



Stimulate social innovation and social entrepreneurship that assist individuals at high risk of long-term unemployment

Innovation and entrepreneurship may be effective in addressing societal needs, including of those at high risk of long-term unemployment. For example, innovation can propel job creation, support reintegration of the unemployed on the labour market through jobs, needed products or services. In this respect, particular attention is needed for social innovation and social entrepreneurship. They bring both economic and social value and have a large untapped potential. Specifically, social innovation and social entrepreneurship can boost employability and inclusion, create new social/economic relationships and collaborations, enhance an individual's capacity to act and stimulate empowerment, support the development of a local economy and of a more cohesive society. Due to social innovation and social entrepreneurship, the very people at risk of long-term unemployment may become entrepreneurs themselves and then provide jobs for the unemployed.

Raise awareness and encourage social innovation and social entrepreneurship

Policymakers should raise awareness about societal issues (i.e., through public campaigns, events) among innovators/entrepreneurs and highlight benefits of social innovation, including how it could boost local economy, raise employment rates and consumption levels. This is expected to stimulate a human-centric culture, solidarity, social corporate responsibility and a mission-driven approach to science, innovation, and entrepreneurship.¹ The government could use various communication platforms and initiatives for this, including launching co-creation projects on social innovation and social entrepreneurship across schools and universities, running public campaigns, involving philanthropists, business, and innovation centres.

Allow social innovation and social entrepreneurship to influence policy frameworks

In view of the potential of social innovation and social entrepreneurship to address societal challenges, it should attract more attention among policymakers and influence policy frameworks in areas of education, science, innovation, technology, economic development, migration etc.² Specifically, the key stakeholders driving social innovation and social entrepreneurship should be involved in a continuous dialogue with policymakers across different areas. This is expected to address challenges faced by the stakeholders, support policy design and coherence, increase synergies and commitment of policymakers, leading to

¹ Directorate-General for Regional and Urban Policy EC. (2013, May 29). Guide to social innovation. Publications Office of the European Union. Retrieved December 20, 2022, from <https://op.europa.eu/en/publication-detail/-/publication/12d044fe-617a-4131-93c2-5e0a951a095c>

² Ibid



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allocation of more resources towards social innovation and social entrepreneurship to uncover their full potential.

Include social innovation and social entrepreneurship into smart specialisation strategies

Smart specialisation strategies are important, forward-looking roadmaps for policymakers throughout the EU.³ Given their focus on innovation, advanced technologies, industrial development and entrepreneurship, social innovation and social entrepreneurship should be embedded into these strategies and deserve particular attention. Their inclusion into smart specialisation strategies is expected to help broaden the discussion around what innovation and inclusion is, as well as, to create conditions that will spur the development of social innovation and social entrepreneurship.

Ensure accessibility of finance for social innovation and social entrepreneurship

Social innovation projects and social enterprises typically confront difficulties in accessing financial support. The European Commission devotes some funds to support social innovation and social entrepreneurship, including from the European Social Fund and the European Regional Development Fund. However, the accessibility of finance across the EU Member State varies significantly. It is important to ensure that finance opportunities are broad and accessible. Besides public funding, policymakers should encourage private financiers to invest in social innovation and social entrepreneurship initiatives through, for example, regulations for financial institutions, financial incentives for potential investors (tax credits), credit enhancements/guarantees.⁴ To get the support of private financiers, it is critical to demonstrate that these initiatives/projects can be financially lucrative.

Provide ecosystem support for social innovation and social entrepreneurship

The development of social innovation and social entrepreneurship is conditioned by the ability of the stakeholders to acquire necessary skills and advice, access infrastructure and markets, and overcome regulatory barriers.⁵ In view of this, the ecosystems engaged in innovation, entrepreneurship, social economy should be fostered and through them new social innovation and social entrepreneurship projects/initiatives should be supported. In addition, new support and competence centres for social innovation and social

³ Directorate-General for Regional and Urban Policy EC. (2013, May 29). Guide to social innovation. Publications Office of the European Union. Retrieved December 20, 2022, from <https://op.europa.eu/en/publication-detail/-/publication/12d044fe-617a-4131-93c2-5e0a951a095c>

⁴ OECD. (2022c). Stimulating social entrepreneurship and Social Innovation. OECD. Retrieved December 20, 2022, from <https://www.oecd.org/cfe/leed/social-entrepreneurship-pow2015-16.htm>

⁵ OECD. (2021c, September 10). Building local ecosystems for Social Innovation. OECD iLibrary. Retrieved December 20, 2022, from https://www.oecd-ilibrary.org/industry-and-services/building-local-ecosystems-for-social-innovation_bef867cd-en



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entrepreneurship could be established.⁶ The advantage of the ecosystem approach is the ability to access diverse and comprehensive support, knowledge sharing and collaboration among the stakeholders involved.

Consider the following PILLARS and external resources to stimulate social innovation and social entrepreneurship that assist individuals at high risk of long-term unemployment:

Title and weblink	Authors and year	Description
<u>Growing Social Innovation: A guide for policy makers</u>	Davies & Boelman, 2015	This guide proposes innovative strategies for policymakers, citing examples from various parts of the world. It is informed by the TEPSIE project, funded by the European Commission's 7th Framework Programme.
<u>How to encourage social innovations: a resource-based approach</u>	Sanzo-Perez, Álvarez-González & Rey-García, 2015	This study examines the influence of internal market orientation and information and communication technology competence on the development of various social innovations in service organizations. Focusing on Spanish nonprofits, the research confirms the positive impact of the identified factors on social innovation and performance, offering guidelines for implementing social innovations in service industries.
<u>Social Enterprises as Influencers of the Broader Business Community</u>	Social Enterprise, 2020	This preliminary study is an effort to understand how social enterprises generate indirect impact by shaping the wider business landscape. It investigates the methods employed by social enterprises to exert influence and identifies knowledge or tools necessary for enhancing both their indirect impact and the positive influence on the broader business community.
<u>Evidence-Based Policymaking A guide for effective government</u>	PEW, MachArthur Foundation, 2014	The Pew-MacArthur Results First Initiative provides a roadmap for governments to utilize evidence-based policymaking. The road map outlines five key components for both executive and legislative branches to improve evidence-based policymaking: program assessment, budget development, implementation oversight, outcome monitoring.
<u>Guide to Social Innovation</u>	European Commission, 2013	This guide explores the concept of social innovation and offers insights on how public authorities can promote it. It was developed under the Smart Specialisation Platform (S3 Platform), which serves as a facilitator for regions and countries adopting the Smart Specialisation concept in their research and innovation strategies. As an example, the guide demonstrates the integration of social innovation and entrepreneurship into smart specialisation strategies

⁶ Seed. (2022, December 9). Social Innovation Ecosystem Development. Seed. Retrieved December 20, 2022, from <https://www.seedeuproject.eu/>



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		at various levels, providing support for managing authorities and stakeholders.
<u>Social Innovation Governance in Smart Specialisation Policies and Strategies Heading towards Sustainability: A Pathway to RIS4?</u>	Meyer, 2022	This systematic literature review shows that policymakers underutilize clustering as a tool for sustainable development, neglect to integrate social capital and regional assets in designing RIS3 to address societal challenges, and lack the political capabilities to effectively employ social innovation governance under RIS3 for sustainability. It concludes that future research is needed, contributing to a more comprehensive understanding of how social innovators can design RIS3, address social needs, and pave the way for sustainability.
<u>Financing Social Innovation: International evidence</u>	Kriev et al., 2021	This report outlines recommendations that follow from an exploratory and comparative study on the effectiveness of support structures in 10 countries and by 3 international organizations, relying on in-depth interviews with 23 experts. The diverse economic and welfare systems of the countries examined in this report enhance the transferability of condensed experiences to Germany with significant validity and could benefit other countries as well.
<u>European Social Fund +</u>	European Commission, 2023	This portal features calls for proposals related to the European Social Fund Plus (ESF+), the primary financial instrument implementing the European Pillar of Social Rights principles. Addressing employment, mobility, inclusion, and skills, ESF+ supports EU Member States in achieving high employment, fair social protection, poverty eradication, and building a skilled workforce for the green and digital economy transition. With a €87.9 billion budget for 2021-2027, including €87.3 billion for shared management and €676 million for Employment and Social Innovation (EaSI), this portal publishes calls for ESF+ Technical Assistance and EaSI proposals.
<u>Business Support Ecosystem</u>	Interreg, 2016	This report offers an overview of the components comprising a comprehensive Business Support Ecosystem. It outlines potential services and analyzes their key elements, including setup, management, and stakeholders. Originating from the European Commission's consultation on the StartUp initiative within the Single Market Strategy 3, the report addresses support services across different company life phases, with results published in November 2016 (consultation closed in July 2016). All report is accessible <u>here</u> .
<u>Chp.6 Case examples - Policies for entrepreneurial ecosystems</u>	OECD, 2020	This chapter highlights three policy case studies focused on enhancing place-based entrepreneurial ecosystems. It examines Startup Delta/TechLeap.NL (the Netherlands), a



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	<p>collaborative public-private partnership for regional ecosystems; Startup Estonia (Estonia), a governmental initiative supporting entrepreneurial development; and DutchCE (the Netherlands), a network of Entrepreneurship Centers in Dutch universities. Each case study includes a program overview, objectives, rationale, connections to other initiatives, monitoring, evaluation practices, and results. The chapter also addresses challenges, responses, and provides insights applicable to other countries.</p>
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