INTRODUCTION

Welcome to our e-brochure on social innovation.

The brochure explores the importance of social innovation by providing readers with structured information on social innovation topics, ideal tools, human-centered methods, and practical hints to help them ease their journey to social innovation practice.

By offering comprehensive information and practical advice, the SIDE project aims to make it easier for disadvantaged youth to become social entrepreneurs and contribute positively to their communities.

OVERVIEW

Social innovation is a transformative concept that addresses complex and interconnected challenges, commonly referred to as wicked problems.
Nicholls A & Mudrock A, 2012

These challenges include poverty, climate change, youth unemployment, among others. Such problems arise from mutually reinforcing socio-economic (financial crisis), socio-political (energy wars), and socio-ecological (pandemic) crises.
Syngedouw, 2009

Social innovation is a creative response to these challenges, and it can be accelerated by both crisis and recovery mechanisms. Social innovation offers a powerful approach to tackling the complex issues faced by our world today, creating sustainable and positive change for individuals and communities.
MacCallum et al, 2012

Except from finding creative solutions to complex challenges, social innovation is also important in transforming the governance model of an ecosystem. It aims to decentralize the governance system towards a bottom-up process and upgrade it into a Quadrable Helix, thus, giving the voice back to citizens who can now contribute, and influence future decisions taken by becoming the fourth cornerstone of an innovative society.
Chambon et al, 2014

> *Social innovation is the development and implementation of new ideas (including products, services, methods) to meet social needs and create new social relationships or collaborations. It represents new responses to pressing social demands and is aimed at improving well-being. Social innovations are innovations that are social both in the ends and means. They are innovations that are not only good to the society but also enhance the individuals' capacity to act.*
>
> ***European Commission, 2013***

SIDE EU PROJECT

SIDE EU project aims to address the high risk of poverty and social exclusion among youth in Cyprus, Lithuania, Romania and Spain.

The primary objective of the SIDE project is to reskill and upskill disadvantaged youth and youth adults to develop critical and professional competencies to become social entrepreneurs.

To achieve this objective, the project focuses on designing customized training and mentoring activities to develop social entrepreneurship skills, personal and project competencies and project management knowledge.

SOCIAL ENTREPRENEURSHIP

Social entrepreneurship provides a way for social innovation to be put into practice.

Social enterprises have the below characteristics:

- They are organisations that prioritise serving the community's interest, including social, societal, and environmental objectives, over profit maximization.
- They use their profit surplus mainly to achieve their social goals and purpose, and they are managed in an accountable, transparent and innovative way.
- They often have an innovative nature, whether through their products and services or their organization and production methods.
- Social enterprises also play a crucial role in providing employment and reducing inequalities by often employing society's most fragile members, such as socially excluded persons. By doing so, they contribute to social cohesion and creative positive social impacts.

Liger et al, 2016

SIDE

SOCIAL ECONOMY IN FIGURES

The Social Business Initiative Report, 2013

2.8 million

2.8 million organisations and entities in Europe

>13 million

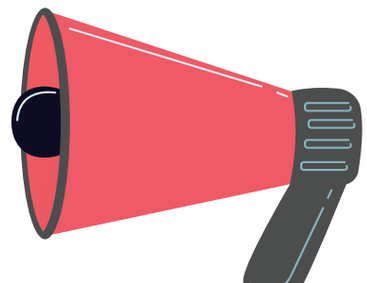
more than 13 million paid jobs

6.3%

6.3% of the work force

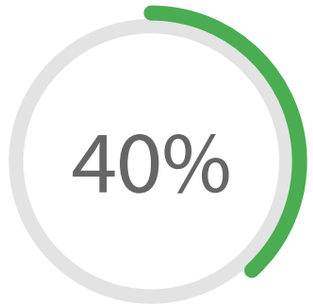
0.6-9.9%

0.6% – 9.9% of all jobs across member states

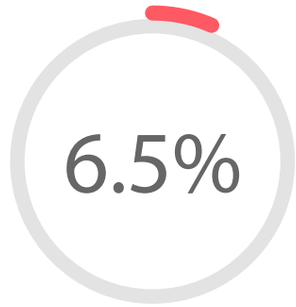


THE ROLE OF SOCIAL INNOVATION IN SUPPORTING YOUTH

2.3 million (13.1%) unemployed youth in the EU aged between 15-24



more than 40% of employers in EU face difficulties in finding workers with the right skills, particularly STEM and digital skills



only 6.5% of young people (aged 15-24) in the EU are engaged with entrepreneurial activities

Social innovation plays a critical role in supporting youth by addressing the high unemployment rates, skills mismatch and limited entrepreneurial opportunities they face.

By providing innovative solutions to societal challenges, social innovation can create new job opportunities, bridge the gap between education and employment, and promote entrepreneurship among young people.

Social innovation empowers young people to create change and contribute to their communities positively, providing them with the necessary skills and tools to address societal challenges effectively. Collaboration and engagement with diverse stakeholders are crucial in promoting inclusivity and diversity, giving people from all backgrounds a chance to participate in shaping their future.

Moreover, social innovation can help young people become more resilient and adaptive, preparing them for the challenges of a rapidly changing world. By promoting innovation and creativity, social innovation can foster a culture of continuous learning and development, helping young people to stay relevant in an ever-evolving job market.

CASE STUDIES

European Commission, Social Innovation *"inspirational practices supporting people throughout their lives"*

DEMOLA, LATVIA

Problem addressed:
Young graduates face challenges in finding employment due to limited work experience, lack of a professional network and skills mismatches. In Latvia, youth unemployment is nearly twice as high as the overall population.

Solution:
Demola platform connects university students with companies, providing opportunities for them to develop skills and solve business problems. Students participate in problem solving workshops and each team presents potential solutions in a final pitch session where interested companies can purchase interesting innovative solutions.

Key results:
Since 2016, 195 students from 15 different secondary education institutes have participated in 50 cases submitted by participating companies. Students gain practical experience in designing and selling solutions, by developing social and professional skills through designing different business models, methodological and research approaches, teamwork and customer-oriented relationships.

EMPLOYING DIGITAL, SPAIN

Problem addressed:
The demand for digital skills in the workplace is growing rapidly. For vulnerable groups, this could mean increasing risk of exclusion from the labor market (higher risk of unemployment) and further economic hardship (higher risk of poverty).

Solution:
Employing Digital program focuses on developing digital skills for people at risk of social exclusion through a digital skills training program.

Key results:
Deployed in 12 out of the 17 regions in Spain involving more than 9,000 participants.

TIGANOKINISI, CYPRUS

Problem addressed:
Cyprus has one of the highest levels of municipal waste generated per person in the EU (more than 2,000 tones of used cooking oil is wasted every year).

Solution:
An environmentally education program that transforms used cooking oil into a renewable energy source. The program is based on innovative circular bioeconomy model, with schools acting as collection points for used cooking oil. Profits go back to school to be reinvested in environmental education and promotion of green technologies

Key results:
It involves more than 85% of Cypriot schools. Since 2014, over 250,000 EUR have been generated and re-invested in green infrastructures and technologies in participating schools. Tiganokinisi has also contributed to local policy and legislative changes.

CASE STUDIES

NORO CENTER, ROMANIA

Problem addressed:
In Romania, 1,3 million people are affected by rare diseases and 90% of them don't receive correct diagnosis or adequate medical care.

Solution:
A one-stop-shop has been established in Romania to provide holistic and centralized approach to rare disease care. This initiative combines medical, social and educational services for patients and their families.

Key results:
The initiative offers services to over 10% of patients diagnosed with rare diseases in the country and has opened the door to a re-evaluation of how rare diseases are treated in Romania.

REGSEDA, LITHUANIA

Problem addressed:
8% of the population is classified as disabled and face limited and unsustainable employment opportunities. The country has the 3rd highest rate in the EU of disabled people at risk of poverty and social exclusion (43%).

Solution:
A social enterprise has been providing employment opportunities for people with disabilities since 1959 in Lithuania.

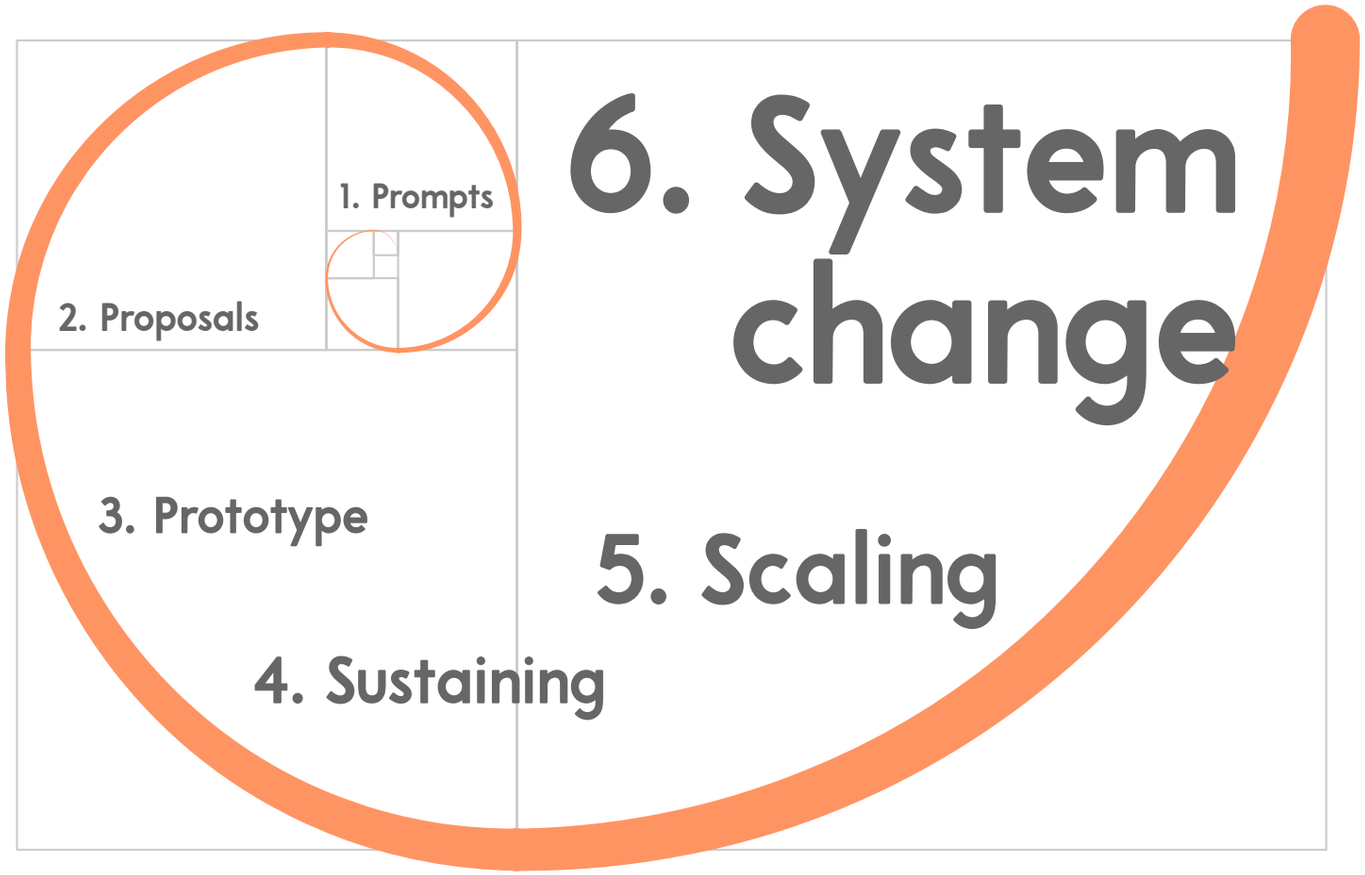
Key results:
The social enterprise employs a total of 196 people, with 155 of those being people with disabilities. In 2016, the enterprise generated a turnover of 3.2 million EUR. The profits were reinvested into social integration initiatives for people with disabilities.

LIFE CYCLE OF SOCIAL ENTERPRISES

Social enterprises, like all businesses, go through a life cycle that includes stages such as prompts, proposals, prototypes, sustaining, scaling-up and systemic change.

It is worth noting that the six steps of the innovation spiral framework are not always clearly defined and can overlap. However, as a social innovator in the early stages of developing your project, it is more likely to be focused on the first four steps of the spiral, from generating initial prompts to establishing a business plan for sustainable implementation.

Throughout this life cycle, social enterprises must balance their social and financial objectives to remain true to their social mission and impact alongside their financial sustainability.



Source: Murray, et al., *The Open Book of Social Innovation,* 2010, London: Nesta and the Young Foundation, p.11

KEY STAGES

1. **Prompts:** identifying a societal problem worth solving.
2. **Proposals:** written solutions that describe how to tackle the specific problem identified.
3. **Prototypes:** are the pilots where an innovator first tries to tackle the problem, implementing the proposals.
4. **Sustaining:** is where a social innovation tackling a specific problem has been in place for several years in a given location.
5. **Scaling-up:** is the process of transferring social innovations to other actors or contexts thus, creating a wider impact (European Commission, 2021b).
6. **Systemic Change:** it's the last stage of social innovation cycle, even if only few of them will ever reach this stage. It typically involves the interaction of many elements over long periods of time (Murray et al, 2010)

FINANCING CHALLENGE

When it comes to social enterprises, limited funding opportunities pose one of the biggest challenges.

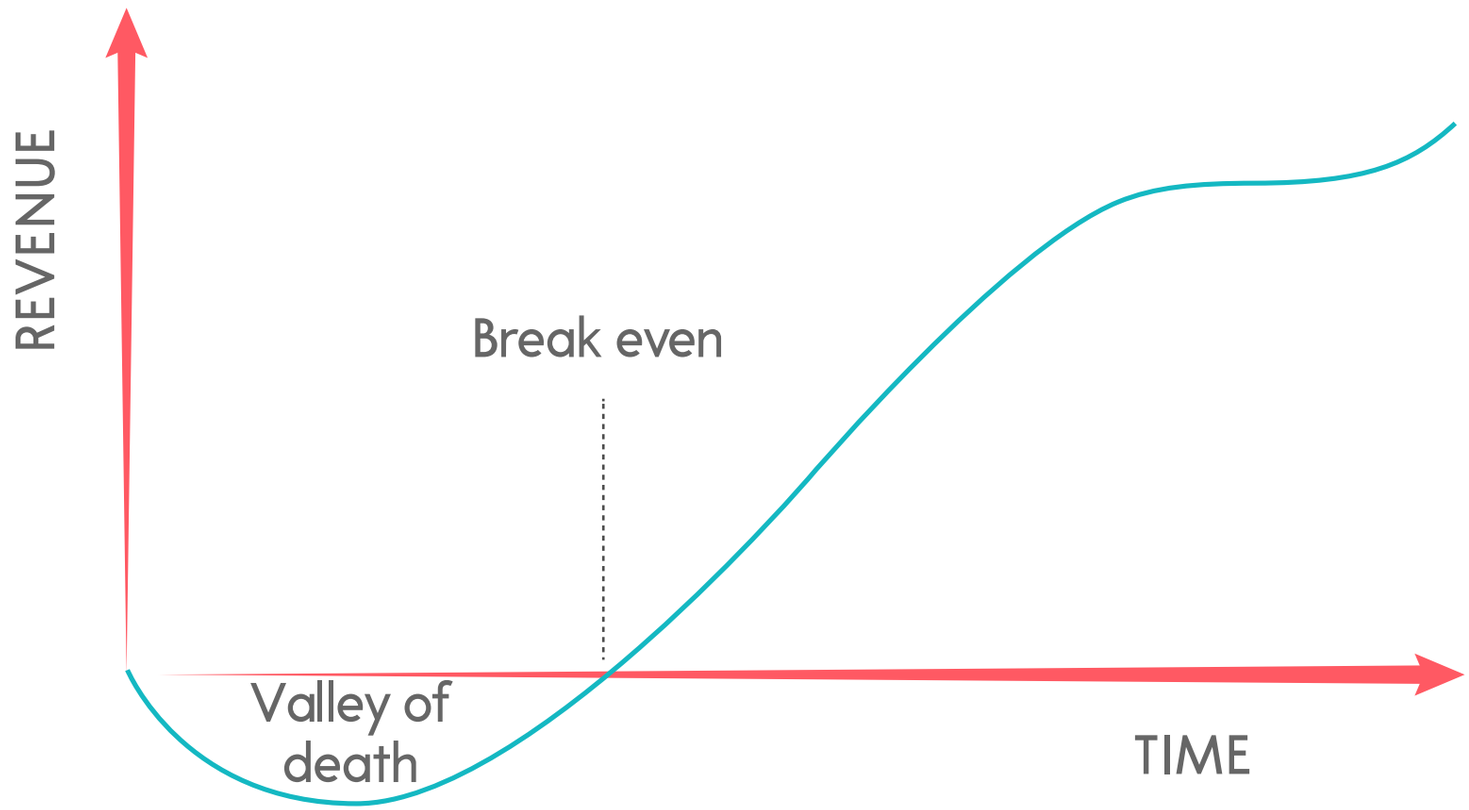
These enterprises often work with marginilised or excluded communities, facing obstacles such as poor infrastructure, low-paying customers, and difficulties in attracting talent and establishing supply chains.

These challenges can result in additional costs and risks, with limited ability to compensate for them through high financial returns for investors. Consequently, many investors either avoid these enterprises or invest at a later stage.

FUNDING OPPORTUNITIES FOR SOCIAL INNOVATION

Thankfully, there is a growing number of financial instruments designed to address the funding needs of social enterprises and bridge the gap between social and financial return.

Here is a start-up financing cycle for social enterprises. As shown below, social enterprises do not generate profits during their early stages of development. To sustain themselves and cover their costs and investments, they require pre-seed and seed capital options.



European Commission, "*A recipe book for social finance*", 2016

PRE-SEED CAPITAL OPTIONS

1. **Bootstrapping:** using personal savings to finance the organization.
2. **Friends, Family, Fools (3Fs):** getting funds from friends, family and fools.
3. **Grants:** receiving money from public or private organizations to finance entrepreneurial activities.
4. **Prizes:** receiving money following a competition.
5. **Donations:** receiving money from individuals to support a cause.
6. **Foundations:** receiving economic support through donations, loans, or investments.
7. **Microfinance:** receiving small loans for launching a project.
8. **Crowdfunding:** raising funds from many people through digital platforms.

PRE-SEED CAPITAL

European Commission, "*A recipe book for social finance*", 2016

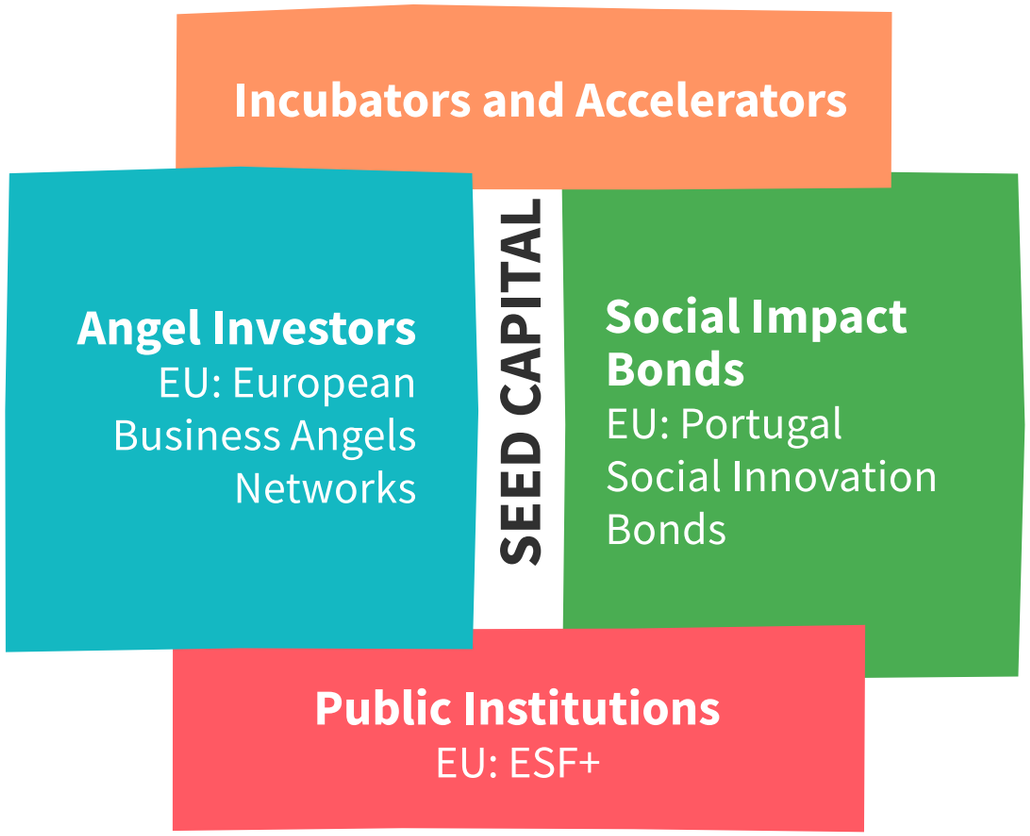
Pre-seed capital is a type of funding that is available to entrepreneurs during their very early stages of starting a business. It is often used to help cover the costs of research and development, prototyping, and other expenses associate with getting a business off the ground.

There are a growing number of funding sources that are interested in supporting social entrepreneurs, and it is worth exploring these pre-capital option, in case you are looking to start a social enterprise.

SEED CAPITAL OPTIONS

European Commission, "*A recipe book for social finance*", 2016

1. **Angel Investors:** an investor provides money to your organization with the expectation of generating a profit and receiving a share of ownership in return.
2. **Incubators and accelerators:** these programs provide financial and non-financial support to help develop an idea into a stage that is ready to enter the market.
3. **Social Impact Bonds:** these are not true bonds; they are essentially contracts which the public sector or a governmental body commits to paying for improved social outcomes. The theory is that improved social outcomes create significant savings to the public, which can create savings that investors are repaid with.
4. **Public Institutions:** these include local, national and European programs that offer financial opportunities to social enterprises.



ESF+

The European Social Fund Plus (ESF+) is the primary instrument of the EU to invest in people with the aim of building a more social and inclusive Europe.

It is a powerful tool for public authorities to test and evaluate new approaches, take risks, and involve citizens and communities in shaping public employment and skills services that combat social exclusion poverty and discrimination.

The new ESF+ has a budget of 87.6 billion EUR for the period 2021-2027, of which 676 million EUR are dedicated to promoting social enterprises through the Employment and Social Innovation (EaSI) program.

SOCIAL INNOVATION TOOL

It is important to understand that innovation is not a linear process.

Especially at the early stages (prompts, proposal, prototypes) where you really want to understand the problem and gather insights, one of the tools that can help you come up with more innovative ideas is Design Thinking.

It can be used to benefit social innovation in several ways, including:

a. **Identifying and understanding user needs:** it involves deeply understanding the needs and perspectives of the people who are affected by a social problem.

b. **Generating and testing new ideas:** it encourages experimentation and iteration, which can help social innovators to develop new ideas quickly and test them in the real world.

c. **Collaborating across disciplines and sectors:** it involves bringing people together from different disciplines and sectors to work on a problem.

d. **Emphasizing prototyping and implementation:** this can help social innovators learn from their failures and successes and to develop solutions that are more effective and scalable.

Problems	Design Thinking is appropriate if…	Linear analytic methods may be better if…
Design Thinking is appropriate if…	Deep understanding of the actual people (users) involved	There are few human beings involved in the problem or the solution
Linear analytic methods may be better if…	We need to explore in order to get into agreement	We understand the problem clearly and we are sure about solving the right one
What's the level of uncertainty?	There are many unknowns (large and small) and past data is unlikely to help us	The past is a good predictor of the future
What data is available to you?	There is very little relevant existing data to analyze	There are several clear sources of analogous data

WHAT IS DESIGN THINKING?

Design Thinking has the potential to revolutionize the way we think about and practice innovation.

It is a discipline that uses the designer's sensibility and methods to match people needs with what is technologically feasible and what a viable business strategy can convert into customer value and market opportunity.

A human-centered, problem-solving approach that focuses on empathy, creativity and experimentation.

- Human-centered approach
- Creative problem-solving methodology
- Possibility driven
- Option focused
- Iterative

Reference: Designing for the greater good: Innovation in the Social sector (Jeanne Liedtka)

TOOLS

1. **Visualisation:** using images to envision alternative possibilities
2. **Journey Mapping:** assessing the existing experience through customer's eyes.
3. **Value Chain Analysis:** assessing the value chain that supports customer's journey.
4. **Mind Mapping:** generating insights from exploration activities and using those to create design criteria.
5. **Brainstorming:** generating new possibilities and new alternative business models.
6. **Concept Development:** assembling innovative elements into a coherent alternative solution.
7. **Assumption Testing:** isolating and testing the key assumptions that will drive the success or failure of the concept.
8. **Rapid Prototyping:** expressing a new concept in a tangible form for exploration, testing and refinement.
9. **Customer co-creation:** enrolling customers to participate in the solution that best meets their needs.
10. **Learning Launch:** creating an experiment that lets customers experience the new solution over an extended period of time, to test key assumptions with market data.

SIDE

DESIGN THINKING METHODOLOGY

Design Thinking focuses on 4 key questions and provides a 10 steps methodology that create an educational environment in which the ambiguity of the innovation is more manageable

The 4 stages are:

1. What is?

a. 3 tasks: Develop the research, identify insights, establish Design Criteria

b. 4 tools: visualization, journey mapping, value chain analysis, mind mapping

2. What if?

a. 3 tasks: brainstorm ideas, develop a concept solution, create some napkin pitches

b. 2 tools: brainstorming and concept development

3. What wows?

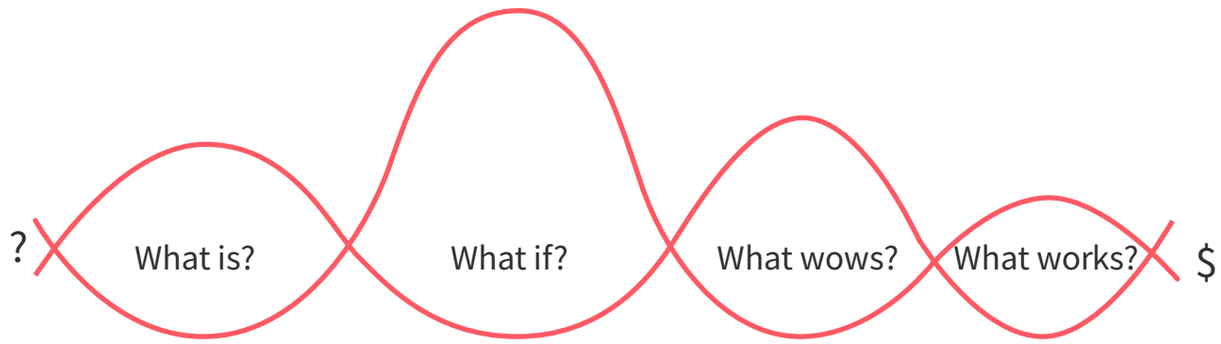
a. 3 tasks: Customer WOW, Execution WOW, Economics WOW

b. 2 tools: Assumption Testing, Rapid Prototyping

4. What Works?

a. 3 tasks: testing with clients, try to fill the gaps of key information, iterate the solution.

b. 2 tools: customer co-creation, learning launch



Source: *From Solving Problems with Design Thinking* © 2013 Jeanne Liedtka, Andrew King and Kevin Bennett. By permission of Columbia University Press

ADDITIONAL RESOURCES FOR SOCIAL INNOVATION

- Online Platform for Social Innovation Europe
- European Competence Center for Social Innovation
- European Instrument of European Social Entrepreneurship Fund
- Social Business Initiative Report
- A recipe book for Social Finance report
- EU Social Economy Gateway
- RRI Tool
- EU Green Deal Strategy 2019
- Updated Industrial Strategy Industry 4.0
- Social Economy Action Plan 2021
- Transition Pathway for proximity and social economy ecosystem

HUMAN-CENTERED

EXPERIMENTAL

CHALLENGED-FOCUSED

BOTTOM-UP

SCALABLE

ITERATIVE

NEXT STEPS

Don’t’ forget to check out our website and register in our upcoming national trainings.

Thank you.

Center for Social Innovation

INDEPCIE

Network social effect

innovation EDUCATION LAB

SIDE

Co-funded by the European Union