation, monitoring the results of individual activities will be helpful to support learning processes to improve other innovations in a dynamic process. Measuring the impact of the overall local ecosystem for social innovation faces the challenge of quantifying the impact of single social innovation programmes, while also considering the social and economic beneficial impacts generated by the ecosystem, which goes beyond the sum of the single programmes.

There are some methodologies commonly used for social impact measurement. International standards frequently applied are Social Return on Investment (SROI), the IRIS Catalog of Metrics by the Global Impact Investing Network (GIIN), the decent work indicators by the International Labour Organization (ILO) and the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards). However, social impact measurement methodologies can appear confusing and fragmented due to the large number of options available.

There has been a strong push for standardisation at the international level over the last decade. The Blueprint of Social Innovation Indicators (Bund et al., 2013[97]) developed within the Theoretical, Empirical and Policy foundations for building Social Innovation in Europe (TEPSIE) project suggested the use of a number of outcome indicators around the areas of societal challenges which could be monitored regularly. In most countries however, there is no harmonised process to track social innovation. This is compounded by the methodological challenge of capturing the effects in terms of social value creation. Because there is persistent ambiguity on the concept and scope of social impact, it is particularly difficult to collect and produce data in this regard. What seems to be missing almost altogether, in a discussion that is strongly focused on quantitative analysis or aggregate data, are the transformational processes of change that social innovations or the process of innovating socially may produce.

Given the diversity and context-based dimension of social innovation, a sound governance approach to social impact measurement becomes crucial. Since the performance information is typically produced in-house, and often based on self-declaration, a number of biases can intervene (confirmation, social desirability, etc.). The right checks in the data collection and treatment process are needed to ensure the robustness and credibility of reporting. The demand for independent, third party verification is growing, particularly among impact investors.

The forthcoming report (OECD[98]) **highlights the growing importance of social impact measurement for a variety of actors and lists the main approaches to social impact measurement**. Current approaches often require increasing levels of knowledge, resources and skills to master more elaborate measurement techniques. This can be challenging for social innovation actors, especially when they have multiple and, at times, competing objectives for using social impact measurement. The report (OECD, forthcoming[98]) identifies a range of policy initiatives that national and local governments can take to foster stronger culture of social impact measurement in the social and solidarity economy. These initiatives could range from creating the enabling conditions and incentives to conduct social impact measurement, and could also include capacity development and guidance on the application of specific approaches.

New approaches around data relevant to social innovation are emerging

Data-driven intelligence has been successfully used by the scientific and business communities for a while, but a very different situation prevails in the social field where social change organisations are lagging in collecting and analysing vast amounts of data. There is still a gap between the potential of using data-driven information and its actual use in helping solve social problems or getting a better understanding of where we stand in relation to dealing with them. Both challenges with accessing and using big data, as well as the lack of relevant big data, are both challenges for social innovation (Desouza and Smith, 2014[99]).

Digitalisation of all spheres of our lives gives us an opportunity to gather and analyse more information these days. A hands-on approach to assessing trends, including around the social sphere in public discourse is the *Google Trends* tool. It can help us to "get an idea of new, emerging and urgent needs. […] Google Trends is good for specific questions – at the very granular level – e. g., to specify how many people are searching for information about particular issues such as depression […] A comparison over time might provide a sense of whether these issues are becoming more or less relevant and thus the identification of 'need patterns" (Bund et al., 2013[97]). A more advanced way of tracking the emergence of issues and debates, and the coalitions forming around them are analyses of web-scraped data (Powell et al., 2017[100]). This approach looks at the new organizational forms and field transformation in the non-profit sector by analysing their references to other organizations through hyperlinks their websites. Another concrete example of using online data is by means of network and topical analyses of social innovation related themes and areas debated on social media as early indicators of the emergence of new solutions (Terstriep et al., 2021[84]).

Data gathered through approaches such as those highlighted above could help identify actor coalitions and how they promote or oppose certain topics. Importantly it can also help identify emergent solutions and track dynamics when a proposed idea leads to joint action (setup of a programme, awareness campaign, foundation of a movement, or an organization), and further in the future to potential outcomes. The recent announcement by Twitter to provide their databases for scientific research eases data access to carry out such analyses. This could create an opportunity for policy makers to get a sense of such early indicators in the social innovation process. Encouraging digital platforms to make more such data available, and allowing for deeper granularity or territorial filtering, could help social innovation stakeholders get additional insights into the existing trends.

There are also examples of initiatives where policy makers have started creating public spaces such as public data banks where some indicators could be retrieved. Governments have been collecting data for many years, but generally this data was kept for their internal purposes such as justification of expenditure. The new trend is to promote data sharing and see how this data could be further used for learning purposes. As a source of inspiration a Unit Cost Database in the UK lists over 600 cost estimates including education, health, housing, social services etc., most of which are national costs derived from government reports and academic studies. Provision of this information could inform proposals for the implementation of new interventions, the redesign of public services or their evaluation. They are particularly relevant when delivering public services through outcome-based mechanisms, as the estimated costs can be used as references to price outcomes (EVPA, 2018[101]). The proposed indicators in these databases could serve as a reference point for the evaluation and monitoring exercises also related to social innovation.

Finally, another approach could be to look at the available indicators and adjust them specifically for the needs of social innovation. A good example could be found and adapted from innovation metrics. For example, while commercial innovation is likely to be driven by graduates with engineering and technology degrees, social innovation might depend more on degrees in social and human and social science, or responsible business or sustainability. Another example might relate to expenditures on social innovation by organisations. As the stakeholders are however only slowly taking up the social innovation terminology, alternative and indirect framings might need to be used for detecting such budgets, if they exist at all in the majority of organizations.

3. Implementing a social innovation ecosystem at the local level

Implementation of social innovation requires an alignment and combination of local resources available and political priorities. This section relates to the policy implementation measures (pillar 2) of the defined approach and provides general principles for supporting social innovation at local level as well as approaches and concrete actions that policy makers can take based on the local level of advancement with social innovation policies.

A dedicated strategy is not a pre-condition for supporting social innovation at the local level. There are actions that policy makers can undertake even before agreeing on a strategy. Although social innovation may benefit from appropriate policies and frameworks for implementation such as action plans, there are other ways for policy makers to support social innovation. This could be done by involving various actors in policymaking, creating culture of experimentation and promoting collaboration, and other actions described below.

What measures can policy makers develop?

Policy makers are expected to create the right environment and develop instruments, policies and architecture that support collaboration, and the emergence and development of social innovation. Traditionally, within the public sector, the mandate for dealing with societal challenges was with organisations in the areas of social or environmental issues, like a ministry or agency concerning health or social affairs. Social innovation is also a process that could require tools and experience within the sphere of entrepreneurship or innovation. Policy makers can create a conducive environment by enhancing the entire social innovation ecosystem.

The sections below provide a set of policy implementation mechanisms, which could be applied at the local level. They are divided into demand-side measures (aimed at creating a market for social innovations) and supply-side measures (aimed at increasing the number and the quality of social innovations) and provide non-exhaustive list of mechanisms that could be applied.

Demand-side measures

Demand-side policies such as public procurement, regulations or policies supporting private demand, have been increasingly used for innovation. They are also highly relevant for social innovation. To be sure that there is a sufficient appetite for innovation, there is also a need to ensure that there is the necessary market and demand for them at the local level. Success of the demand-side policies often depends on a number of strategic factors, such as the level of maturity of the governance systems in place, clearly articulated policy objectives that are implemented under shared visions, and roadmaps not disturbing market competition (OECD, 2011[102]). Another element to consider is that demand-side measures, such as public procurement, regulation and standardisation, may often be difficult to apply at a local level; however all territories could benefit to a large extent from more innovative demand from public

procurers in their daily procurement activities. Also, when developing locally focused demand-side measures, policy makers may seek to make a reference to a geographical specification concerning the demand that is to be increased.

While relatively few demand-side measures have been applied locally, OECD has provided a set of recommendations (OECD, 2014[103]) **and continues further research on the subject.** The level of authority of the local government is one of the main defining factors relating to the uptake of the demand-side innovation policy measures according to Wintjes (2015[104]). This is the case regarding the implementation of public procurement policies, which are more frequently implemented in regions with higher autonomy. The same study also referred to the range of responsibilities at a regional level and the existence of horizontal coordination mechanisms, which seem to be important conditions when favouring the implementation of public procurement policies for innovation. The Good Practice Compendium Boosting Social Enterprise Development (OECD/European Union, 2017[85]) also makes a reference to specific examples of application of public procurement integrating social and environmental clauses.

Some of the concrete measures which policy makers could implement are listed below. These could include, but should not be limited to:

- **Awareness campaigns and prizes** are probably the easiest demand-side measures, which are already being implemented in many countries. Campaigns such as "buy local" or 'buy social" or "buy green" can be an effective way to educate consumers about the environmental and social advantages that independent and local businesses bring to a community. The ultimate goal of these campaigns is to create a thriving local economy by maximizing the potential of local businesses and increasing their market share (business, government, and consumer purchases) relative to non-locally owned businesses. *Le Panier Bleu*, is an example of such a solidarity movement supported by Quebec (Canada), which provides online links to local producers, encouraging Quebec residents to buy local. Another example of awareness-raising might be a social innovation award which is not only an awareness-raising tool but can also bring new actors to the community of social innovators, and help develop new initiatives and identify new partners.

- **Public procurement** is another way for policy makers to leverage the application of social or environmental objectives in policymaking. Most socially innovative organisations are small and do not have the resources to compete with larger organisations with more experience in public procurement. This is made even more challenging by the fact that in many countries the awarding of contracts is based solely on price criteria. The integration of social or environmental considerations has recently been high on the agenda of policy makers, especially in the European Union as a consequence of the new European Public Procurement Directive (2014/24/EU). The good practices compendium (OECD/European Union, 2017[85]; Social Innovation Community project, NA[105]) provides a number of concrete case studies such as one of the city of Barcelona developing a specific Social Public Procurement Guide, that was adopted in 2017. There are also other relevant policy cases outside of Europe, for example South Korea has incorporated sustainable procurement principles into procurement policy, attempting to foster innovative and environmentally friendly companies, as well as those led by individuals belonging to socially disadvantaged groups. Other examples of sustainable public procurement are also described in OECD reports on best practices for sustainable procurement (OECD, 2015[106]) and approaches to integrating responsible business conduct in public procurement (OECD, 2020[87]).

- **Support the knowledge base through impact measurement tools,** given that measuring the social (and environmental) impact created is crucial for social innovations since it defines their *raison d'être* and is a way to justify their effectiveness and improve efficiency. The social impact created is often a reason why stakeholders are involved with social innovation, and it makes understanding and measuring their social impact a priority for all stakeholders (i.e. public authorities, impact investors, services-users and social enterprises).

- **Tax incentives or subsidies** are currently being used in many countries to stimulate investment in research and development, but also in the social fields, for example by providing tax deductions on donations for social causes. These could be a valuable way to promote social innovation, however local authorities often don't have the relevant instruments in their competencies and should be careful in being too generous in providing tax incentives, basing actions on feasibility studies and focusing on specific objectives. Direct funding through grants and subsidies is another policy instrument that could be considered by policy makers. One example is the personalised budget mechanism that is relatively wide spread across the countries, when a person that qualified for this support could make her or his own arrangements to meet their support needs. Often these support mechanisms involve users of social services being given an individual financial allocation to be spent on the provider of their choice (see (OECD, forthcoming[107])). These mechanisms are spread across the United Kingdom, Ireland, the United States, Sweden, the Netherlands, Finland and many other countries and could be implemented at a local level (European Commission / TEPSIE, 2014[73]). These allocations could be a useful source to spark social innovation at a local level as was witnessed in the Lauttasaari project in Finland, aimed at changing the health and social services system. Various actors worked together with the aim to create a new user-driven networking service model for the elderly, empowering them to make financial decisions when selecting providers of services from a range of public and private providers (Agarwal et al., 2015[108]).

Supply-side measures

Supply-side measures aim to increase the number and quality of social innovations. These measures aim to support the viability and future development of social innovations as well as the organisations and citizens behind them, through capacity building, provision of soft and hard infrastructure, improving access to funding and the market, among other areas. The measures are regrouped under the three main groups:

- **Financial support** remains in high demand for social innovations. The impact investor and venture philanthropy markets have expanded across the world, representing a source of financial support. Support could be provided through a direct or indirect manner. Direct financial support measures could be provided in the form of grants, subsidies and loans for social innovation promotion. When designing financial support schemes policy makers could consider the entire lifecycle of social innovation and ensure that financial support is available during the initiation, incubation and growth phases of the innovation. It is particularly important to provide funds to promote collaboration among the actors in the form of grants, vouchers or loans that could enhance experimentation and testing of various models. One option is to provide funds based on the competitive process and combine it with the provision of capacity building or mentoring support (Varga and Hayday, 2019[109]). There are numerous examples of the provision of social innovation financial support including in *Social Innovation Factory*, Belgium. This example in Belgium demonstrates how an alternative barter currency (the SIF) is used to pay for services provided, which should be paid back by helping someone; all of the transactions in this virtual currency are translated into euros in the financial accounting system (OECD/European Union, 2017[85]). There are also more traditional examples of provision of financial assistance, such as *Social Investment Scotland* providing loan funding and business support for social enterprises, charities and community groups looking to make a positive impact (Social Investment Scotland, 2020[110]).

- **Hard and soft infrastructure is** another important element which can support the development of social innovation in a particular territory. Hard infrastructure comprises physical infrastructure such as incubators, business support centres, *FabLabs* or similar experimentation laboratories as well as collaborative spaces and technology centres. Soft infrastructure refers to all the support services that could be provided in the physical infrastructure, which for example might include high-speed

internet connection, accounting or mentoring support. Policy makers need to ensure the availability of both hard and soft infrastructure depending on the needs of a particular territory. Remote rural areas might have additional requirements, such as availability of internet broadband.

- **Skills development** is an area which could greatly support the quality and survival of social innovations but also ensure social change. Social innovators need a wide range of skills across the innovation life-cycle associated with innovation process management, problem solving ability, management and technical issues, just to cite a few. Skills development could be achieved through mentoring and coaching activities, dedicated capacity building seminars on business support services such as business model development, financial management or impact measurement. Most education and skills support at present is focused on individuals that are already or on their way to becoming social innovators. To nurture social innovation early on, however, a stronger focus in higher education on sustainability, social impact, entrepreneurship and innovation issues would be very desirable.

- **Collaboration** is one of the main features of social innovators. Providing them with the tools and resources to co-create and support each other could be an effective manner for policy makers to support social innovation. Collaboration support could be provided through the organisation of events and virtual platforms where different types of stakeholders could meet. *Hackathons* is an example of such an event where different stakeholders could meet up with the objective to design solutions for a particular challenge during a limited period. What is important is that this involvement goes beyond simple consultations and embeds actors as actual co-designers of actions. One way of doing this is by organising *idea jams*[5] or *brainstorming workshops* around a particular subject. For example, since 2011, the Flanders region (Belgium) organises idea jams in a number of areas such as Social Economy and Sustainable Material Use. These workshops help identify and bring together various organisations working on the subjects and develop concrete policy recommendations (European Commission, 2013[41])

The specific measures for a territory would depend on the analysis of the local framework conditions. Nevertheless, any policymaker could get started with the implementation of social innovation promotion even with a limited budget. Table 7 provides a summary list of measures that policy makers could take depending on the level of advancement of policy around social innovation.

Table 7. List of actions promoting social innovation based on the stage of policy action

Stages of policymaking promoting social innovation	Proposed actions
Early	- Map relevant stakeholders locally - Think strategically how existing actors and resources could create a common vision together - Explore the need for institutional changes, or development of a dedicated strategy - Promote and raise awareness of the initiatives at local level
Intermediary	- Develop infrastructure around social innovation - Provide capacity building support (and tools) - Explore demand-side options as public procurement
Advanced	- Develop a space to interact with citizens and other stakeholders

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[5] "idea jam" is a collaborative brainstorming activity or event, aimed at generating solutions in a relaxed and creative environment.

	• Promote social experimentation
	• Scale social innovation

Source: Author's elaboration

Measuring the social outcome of strategy, projects, or instruments implemented locally

Evaluation of demand-side and supply-side measures helps establish whether the policies to support social innovations are being successful in meeting their objectives and identifying how they can be improved. Social innovation is about experimentation, which requires testing and development of pilots. This needs to be taken into account by policy makers and translated into programmes and instruments with a higher level of risk acceptance and greater attention to the feedback processes for any new initiatives.

The sections below propose practical actions on enhancing social innovation for local authorities with different levels of advancement of social innovation. This includes activities for *early*, *intermediary* and *advanced* stages of social innovation policy development. It is not an objective of this paper to provide criteria for classification of the level of policy development. Policy makers should decide themselves which element is most relevant for them.

Early stage of policymaking to promote social innovation

It is always difficult to start from scratch, even though probably every region, city or municipality would be able to demonstrate some examples of social innovation. The real question is what policy makers can do to get a better understanding of the given situation, which steps they should take and in which order. This paper proposes some of the actions which policy makers might want to consider, that are supported with concrete, identifiable examples which are particularly relevant for the local authorities just starting to promote social innovation.

Action: Map relevant stakeholders locally

Authorities need to acquire knowledge of the forms that social innovation can take and the actors operating locally. In order to better understand the local tissue of actors it is important to start by getting to know them. One approach would be to commission a mapping study, but there are other ways for local authorities to get to know the local actors. For example, it would be possible to identify the main local stakeholders and meet them individually, or by meeting their peers through participation in the events they organise. Another possibility for the policy maker is to involve key stakeholders in a brainstorming session.

Policy levers:

- Identify key opinion leaders in each of the stakeholder groups, including civil society, private sector, academia and public sector who are active in the area of social and environmental issues or innovation.
- Collect any information or data that these stakeholders share as it might be useful for other actions.
- Involve umbrella or network organisations working with various stakeholders at a local level.

Pitfalls to avoid:

- Do not limit this action to a few stakeholders and try to apply an inclusive approach by integrating actors from various fields.

Relevant examples:

The European Commission with the support of the European Research Institute on Cooperative and Social Enterprises (Euricse) and the EMES International Research Network (EMES) have prepared a major mapping exercise "Mapping study on social enterprise ecosystems" (European Commission, 2020[86]). The study has prepared country reports with the features of social enterprises in 28 EU member states and seven additional countries using a common definition and approach. This study can serve as an example of the mapping which could be translated to local level and involve other actors. Building on the need to explore more opportunities to promote social entrepreneurship and social innovation, the European Commission has also create a Transnational Cooperation Platform specifically focused on Community of Practice on Social Innovation integrating the main actors from the European Social Fund authorities and other relevant stakeholders to learn from good practice policies with the aim to better integrate them into the next programming period of 2021-2027.

Action: Think strategically how existing actors and resources could create a common vision together

Gathering local information could be a useful way to get a better insider knowledge on the existing challenges and opportunities. Supported by available statistics and data, this information can help in drafting a common vision at a local level with a defined role for social innovation. For example, if a particular territory has a number of challenges related to unemployment, lack of health facilities, but has a good connectivity infrastructure, a large young population and an active civil society, this could lead to strategic reflection on which collaboration opportunities should be privileged and what role the government could have in this. The process of vision-creation should be supported by various stakeholders and they should agree on a common vision and should go beyond simple consultation mechanisms.

Policy levers:

- Focus the vision on a few clearly identified main challenges at a local level where impact is most needed.
- Be open about involving stakeholders in the process of drafting the vision together through the organisation of brainstorming workshops, idea jams, etc.
- Streamline the actions on social innovation. It is better to have fewer actions but with a better focus, chance of financial sustainability and aimed at social change.
- Social innovation vision can also be part of the local vision by including a dedicated section or chapter in the local policy documents.

Pitfalls to avoid:

- Prioritisation is never easy, but when defining a vision, focus on the areas where impact is needed most and could be achieved, even if this implies a new area of action.

Relevant examples:

In Spain, the Navarra MODERNA plan is a medium and long-term strategic plan that promotes change in the economic development model of Navarra, moving towards a knowledge-based economy focused on people. Its scope of action foresees a 20-year horizon in areas of health economics and greening talent promotion. The plan was developed with over 3 000 participants, including citizens and relevant stakeholders involved via consultation committees and surveys. This plan served as a building block for the other social innovation and social economy strategic documents in the region.

In Germany, the Ministry of Education and Research has recently launched an initiative project "*Gesellschaft der Ideen*" (Society of Ideas), which is an idea competition which can inspire the government with ideas that citizens and organisations can propose.

Action: Explore the need for institutional changes, or development of a dedicated strategy

Policy development and implementation around social innovation might require a reflection of the need to review the institutional set-up at the local level and the necessity of a particular strategy and/or action plan. Setting up a formal institutional framework, for example in the form of a strategy, action plan, or dedicated programme can help support social innovation. Social innovation typically involves a number of institutions at a local level and a coordination mechanism might be needed to better involve of a number of initiatives at local level. This coordination mechanism can take the form of working group or committee. In some cases, it might be advisable to nominate a "ringmaster" (European Commission, 2013[41]) to take a leadership role among the various local institutions or even give a mandate for social innovation to a particular institution to conduct a major initiative at local level.

Policy levers:

- Establish partnerships with relevant stakeholders from the outset of the policy and/or strategy development process.
- Ensure coherence and coordination of different policy actions that may impact social innovation development.
- Work on communication across the local institutional set-up, including government agencies but also with the other stakeholders.
- Consider how an institutional set-up could contribute to the bigger picture of local development, for example if it can be part of the regional smart specialisation strategy or contribute to national priorities and strategies.

Pitfalls to avoid:

- Creating an institutional framework without considering the existing system, norms and procedures.
- Ensure availability of budget when planning activities in the Action Plan.

Relevant examples:

In Korea, when a well-known civil society leader Wonsoon Park became mayor in 2011, Seoul City had been going through rapid change. The Seoul Metropolitan Government has since significantly changed the way it engages with its citizens involving them more in the decision-making process and has developed a strategy focused on interaction with citizens and promoting social impact. In 2013, Seoul's Mayor set up the Seoul Innovation Bureau (SIB), the first of its kind in Asia with the objective to encourage citizen participation by seeking ideas and insights which it often adopts as city policies. The SIB, together with the Public Communication Bureau (PCB) worked on the implementation and promotion of social innovation activities of Seoul. The new strategy also opened up policymaking processes and started sharing information and communication media channels with citizens.

Action: Promote and raise awareness of the initiatives at local level

Sharing knowledge about existing initiatives and helping them to connect to each other is an easy way for policy makers to support social innovation. The first step is to raise public awareness about the concept and the concrete case studies which could be demonstrated. The second step is to create awareness about concrete existing opportunities, as generally there is no place or directory where various actors with ideas, initiatives or proposals for collaboration can meet and share experiences. A relatively easy and potentially effective way to create awareness is through a dedicated physical or digital space where inspired individuals can share their ideas, and can identify potential partners. Short training courses or events around the subject of social innovation might also be beneficial for creating awareness.

- Develop awareness-raising campaigns on social innovation explaining the concept and promoting concrete case studies.
- Develop a virtual or physical space where individuals could share their ideas, for example in partnership with a local trusted organisation. The expertise of such an organisation might be needed in order to manage such a place and support the input of information.
- Development of capacity building or training courses in partnership with local knowledge providers such as universities could help to spread information through their networks too.
- Development of awards and competitions around social innovation might be another useful element to spread awareness.

Pitfalls to avoid:

- In the case where private sector or civil society have already created idea-exchange platforms, consider building on that experience and knowledge in partnership with them instead of developing an alternative platform.

Relevant example:

In Canada, Social Innovation Canada (SI Canada) is an initiative to connect social innovation practitioners, build the capacity of the sector, and elevate this work in Canada and beyond. Interestingly, although the initiative is national, its strategy reflects the specificities of each of the regions of Canada which are very distinctive. The platform allows for the sharing of initiatives across the county and connecting of practitioners locally but also across regions. It is implemented by Chantiers – the Quebec regional network of social innovation – and is funded by philanthropy, government and the private sector.

Intermediary stage of policymaking to promote social innovation

Local and regional authorities that have experience with social innovation and have a network of local actors might be inspired by some of the actions and examples proposed below. Typically these activities are better suited for regions which already have a critical mass of actors and where there is some awareness around the concept of social innovation. These programme also require a more substantial budget from public authorities.

Action: Promote collaboration / experimentation programmes

Collaboration is at the heart of social innovation and developing an environment that promotes this experimentation is an important part of creating a functioning ecosystem. If bringing actors together through a platform might be sufficient to initiate collaboration, providing resources in order to motivate the creation of prototypes or pilot projects is essential as well. These resources could be provided on a competitive basis and with a financial participation from the actors. Other potential methods could involve collaboration vouchers where one organisation could get services from another, or policy makers could launch calls for proposals where consortia could be formed with a particular objective. Policy makers could also explore the possibility of collaboration through the Living Labs user-centred co-creation approach. Living Labs operate generally as virtual intermediaries among citizens, research organisations, companies, cities, and regions for joint value co-creation, rapid prototyping or validation to scale up innovation and businesses, including social innovation. The methodology of Living Labs have proven successful in organising collaborative innovation processes by involving diverse actors, including citizens, business, public and civil society sectors, however their role in addressing systemic social change remains unclear (Edwards-Schachter, 2018[111]).

Collaboration should involve, as much as possible, the beneficiaries of the social innovation. By involving the potential beneficiaries of the solution, such as under-represented social groups in the design of social innovations or solutions, policy makers could foster a stronger sense of ownership and limit the risk of avoidable design errors resulting in disappointing uptake and a waste of resources. Moreover, it can transform beneficiaries from passive users to agents of change. The recent report has provided a number of concrete examples involving the migrant population in co-creation of social innovations as an answer to COVID-19 crisis (Patuzzi, 2020[112]).

Creating more collaboration opportunities could generate a cross-fertilisation effect allowing new ideas and new projects to be born. Collaboration could be supported by policy makers through development of online platforms and living labs, for example, but also through funding of collaboration opportunities where different actors can work together. One example of such a collaboration partnership programme is the *Social Innovation Partnerships* programme in Melbourne (Australia) (City of Melbourne, 2020[113]). Collaboration tools and techniques are necessary, but it is important to remember to put the emphasis of collaboration on concrete principles and practices. Collaborations should aim to sustain genuine partnership, breaking the logic of annual cycle programme supported through subsidy or a programme.

Finally, policy makers should address the legal and regulatory issues impeding social innovation actors to collaborate and for application of social innovation on the ground. For example, crowdfunding was a novel concept which required reviews of legal frameworks in many countries to make it happen.

Policy levers:

- Consider the entire lifecycle of a social innovation project when designing a financial support programme.
- Explore regulatory innovation capacity using 'sandboxes' to test and experiment with new models and inviting new actors to take part in it. This can help see the issues on the regulatory side.
- In the evaluation process, involve a selection of practitioners in order to get expert opinions on the collaboration process.

Pitfalls to avoid:

- When designing a programme, consider not making it too restrictive and too risk averse. Social innovation is about experimentation and it should be accepted that not all the pilots or pilot projects would succeed.

Relevant example:

In Belgium, the Social Innovation Factory was established in Brussels in 2013 by a mix of civil-society organisations (CSOs), social enterprises and private companies. The Factory's main impact and strength lie in informing and helping people start their entrepreneurial project, without necessarily accompanying them along the entire trajectory, up to the launch of their product or service. The Factory offers services such as face-to-face assistance by process managers, enrichment sessions with experienced innovators, workshops and boot camps. It also runs broader communication and awareness campaigns, and organises numerous networking opportunities for all stakeholders involved. It has helped more than 300 innovators test and validate their ideas, and has identified a large number of enablers (funders and experts) who support innovators where needed.

Action: Develop infrastructure around social innovation

Social innovation infrastructure, which can include FabLabs, co-working spaces, incubators, accelerators and industrial parks could be an important factor for scaling social innovations and help them develop. Both hard and soft infrastructure are needed, with priorities depending on the local

context. Hard infrastructure costs could be high and policy makers should take the decision on developing such an infrastructure with caution and based on feasibility studies of the financial sustainability of such projects. There is also a question whether traditional incubators should be used or if there is a need to develop separate social incubators. A recent study highlighted that social incubators are as efficient as other incubators, but that they perceive social impact measurement and consulting on business ethics as more important services compared to traditional incubators (Sansone et al., 2020[114]). Whenever policy makers want to support development of the infrastructure, they should try to build synergies with the existing players at the local level by offering space or other resources and finding a collaboration agreement with the operating incubators or social innovation community. Partnerships with other territories could also be envisaged as a way to create shared infrastructure as well as helping one social innovation to transfer to another territory using this partnership on trans-local network. In parallel, soft infrastructure and accompanying services such as mentoring support or business model development support should also be taken into account. Lack of infrastructure could also hinder rural social innovation. Digitalisation for example, requires availability of internet coverage in rural areas (OECD, forthcoming[115]; Sept, 2020[116]).

Policy levers:

- Commission a feasibility study to evaluate the local needs and gap analysis on the available infrastructure and services.
- Leverage existing infrastructure for innovation and entrepreneurship promotion by creating partnerships and proposing services and space relevant for social innovation and adjusting acceptance criteria for intake.
- Consider development of performance-based contracts with the infrastructure providers.
- Allowing local community groups to manage unused local amenities for social innovation-related activities might be an effective policy measure to support local innovation locally.

Pitfalls to avoid:

- Building infrastructure is an expensive process which should be justified and well-planned. Consult with the social innovation community to reconfirm their most pressing needs and their views on the project prior to its implementation.

Relevant example:

In France, Alter'Incub is the regional incubator dedicated to social innovation and social enterprise development in France. This multi-stakeholder structure was launched in 2007 by the Regional Union of Co-operative Companies of Languedoc-Roussillon (URScop-LR) in partnership with the Regional Council of Languedoc-Roussillon. Its main mission is to assist entrepreneurs and offer them legal, financial and commercial support to create socially innovative enterprises at the end of the incubation period. Alter'Incub supported the creation of at least 60 social enterprises, which in turn provided over 350 jobs in the region. It also contributed to defining social innovation and social enterprise in France.

Action: Provide capacity building support (and tools)

Social innovation alone will not make an impact unless it is scaled. For scaling to take place, social innovations need support with capacity building, tools and mentoring advice. This process can be supported by the public sector but other partners could also contribute, for example research organisations could develop tools and the private sector could help with the mentoring and capacity building supports. A particular angle might be to increase awareness of the business development service providers about the nature of social innovation and how to support them, also through directing funding to intermediary support organisations such as incubators or business support centres. Policy makers could also partner with network organisations, knowledge providers and research organisations to promote the availability of the

necessary capacity building tools or training courses in the curriculum of local educational institutions. Peer-to-peer learning should also be explored as a potential and low-cost option to provide capacity building and mentoring support, and which could be provided with the support of the network providers. Social innovation initiatives similar to social entrepreneurs often find it difficult to measure the social or environmental impact they create. Promotion of the available tools, including the ones for impact measurement such as the Social Return on Investment (SROI) methodology, Ashoka's Social Reporting Standard, a list of impact indicators provided by Social Value UK (2021[117]), or analogue tools and methodologies, could be encouraged and assisted with the execution. A number of such tools is presented in the Social Innovation Evaluation Toolbox (Castro Spila et al., 2016[118]). *#WirVsVirus* example presented earlier also highlights how the government can provide useful tools not only for building capacities, but also for building communities together. (Gegenhuber, 2020[42]) Hackathons - as an example of such a tool or method - can get messy, and online hackathons, just like physical ones, require a central communication and meeting space. Once you select a platform, it is crucial to understand its limitations and ensure that it works. The same is true for any other community-building tools.

Policy levers:

- Analyse the gaps in the market and needs of social innovation community.
- Leverage existing networks and business development service providers through creating partnerships and proposing services and space relevant for social innovation.
- When designing support programmes, consider the financial sustainability aspect and a roadmap for them to be potentially financially independent.
- Consider a "fast-track" path for the most promising social innovations.

Pitfalls to avoid:

- Build support programmes in partnership with the local stakeholders and, whenever possible, support the existing initiatives and intervene in the areas where there is lack of support services.
- Consider the needs and support these needs during the entire lifecycle of a social innovation.

Relevant example:

In France, French Impact is a new inter-governmental initiative launched in 2018 by an alliance of public sector, private sector, and social and solidarity economy actors to promote social innovation and find solutions together for the societal challenges. It brings together various social innovation actors, helps to develop and grow initiatives, and contributes to the transformation of society. One of the pillars of the support services it provides is through the provision of capacity building support to pioneering social innovations. Currently, 22 initiatives receive support with tools to measure social impact, mentoring advice and links to the network of partners. In less than two years, French Impact has been confirmed as a social innovation leader in France, and together with its partners has developed a number of tools, including social impact measurement tools.

Action: Explore demand-side options as public procurement

Public procurement is the most obvious demand-side policy that can become a catalyst for change and trigger market demand for sustainably at a local level (OECD, 2020[119])**.** Policy makers could use public procurement to create a specific product or service. It could be a product of social innovation not available locally, such as a new system to provide virtual health consultations at a local level. Another way public procurement could be applied is through the use of social considerations (social clauses, other performance-related criteria, etc.) while buying furniture for public buildings or repairing a road.

Policy levers:

- Move away from strict compliance to a more managerial approach pursuing value for money in the whole project cycle.
- Encourage the evaluation of bids on the basis of the Best Price-Quality Ratio, in particular those concerning social and health services.
- Encourage the use of smaller public contracts in order to make it easier for smaller entities to participate in the public procurement process.

Pitfalls to avoid:

- Policy makers should be aware that the loosening of public procurement rules could potentially create issues such as corruption. Application to competitive tendering should be kept to minimum.

Relevant example:

In Canada, the city of Toronto has a long history of using procurement to achieve strategic social, economic and workforce development goals. It established a Social Procurement Programme in 2016 with the objective to increase the diversity of the City's supply chain by providing diverse suppliers with equitable access to competitive City procurement processes, as well as increase the employment of the disadvantaged communities. In the period 2017-2018, it resulted in 168 low dollar value contracts valued between USD 3 000 and USD 100 000 awarded to 32 diverse suppliers at a value of approximately USD 3 million.

Advanced stage of policymaking to promote social innovation

Some territories have been promoting social innovation for several years, and have gained significant experience and knowledge in this area. Although patterns are different, each single example could be a valuable experience. Interestingly, social innovation can be a way forward for all places, from heavily populated cities with large public budgets to agriculture-based rural areas.

Action: Develop a space to interact with citizens and other stakeholders

Many of the local authorities facing increasingly complex social and environmental problems have started implementing experimental spaces, or social innovation labs. These Labs offer an opportunity for citizens and other interested actors to co-create and co-design innovations in partnership with the local government. They provide a physical space and offer a process for involving various actors in finding solutions to particular challenges. The Lab team works closely with citizens to find out where the challenges lie, experiment with alternative scenarios, and come up with services and policy recommendations. Some of these ideas could be picked up by the policy makers and implemented locally. The particularity of such Labs is that they enable collaboration among multi-disciplinary teams and diverse stakeholders, and take a user-centred approach as opposed to organization-centred approaches. Examples of such Labs could be found across the world and Box 3 (see earlier section) presents an example of such Lab in Mexico City.

Policy levers:

- Labs should remain independent in the way they are run to allow for experimentation and to attract various types of stakeholders. Breaking the boundaries of involving new actors in finding solutions can be crucial for the success of such spaces.
- Establishing social innovation labs to test and research social innovations at local level could be a way also to build local capacity on what works and what doesn't at a local level.
- By creating a Lab as a public-private partnership, it is possible to secure financial sustainability which otherwise might create an issue in a long run.

Pitfalls to avoid:

- Even if the Lab is initiated and financed by the government, it should emphasise its openness and the multi-sectoral cooperation in the generation of new ideas and solutions.

Relevant example:

In the United States, the New York Mayor's Office for Economic Opportunity uses evidence and innovation to reduce poverty and increase equity. It advances research, data and design in the City's program and policy development, service delivery, and budget decisions. Its work includes analysing existing anti-poverty approaches, developing new interventions, facilitating the sharing of data across City agencies, and rigorously assessing the impact of key initiatives. It also produces research and analysis of poverty and social conditions, including its influential annual Poverty Measure, which provides a more accurate and comprehensive picture of poverty in New York City than the federal rate does. Since the start of the initiative it has launched over 70 programs in collaboration with 40 different city agencies.

Action: Promote social experimentation

"Social experimentation is often associated with social innovation and the search for ways to revitalise policy by making it more efficient, more effective and better adapted to new social needs" (Jouen, 2008[120]). Introduced as a concept in the 1970s, social experimentation typically refers to small-scale projects with the objective to for policy innovations to be tested by the public sector and takes controlled experiments in the social field with a view to testing hypotheses. The advantage of a social policy experimentation methodology is that because it tests a particular hypothesis, it is possible to develop customised indicators from the very beginning and to measure the impact of interventions by comparing them to the control group. This indicators could be useful when scaling up the policy intervention and could help measure its actual efficacy. The Guide on Social Policy Experimentation developed by J-Pal (European Commission, 2011[121])could be a useful tool to advance with this action. The guide provides a method to define indicators and apply randomised control trials to two groups of actors. One group benefiting from the assistance and the other one - not benefiting from the intervention. By gathering information on both groups throughout, policy makers are better able to assess the efficacy of the specific approach.

Policy levers:

- Set outcomes on which policy intervention is expected to have an impact prior to policy implementation and agree on the hypothesis.
- Define two groups from the beginning, one benefiting from assistance and the other not, and try to gather information on both groups throughout the implementation.
- Social experimentation is not only about the results achieved through a particular experiment, but also understanding why it was achieved and what created an impact. Try to take that into account when drafting hypothesis and designing the indicators.

Pitfalls to avoid:

- A trap many fall into is that the focus on impact assessment is not built into the new project or approach right from the beginning but set up after the fact. This renders the assessment of the baseline situation difficult.

Relevant example:

An example for such a model study is the research (Krlev, 2019B[122]) performed on the elderly's well-being in community-oriented housing models (as a social innovation) compared with assisted living. The research finds limitations in emotional support provided in community-oriented housing, but a higher level of instrumental support and in particular, a lower degree of individual exclusion and isolation, compared with

assisted living support. This example shows that community oriented housing is highly relevant in view of the problems faced by many people in old age.

In Spain, in the Basque region, the Gipuzkoa Provincial Council is exploring the way to test a more adaptive, anticipatory and systemic policy, and governance approaches by building on the local social innovation ecosystem. In the current context, shaped by the COVID-19 crisis, environmental change and technological advancement is seen as an opportunity for radical change. This province is home to 89 municipalities, many of which have a large industrial presence with a wide range of industrial, political and civil society stakeholders. While the region has successfully transformed its economy several times in recent decades, the Gipuzkoa Provincial Council has acknowledged that the complex challenges faced by the province requires a portfolio of governance and management approaches. Together with the council and the presence of social economy (Mondragon cooperative) and research organisations (Agirre Lehendakaria Center), among other stakeholders, new approaches to anticipatory innovation are explored. The region is starting from a place of strength in terms of its inclusive practices with civil society groups and has hopes for transformation, while maintaining equality as a core value. The team explored the capabilities already existing in Gipuzkoa's governance system: where the opportunities and spaces are for experimentation, where the council would benefit from guidance and how various actors are involved in the system. Although the current project is at the early stage of development it is worth exploring this forward looking approach building on public sector experimentation.

Action: Scale social innovation

Scaling social innovation is not a standardised process and requires a high level of adaptation. There is extended literature on scaling social enterprises (European Union/OECD, 2016[123]), but scaling social innovation is even more complicated due to the fact that not all social innovations have a business model. Several evidence-based projects (BENISI and TRANSITION, 2015[56]; Bertelsmann Stiftung, 2015[124]) have noted that there is no standardised process for scaling social innovation. However, based on analysis of the actors, the need of adoption of social innovation and the objectives of scaling, the projects have identified four possible scaling trajectories which include *capacity building, knowledge dissemination, partnership or strategic expansion*. This research has also led understanding of the importance of the availability of relevant resources such as infrastructure, networks, peer-learning experience, impact finance, support with knowledge development and understanding of local framework and context. The research also noted that not all social innovations aim to scale, but innovations with a revenue-generating model in place tend to be more eager to scale.

Policy makers could promote instruments that help social innovations adapt to a new context. Especially when social innovations change territory, they often need to adapt because they are often developed to be customised to a particular local context and might not be as effective in a different location. Again, a variety of policy tools are available to prepare social innovations for growth, from capacity building to direct investment; the appropriate policy solution should be based on the local and often specific needs and obstacles to scale. While scaling social innovation, policy makers should specifically aim at scaling of social innovation for public good and not just for private good, scale solutions that offer benefits which could be shared by a community and could not be appropriated for an individual benefit.

The objective of the current action is to support scaling across territories. Social innovations can be scaled geographically through creating partnerships in another territory (such as a joint-venture), through growing social innovation itself, or through taking advantage of a network in another territory (as franchising). Policy makers can support geographical expansion covering all three approaches, but often each social innovation would require a customised approach by a professional mentor, adviser or direct financial support which might require development of a specific social innovation scaling programme. Another approach policy makers could take is to support framework conditions for scaling by developing cross-regional or cross-metropolitan frameworks or programmes, including with neighbouring territories to

enhance the exchange of information, processes and ideas of cooperation between social innovation communities.

Policy levers:

- Engage in partnerships with the networks of social innovation actors (such as Impact Hub network, EUCLID network, Ashoka or other similar organisation) with an extended geographical coverage to help identify support structures at other locations for scaling social innovations.
- Involve existing infrastructure in the territory which can include incubators, but also Chambers of Commerce and trading missions.
- Develop a programme offering an opportunity with a customised approach to social innovation to increase the chances of success.
- When designing a programme be flexible with the geographical scope of funding. It might be necessary for a social innovation to get support in a different territory or even country.

Pitfalls to avoid:

- Scaling social innovation is a complicated process and policy makers should foresee that in adjusting the success rates of scaling.

Relevant example:

In Europe, the three-year Building a European Network of Incubators for Social Innovation Programme (BENISI), funded by the European Commission between 2014 and 2016, supported the scaling of over 300 social innovations. The project proposed four scaling strategies, based on two separate questions looking at the need for adaptability of the business model and whether there is a need to scale with partners or without. The scaling process looked at the possibility of scaling social innovations with and without a revenue-generating model over the period of three years. The resulting data told an interesting story: 303 social innovators across Europe were assisted scaling their ideas (BENISI project, 2016[125]). The majority of social innovations in BENISI were led by micro-initiatives, as the median team size was three full time equivalents, and median annual revenue was EUR 86 000. The 'double' positive change for 45 percent of all innovations, meant an increase in full time equivalent team size and revenue. Around 67% of social innovations in BENISI (203) actually experienced a growth in revenue as a result of support. Only some 25% of the social innovators (75) participating in the programme scaled internationally. They benefited from the services provided by the network of international incubators in most of these cases. The top three sectors in which social enterprises flourished were health and well-being, education and training, and supporting public service delivery.

Annex A. Annexes

Table A1. Definitions of social innovation

Source	Year	Definition
OECD LEED	2000	Social innovation seeks new answers to social problems by identifying and delivering new services that improve the quality of life of individuals and communities, and identifying and implementing new labour-market integration processes, competencies, jobs and forms of participation as diverse elements that contribute to improving the position of individuals in the workforce. Social innovations can therefore be seen as dealing with the welfare of individuals and communities, both as consumers and producers. The elements of this welfare are linked with their quality of life and activity. Wherever social innovations appear, they always bring about new references or processes. Social innovation is distinct from economic innovation because it is not about introducing new types of production or exploiting new markets in themselves, but is about satisfying new needs not provided for by the market (even if markets intervene later) or creating new, more satisfactory ways of insertion in terms of giving people a place and a role in production.
Moulaert	2005	The satisfaction of alienated human needs through the transformation of social relations: transformations which 'improve' the governance systems that guide and regulate the allocation of goods and services meant to satisfy those needs, and which establish new governance structures and organizations (discussion fora, political decision-making systems, interfaces, allocation systems, and so on).
Mulgan et al	2007	New ideas that address unmet social needs – and that work.
NESTA	2009	Social innovation is innovation that is explicitly for the social and public good. It is innovation inspired by the desire to meet social needs which can be neglected by traditional forms of private market provision and which have often been poorly served or unresolved by services organised by the state. Social innovation can take place inside or outside of public services. It can be developed by the public, private or third sectors, or users and communities – but equally, some innovation developed by these sectors does not qualify as social innovation because it does not directly address major social challenges.
Murray, Caulier-Grice and Mulgan	2010	Social innovations are new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations.
Westley and Antadze	2010	Social innovation is a complex process of introducing new products, processes or programs that profoundly change the basic routines, resource and authority flows, or beliefs of the social system in which the innovation occurs. Such successful social innovations have durability and broad impact.
Howaldt and Schwarz	2010	A social innovation is new combination and/or new configuration of social practices in certain areas of action or social contexts prompted by certain actors or constellations of actors in an intentional targeted manner with the goal of better satisfying or answering needs and problems than is possible on the basis of established practices. An innovation is therefore social to the extent that it, conveyed by the market or "non/without profit", is socially accepted and diffused widely throughout society or in certain societal sub-areas, transformed depending on circumstances and ultimately institutionalized as new social practice or made routine.
BEPA	2011	Social innovations are innovations that are social in both their ends and their means. Specifically, […] social innovations [are] new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations. They are innovations that are not only good for society but also enhance society's capacity to act.
OECD Directorate for Science, Technology and Industry	2011	Social innovation refers to a group of strategies, concepts, ideas and organisational patterns with a view to expand and strengthen the role of civil society in response to diverse social needs (education, culture, health). The term covers, among others: new products and services, new organisational patterns (e.g. management methods, work organisation), new institutional forms (e.g. mechanisms of power distribution by assignment, positive discrimination quotas), new roles and new functions, or new coordinating and governance mechanisms.
Neumeier	2012	Social innovations can be generally understood as a change in the attitudes, behaviour or perceptions of a group of people joined in a network of aligned interests that, in relation to the group's horizon of experiences, leads to new and improved ways of collaborative action in the group and beyond.

| European Commission | 2013 | New ideas (products, services and models) to meet social needs and create new social relationships or collaborations. It represents new response to pressing social demands, which affect the process of social interactions. It is aimed at improving human well-being. Social innovations are innovations that are social in both their ends and their means. They are innovations that are not only good for society but also enhance individuals' capacity to act. |
| OECD, Social Innovation Policy Framework in Croatia | 2016 | Social innovation seeks to deliver impactful new solutions to meet societal needs, resulting in new social relationships (including beneficiaries) achieved through new products, processes and models. |

Note: This is a non-exhaustive selection of social innovation definitions.
Source: various sources as listed.

Table A.2. Key defining elements of social innovation

Key elements	Description	Sources
Social objective	Social innovation follows social objectives	OECD (2016); Mulgan 2012; Howaldt/Schwarz 2010; Kemp et al. 2015, p. 27
Social impact / social change	Social innovation has an impact on society	Buckland and Murillo (2013) Rodríguez Herrera and Alvarado (2008) Neumeier (2017)
Sustainability	Social innovation projects are sustainable over time	Buckland and Murillo (2013) Rodríguez Herrera and Alvarado (2008)
Creativity	New ideas developed by creative individuals can produce social change	Moulaert; André and All (2013)
Innovation	Innovative projects, new ways of doing things	(Buckland and Murillo, 2013[126]) (European Commission / TEPSIE, 2014[73]) (European Commission, 2017[58]) (OECD, 2016[7]))
Collaboration	Collaboration of various social agents, associativity	(Rodríguez-Blanco, Carreras and Sureda, 2012[127]) (Neumeier, 2017[71])
Scalability	The initiative can be expanded to a larger size	(Morais-da-Silva, Takahashi and Segatto, 2016[128])
Social learning	Shared learning among various social actors involved in innovation	(Engel, 1997[129])
Non-linearity	The process of innovation follows non-linear patterns	(European Commission, 2017[58])
Open approach	Openness to involving diverse actors	(OECD, 2016[7])

Source: Developed by the OECD, adapted from (Carvache-Franco, Gutierrez and Barreno, 2018[130])

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