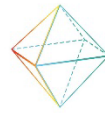
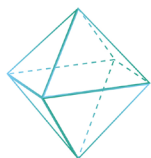


**The European
Social Innovation
Alliance**



**Kompetenzzentrum
für Soziale Innovationen
Deutschland**

Insights into the German Social Innovation Ecosystem: Status Quo and Recent Trends

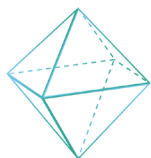


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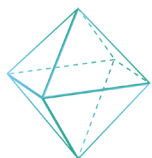




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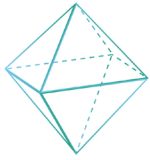




Executive Summary

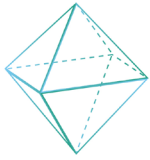
- Nationwide, developments at the political level strengthen the ecosystem, nationally and regionally, but also locally. Some federal states explicitly mention social innovation in their coalition agreements and some federal ministries are overtly involved in promoting social innovation, formulating strategies and setting up funding programmes and support structures – often connected to the use of ESF funds. Still others are lagging behind. Yet notably, there is a considerable momentum created on the federal state level from which more reluctant states can learn when setting up their own programmes and infrastructures. In a similar vein, a substantial number of municipalities establish support structures, such as Social Innovation Labs and social innovation communities, which aim at strengthening the local ecosystem and give rise for mutual learning and knowledge transfer on the local level.
- Not only is the state actively supporting social innovation, but also various actors are strengthening the landscape of social innovation in Germany. For example, civil society has already established and further develops structures for advocacy, infrastructures, and targeted information on specific topics of social innovation and specific actors of social innovation. Most higher education institutions and research institutes are newcomers in the field of social innovation support, while social innovation research has already been well-established by a young but strong research community in the last decade. More recently higher education and research institutions take more active roles and cooperate with other ecosystem actors to support social innovation. In this way, the large welfare organisations are also increasingly aware of the potential of social innovation and promote it not only in cooperation with academia but also within their own organizational settings.
- While social innovation seems to be increasingly recognised in Germany, there is still some lack of clarity about who develops and implements social innovation. Especially when it comes to support, social enterprises are often seen as the key drivers of social innovation. Yet, they act at the interface of the non-profit and for-profit sector and thus face a variety of different expectations. Civil society actors so far have helped rise overall awareness about social enterprises' potential as social innovators. Likewise, there exists an increasing awareness that social innovation is best fostered in a common effort by different societal sectors. Accordingly, new actors increasingly enter the field to take the role of social innovators. A growing number of best practices, as a result, give rise for mutual learning and collaboration initiatives.
- In the German ecosystem, financial and non-financial support for social innovation can be found at all levels (national, regional, local). Financial and non-financial support is characterised by a variety of thematic and geographic approaches, which address specific target groups. Some are limited to specific federal states, others to specific fields of practice, such as social care. The diversity of themes, target groups and the geographical dimension makes it difficult for social innovators to navigate the complex support landscape. There is still a lack of central contact points that provide help in the overall picture of support possibilities for social innovation, such as one-stop-shops. Recognising this blind spot, such services are already emerging in some areas and regions.





- The increasing recognition of the potential of social innovation is not only reflected in the expansion of public non-financial support and financial funding. Private investors increasingly take an active role in the ecosystem and support social innovation. With instruments often established in the financial world, their focus mainly is on promoting social enterprises. Both well-known and new tools, such as social impact bonds, promise new ways of financing social innovation through private money, often with the intention of impact investment. Nevertheless, there is still a need for more financial instruments to close the last remaining gaps.
- German law allows for a range of different legal forms that social innovation initiatives use to achieve long-term sustainability. Some examples are association models and cooperative models, which can also support the establishment of new social practices beyond classic business models and externally financed, time-limited project structures.
- International role models play an essential part in the efforts to develop the German social innovation ecosystem. Specifically, a look beyond the national scope allows for novel input boosting social innovation in Germany such as through the concentration of competencies in centres of social innovation or novel governing bodies specialised in the support of social innovation. Furthermore, the whole of society must be committed to supporting and developing social innovation, i.e. not only civil society and public administration, but also academia and business. Global role models likewise indicate that particularly funding can trickle from the public to the private arena of promoters and vice versa. Ultimately, trends gathered from global partners call for a cross-national cooperation to boost social innovation.





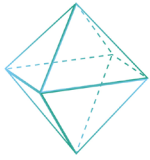
1 Introduction: The Establishment of the Concept of Social Innovation

Since the beginning of the 20th century, innovation and corresponding innovation research have been important drivers of societal development and social change. They have made possible the rise of architecture, informatics, engineering and electronics (cf. Böschen et al., forthcoming). But in light of increasingly complex societal challenges, summarised prominently in the United Nations' Sustainable Development Goals, as well as in a time of permanent crises, there is a growing consensus among practitioners, policy makers and the research community that technological innovations alone are not capable of overcoming the social and economic challenges of modern societies: "The importance of social innovation successfully addressing social, economic, political and environmental challenges of the twenty-first century has been recognised not only within the Europe 2020 strategy but also on a global scale." (Domanski et al. 2020: 454)

Social innovation, understood as a "new combination and/or re-configuration of social practices" (Howaldt and Schwarz 2010: 24), have always played a considerable role in history of humankind. "They change the way we live together (flat sharing), work (tele-working) or handle crises (short-time work instead of layoffs). They enable new types of cooperation (co-working bureaus) and organizations (public-private partnerships). They are driven by civil society (urban farming), politics (parental leave), the economy (micro-credits), or in-between sectors (dual studies, sharing economy)". (Kaletka and Pelka 2015: 202) With the rise of social innovation in practice, a corresponding political interest and the emergence of a research field working on the theoretical foundations as well as an understanding of the empirical status quo, we are now observing a fundamental change of the innovation paradigm.

In Germany, this new paradigm is also reflected in how innovation is seen and how as well as by whom it is done. "While Germany has established an astonishing support infrastructure for technological innovation with science parks, university-industry cooperation and start-up development accompanied by extensive research programs, social innovation hardly played a role." (Howaldt and Terstriepe 2019: 102) As of late, key actors of innovation policy attribute an increasing relevance to social innovation. The Hightech Strategy of Germany's federal government focuses on "technological as well as non-





technological and social innovations benefitting the people”¹ (BMBF 2018: 4). In this context, the High-Tech Forum also anticipated some of the latest developments as it called for cross-departmental efforts at the level of the federal state to strategically support social innovation (Hightech-Forum, 2021). Four months later an inter-ministerial concept for supporting social innovation has been published by the Federal Ministry of Education and Research, BMBF (BMBF 2021). According to this concept, a stronger orientation towards societal welfare, participation opportunities and sustainable development shall be reached through social innovation – in a co-creative and co-productive innovation mode, which includes all sectors of society.

This all implies that we observe quite a fundamental change of the social innovation landscape in Germany. It is not only the intense discussion on how social innovation can be best supported and how it can be conceptually described, but more importantly a myriad of initiatives on the ground, which develop, do and diffuse social innovation day by day. They grow in their local ecosystems and they perish because of lacking resources or when they have reached their goal.

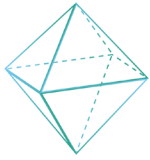
This report presents the results of the analysis of 95 cases (74 cases of framework conditions like innovation strategies, funding schemes or infrastructures and 21 cases of social innovation projects and initiatives) collected in an exploratory mapping of the German social innovation ecosystem. It is part of the work done by the European Social Innovation Alliance (ESIA) on the German project level (Kompetenzzentrum für soziale Innovationen Deutschland, KoSI) and aims to provide insights into the status quo and current trends of the German social innovation ecosystem.

The rationale of the report

TU Dortmund University (TUDO) and KoSI partners collected the cases from the end of March 2022 to mid-July 2022. The final sample (cf. chapter 2.2) also contains results from the collection of best practices in the welfare sector and the Social Entrepreneurship Monitor (Kiefl et al., 2022). The basis for the work of this mapping is a conceptual framework (cf. chapter 2), which was operationalised specifically for

¹ Translations by the authors.





this analysis. The development of the focal points was coordinated with the German partners of the ESIA project (KoSI partners) in the course of internal project workshops. In addition, international experts were consulted in a capacity-building workshop to discuss and identify relevant objects of observation necessary for researching national social innovation ecosystems. The data collected with the mapping were also supplemented with implications from an international literature study, an international expert workshop and a German expert workshop both with experts in social innovation within civil society, business, the public sector and academia.

The aim of this report is to give an idea of the context of social innovation in Germany and its current state. This mapping wants to inspire readers about what can be done at different administrative levels of society and to provide a basis for the further development of social innovation initiatives, networks, programmes, infrastructures and strategies in Germany.

In order to gain a punctual, explorative insight into the ecosystem of social innovation in Germany, explicit priority was given to the framework conditions. While ecosystems are often equated with the sum of actors that help social innovation to flourish, other levels were in focus. The mapped cases include numerous political programmes at the state and regional and supra-regional level, monetary and further support programmes from the public sector and other private and civil society organisations. We also focus on concrete support structures of higher education institutions, such as social innovation labs. In addition to such concrete support structures for social innovation, we also address the variety of models for the organisational framework. The importance of narratives and their impact on the promotion and realisation of social innovation as well as the roles of different actors in the ecosystem for the support of social innovation are also addressed. In addition to cases, that represent framework conditions (e.g. the support structures or the innovation strategies), we also consider concrete cases of social innovation initiatives, from which learnings for the practice of social innovation can be derived.

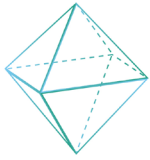
This report first presents the theoretical approach to the ecosystem and the participatory operationalisation for the mapping as well as the collaborative field access and sampling process (chapter 2). In chapter 3, the results of the investigation of framework conditions are





presented based on thematic focal points identified in the analyses. Chapter 4 highlights selected cases of initiatives and gives some inspiration for the practice of social innovation, based on examples of best practice. Chapter 5 offers a glance at international trends and what actors in the German ecosystem could learn from them. The report closes with a conclusion and an outlook.





2 Conceptual Framework: To Better Understand the Status Quo of the German Social Innovation Ecosystem

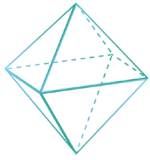
For some time, the study of social innovation has followed a tradition of often exploratory collection of cases in a defined geographical area. These mappings, which so far often focus on the European level (e.g. Misuraca et al., 2015; TEPSIE, 2014; Terstriep et al., 2015), Europe plus other regions (e.g. Søgaaard Jørgensen et al., 2016) or even a global reach (Howaldt et al., 2016), are a widely seen means of choice (Pelka and Terstriep, 2016). However, the focus of such mappings is usually more on the identification and collection of cases of social innovation, for instance social innovation initiatives (Howaldt et al., 2016). For the present analysis of the German social innovation ecosystem, we aimed at deviating from this approach and focussed on mapping the framework conditions of social innovation. This helps better understanding the context of social innovation and, consequently, its ecosystem. The sample was also complemented with a selection of social innovation initiatives to identify and provide examples of best practices.

2.1 Theoretical Framework

Prior to mapping, the German social innovation ecosystem two main concepts need to be defined: social innovation and social innovation ecosystems. First, the concept of **social innovation**, in practice and research, is connected to a variety of approaches and thus needs further delineation. The differences between these approaches represent the fundament of many works in prior research (do Adro and Fernandes, 2020; Ayob et al., 2016; Edwards-Schachter and Wallace, 2017; Rüede and Lurtz, 2012; Van der Have and Rubalcaba, 2016). Second, **social innovation ecosystems** are reflected from various focal points and depth levels (Andion and Alperstedt, 2021) creating the necessity to further frame the understanding build upon for the mapping procedure.

To guide the selection of cases for the analysis of the German social innovation ecosystem, the following working definition was derived from the practice-oriented approach to social innovation by Howaldt and Schwarz (2010). This working definition contains the key elements of the original definition:





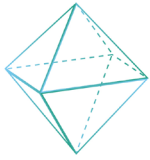
Working definition of Social Innovation, based on Howaldt and Schwarz (2010)

A social innovation is a targeted change of social practices initiated by specific actors that is directed at solving an actual problem in a societal field of action. It is considered as a social innovation, if it is – either conveyed by the market or non-profit – socially accepted and diffused into society or into segments of society, respectively.

Despite the relevance of social entrepreneurship and other business-oriented or organizational approaches to social innovation as part of a wider approach to social innovation research (Howaldt and Schwarz, 2022), social innovation is neither exclusively the outcome of visionary social entrepreneurs' activities (ibid.; Howaldt et al., 2016a), nor is it solely attached to one specific sector of society. Instead, social innovation can evolve in and diffuse into different societal sectors, including but not limited to public administration, private businesses, religious communities, social movements or clubs, at higher education institutions and schools, in charities or social enterprises. According to Howaldt and Schwarz (2010) it is exactly the interaction of different actors – inter alia as “quadruple” (Carayannis and Campbell, 2009) or “quintuple helix” (Carayannis et al., 2012) of knowledge generation² – that facilitates social innovation. “We can see that cross-sectoral cooperation can be called a default setting for social innovation initiatives, no matter which outcome on which societal level is targeted,” as Howaldt et al. (2016: 51) explain. The involvement of different societal sectors also means that perceptions of a specific social innovation can vary. Profit-oriented companies pursue other goals than scientific institutions. Non-profits follow different logics than public administration. This also results in varying perspectives on improvements through social innovation. Schüll (2022) points out that social innovations imply improvements through the positive connotation of the term innovation. Linked to the intentional character of social innovation, the goal of achieving change in the sense of improvements (ibid.) through social innovation thus depends on the

² With the Quadruple Helix, Carayannis and Campbell (2009) introduced an extension of the idea that the interplay of industry, the government and academia creates a “national innovation system” (ibid., p. 206). They supplemented this Triple Helix model (Etzkowitz and Leydesdorff, 2000) with the “media-based and culture-based public” (Carayannis and Campbell, 2009, p. 206) and thus ultimately also assigned a central role to civil society. The Quintuple Helix (Carayannis et al., 2012) adds the “natural environment” (ibid., p. 3) to the picture.





perspective adopted in each case. Schüll (ibid.) also emphasises that these perspectives go back to different social development models, which then explain acceptance of some social innovations as improvements and reject others. A variety of recent discussions by different actors such as the welfare sector (Diakonie Deutschland, 2019; Eurodiaconia, 2015) tackles the issue of how to identify, assess, or measure social innovation. Ultimately, this insight means that social innovations can have normative connotations in practice, but for a mapping and analysis, it is important to refrain from normative evaluation and to follow the objective approach of Howaldt and Schwarz (2010).

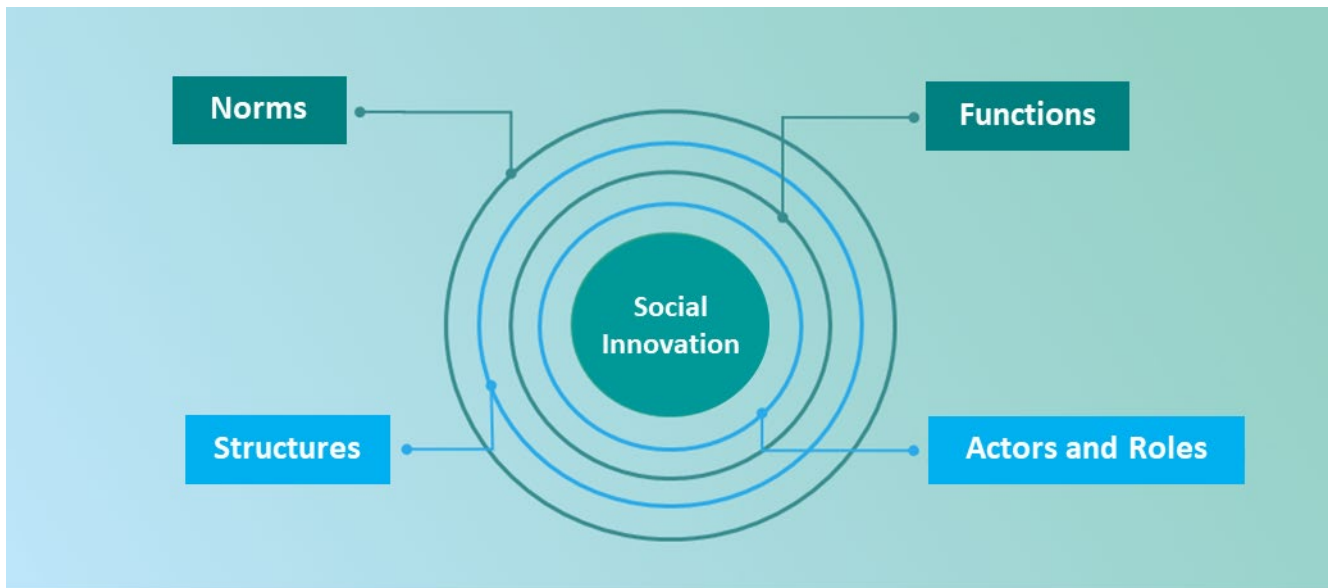
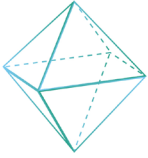
Social Innovation Ecosystem

The term ecosystem found its way into social innovation research as an adaptation from innovation research with an original focus on for-profit innovation (Andion and Alperstedt, 2021). While the term was less successful in its original context, it became established in international social research, where it refers to the (often facilitative) context of social innovation.

Based on findings of the EU FP7 research project SIMPACT³ Kaletka et al. (2016) developed a research heuristic that enables a comprehensive perspective on social innovation ecosystems, going beyond the facilitative context, taking into account both fostering and hindering factors. In doing so, it proposes to consider the entire collection of conditions in analyses of an ecosystem that social innovators encounter in a specific context and that determine the success or failure of social innovation. Thus, the heuristic is also not limited to a perspective on the actors in the social innovation ecosystem. The heuristic encompasses different so-called context layers, which indicate bundles of context factors that should be operationalised depending on the respective context.

³ In the SIMPACT project, 94 cases of social innovations with solutions for the empowerment of vulnerable groups were collected and studied in a qualitative comparative analysis. This analysis was complemented by 26 "Business Case Studies" and 34 "Social Innovation Biographies" (Terstriep & Pelka, 2016, p. 4).





Contextual layers of social innovation ecosystems (Kaletka et al., 2016)

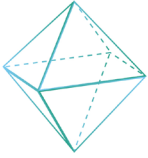
For the **norms** layer, this includes factors such as legal frameworks, ethical and moral standards or specific actors' or actor groups' missions, represented, for instance, by innovation strategies or coalitions agreements. **Structures** comprise support structures, infrastructures as well as societal structures such as demographics. In addition, **functions** pertain to aspects like the management and organizational form of social innovation initiatives or measures to disseminate social innovations. The **actors and roles** layer embraces all individual and collective actors who foster or realise social innovation, for instance as social entrepreneurs, but also those who inhibit social innovation. These actors, at the same time, take specific roles such as, among others, funding bodies, innovators, or the target group of a social innovation.

2.2 Research Approach and Analytical Base

Co-Creative mapping approach

For the implementation at the German level for the KoSI sub-project, both the exchange within the KoSI consortium and international exchange within the ESIA consortium and beyond were a primary objective from the beginning to enhance practical and scientific relevance. Thus, the conceptual framework for the explorative investigation of the German ecosystem of social innovation was designed collaboratively already from the beginning. On the one hand,





the aim was to enable the co-determination of the project partners, on the other, to incorporate their expertise and the expertise of international experts.

Within the framework of a virtual capacity building workshop (GoA 4.1.1) with 25 international experts from social innovation research and practice with the aim of stimulating mutual learning, topics and possible guiding questions were asked and discussed which, from the point of view of the experts present, are central to researching ecosystems of social innovation. In order to structure the discussion, to realise an analytical focus and to establish the reference to the conceptual framework of the KoSI project, the Onion Model (3.1) with the four levels of observation and analysis of norms, structures, functions and actors and roles was adapted and provided the framework for discussion. This resulted in 124 first topics and, in part, guiding questions already developed from these topics, in 20 thematic clusters:

Norms:

- Factors influencing the norms of social innovation
- Social innovation policies
- Influence of specific set of norms
- Transparency and trust
- Value of social innovation
- Understanding of social innovation

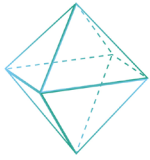
Structures:

- Support structures
- Governance of support structures
- Funding
- Linking structures
- Competence development and capacities

Functions:

- Experimentation practices
- Collaboration practices
- Measurement
- Good practices
- Public governance of social innovation





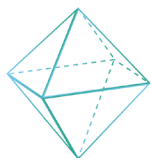
Roles:

- Inclusion of stakeholders in the social innovation process
- Distribution of power
- Missing roles
- Roles of stakeholders
- Networks and cooperation

The insights gained from this workshop formed an initial basis for the development of guiding questions for the identification and sampling of cases and the collection of qualitative data on these cases. In a further step, a focus group workshop (GoA 2.1.1) was held with nine German experts from research and practice (for-profit and non-profit) of social innovation and from public administration. The focus was on approaching a composition of experts to the actors involved in the emergence of innovation in the model of a quadruple helix of knowledge production (Carayannis and Campbell, 2009). In the course of this workshop, key topics were identified and included in the further development of the guiding questions for the mapping of the German ecosystem of social innovation. In the further process, the associated research partners of the KoSI project (CSI and IAT) were specifically included in the reflection of the concretely derived guiding questions. As a result, these were further revised and concretised. The process of concretising the mapping's focal points as well as the operationalisation for case selection and the data gathering via guiding questions was also accompanied by several workshops in which the project partners of the KoSI consortium were asked to co-determine these focal points. In this way, it was possible to achieve greater relevance for the project partners and the German social innovation ecosystem.

Overall, the process of concretising themes and operationalising guiding questions for the sampling process was determined by an iterative approach in which guiding questions were repeatedly revised, supplemented, merged and discarded based on the inputs and reflections presented above. The so developed final collection of 66 guiding questions for 23 categories of cases can be found in the appendix. These guiding questions and the case categories represent elements for the application of the heuristics explained in the previous section. Similarly, these questions refer to factors that are attributed to the specific contexts within the ecosystem.

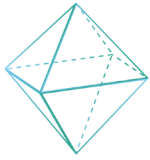




Overview of final dimensions of observation (layers) and categories of cases

Dimensions (layers)	Categories (translated from German)
Norms	<p>Policies that have significantly influenced the development of social innovation in Germany</p> <p>Previous innovation strategies that offer implications for the design of a specific SI strategy</p> <p>Social, professional or ethical standards that have been changed by social innovation initiatives</p> <p>Enabling or hindering laws for the development of SI in Germany</p> <p>Major narratives of social innovation in Germany</p>
Structures	<p>Institutions that have significantly influenced the development of social innovation in Germany</p> <p>Funding programmes that have significantly influenced the development of social innovation in Germany.</p> <p>Municipal or regional support structures</p> <p>Technology clusters that have significantly influenced the development of SI in Germany</p> <p>Structures for the provision of skills and knowledge, which occupy a central position in Germany</p>
Functions	<p>Well-described examples of successful SI processes in Germany</p> <p>Governance practices that have significantly influenced the development of SI in Germany</p> <p>Practices that have successfully promoted cooperation between actors in the field of social innovation in Germany</p> <p>Examples for the evaluation of social innovation in Germany</p> <p>Resources for ensuring sustainable social innovation in Germany</p> <p>Transferable approaches for ensuring cross-sectoral participation in the innovation process</p> <p>Examples of successful competition with implications for social innovation</p>
Actors & roles	<p>Examples of successful role distributions within innovation processes in Germany</p> <p>Key stakeholder groups of the ecosystem</p> <p>German higher education institutions involved in the development of social innovations</p> <p>Networks that take on concrete roles in supporting SI in Germany</p>
Cases of social innovations	<p>Cases of social innovations ¹</p> <p>¹with implications for best practice</p>
Other	<p>Other cases that do not fall into the other categories but are relevant for understanding social innovation in Germany.</p>



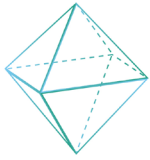


The sample itself represents a collective effort of the KoSI consortium. It was further deepened by input from international experts. The mapping was structured through an online survey. The experts from project partners involved in the sampling process (TU Dortmund University, Center for Social Innovation, Diakonie Schleswig-Holstein, FA-SE, Social Impact and Phineo) were asked to provide a small amount of standardised information and a large amount of qualitative information. While the standardised items were intended to allow for later comparability with previous research results from the SI-DRIVE⁴ project on social innovation initiatives worldwide (Howaldt et al., 2016), the qualitative items formed the framework for the actual mapping based on the guiding questions. For this purpose, the project partners were able to narrow down the guiding questions themselves, based on the available information and the characteristics of the cases, by selecting filter questions beforehand. These filter questions represented specific case types that were deductively developed from the layers of the onion model and as categories of the guiding questions. In order to allow for openness to inductive findings and additional expert knowledge, the project partners could also optionally select all guiding questions for which findings could be deduced from the cases, by choosing the category "other". Furthermore, partners were also invited to suggest cases of social innovation that might contain implications for best practice.

Parallel to the collection of cases via the survey, a transnational expert workshop in form of a focus group was conducted with international experts from the research and practice of social innovation, again with the participation of experts on social innovation in the public sector, civil society, business and academia. The aim this time was not to further develop the guiding questions for mapping the German context. It was much more about the exchange of examples of social innovation in the respective national and societal contexts as well as current trends in the respective fields, hence also the concrete identification and exchange of international best practices that provided relevant insights for the German ecosystem and all experts present.

⁴ In the SI-DRIVE project, 1,005 cases of social innovation initiatives with various working foci worldwide were collected and comparatively analysed (Howaldt et al., 2016). The project partners also conducted 82 qualitative case study analyses and comparative qualitative analyses (Krüger et al., 2018).





The results of the Social Entrepreneurship Monitor Germany⁵ (Kiefl et al., 2022), which was developed and provided by SEND within the framework of the KoSI project, were also included in the mapping analyses (cf. below).

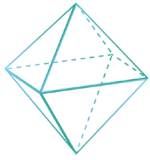
In order to continue the transfer and exchange of knowledge between international social innovation researchers, the results presented here will be reflected upon in a specifically dedicated workshop with international experts. In addition, the results will be presented at external events and will also be reflected upon with the aim of knowledge exchange.

Analytical base: the sample

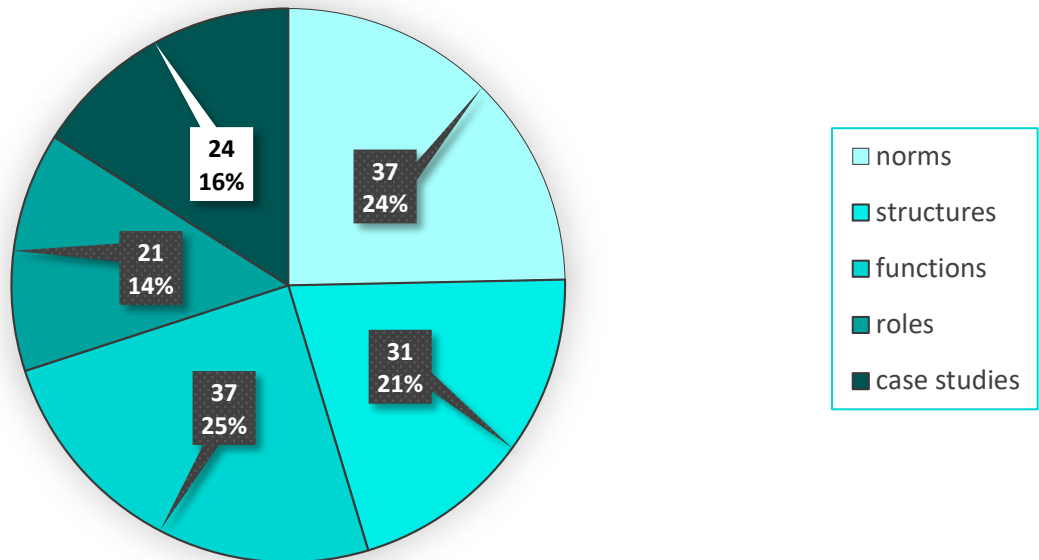
For the explorative sampling of norms, structures, roles and functions within the ecosystem of social innovation in Germany, 95 cases were collected, guided by the working definition and the guiding questions and respective categories as the selection criteria. In addition, the survey allowed for entering case studies of social innovation beyond these four dimensions. Despite its explorative approach, the final sample shows a relatively even distribution of data from the cases related to all four dimensions of the conceptual framework. However, there is a slightly lower amount of cases providing data on the roles taken up in the social innovation ecosystem (37 answers for norms, 31 for structures, 37 for functions, 21 for roles; plus 24 cases of initiatives). Some cases reflected two or more dimensions, hence, leading to the number of 126 answers to the guiding questions for the dimensions norms, structures, functions and roles.

⁵ For the Social Entrepreneurship Monitor Germany, a sample of 359 social enterprises was examined. This did not result in a representative study. The results still provide information about the situation in the 359 cases examined (Kiefl et al., 2022).





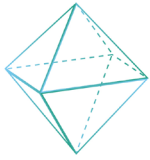
Distribution of case data [n = 95, multiple selection possible]



Although the mapping approach was not aimed at providing a representative overview of the social innovation ecosystem, it was aimed at delivering comparability with previous research. The distinction of policy fields (see table below) (Howaldt et al., 2016; Howaldt et al., 2017; Krüger et al., 2018) developed in the SI-DRIVE project was therefore adopted, as was the distinction of actor groups. The constellation of groups of societal actors is based on the concept of the quadruple helix of knowledge production (Carayannis and Campbell, 2009). It represents an approach to the ecosystem that recognises and takes into account innovation potentials in the action and interaction of all societal sectors. This information helps to gain a first insight into the actual actors involved in the cases and the respective policy fields, which provide the thematic framework.

Whereas it was possible to adopt the distinction of groups of actors in the social innovation ecosystem without any deviations, the collection of policy fields needed an inductive extension after the finishing of the sample. The final sample contains cases that could not be assigned to the policy fields defined and used in the SI-DRIVE project. This can be explained by the explorative approach of this project, in which no representative mapping of the population of social innovation initiatives was possible. Due to the dynamics of social innovation, the large number of actors involved and the constantly evolving challenges





and thematic fields, no definitive clusters could be deductively determined for the case sample of the German social innovation ecosystem elements either. This means while the below presentation of policy fields allows for comparability with previous results of international research, it cannot provide a definitive basis for a typology. Likewise, the listing of policy fields does not permit any statements about the distribution of activity target dimensions in the German social innovation ecosystem. For the analysis of cases it was necessary to extend the SI-DRIVE policy fields by three additional clusters, namely (1) *society and participation*, (2) *economy* and (3) *public administration*.

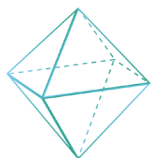
(1) Society and participation:

Participation extends to as many different societal fields, among others, music, theatre and sports. In this vein, social innovation also occurs with the aim to enable society and specific societal groups to gain access to activities, resources, or knowledge in these fields. Particularly, a series of prominent cases that were contributed to the mapping display the broad array of mainly social innovation initiatives directed at participation. This extends from enabling children to participate in classical music to engaging citizens in political processes, hence, reflecting the overarching nature of social innovation to enable participation. Moreover, political agreements (as distinct from public administration) as well as statements of intent chiefly address society as a whole. They cover a set of different policy fields ranging from welfare to education and environmental protection. In this sense, such agreements and statements are likewise overarching. To account for that, a new respective policy field is included.

(2) Economy:

Social innovation does not only arise in the non-profit sector, but can also be initiated by the economy as a solution to social challenges and be linked to profit-making interests at the same time. Social enterprises are certainly the most prominent example. Due to the expectation of profits, a business-oriented focus on social innovation is not only on socially innovative enterprises, but also on business-oriented support measures. Thus, funding measures in the field of social innovation are also aimed at the economy and financing offers for social innovation plan with a return on investment. This constellation of factors makes it





necessary to consider this additional policy field in order to account for the inductive findings.

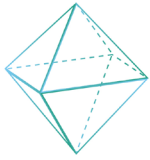
(3) Public administration:

Public administration provides funding for social innovation, administers the legal framework and carries out approval procedures. This makes it one of the central actors in the social innovation ecosystem. At the same time, public administration can be a social innovator, not only innovating its own practices but also participating in the co-creation of social innovation. The framework conditions of social innovation in Germany thus also include programmes for the renewal of social practices of public administration or for the support of public administration in the participation in innovation processes. Therefore, public administration is added as an additional policy field.

Sample composition

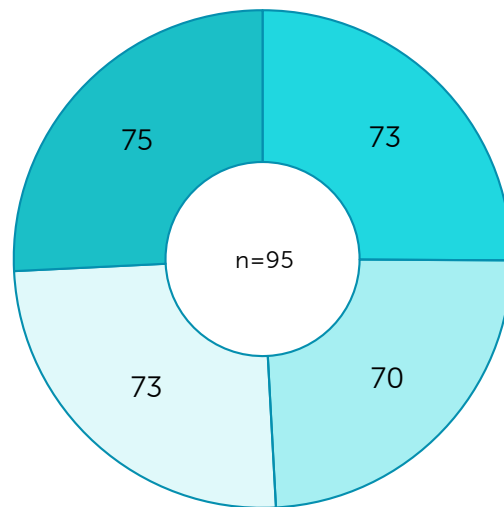
Policy field / area	Allocation by partners
Society and participation	32
Health and social care	16
Economy	18
Employment	11
Environment and climate change	6
Education and lifelong learning	5
Transport and mobility	3
Public administration	2
Poverty reduction and sustainable development	1
Energy supply	1
Total	95

The meta-analysis of the German social innovation ecosystem started from the collection of 95 cases. As described earlier, the cases were collected through a survey based on co-creatively developed guiding questions in specific categories.



However, due to the explorative approach, not all guiding questions were addressed in the case sampling. For the meta-analysis, the available qualitative data on the cases were analysed. While the guiding questions were intended to guide the collection of data, the focus was then directed at the analysis of the collected data and its interpretation.

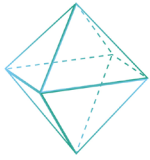
Number of type of actors involved in the mapped cases per societal sector (multiple choice)



■ Civil society ■ Business ■ Politics and public administration ■ Academia

Analytical approach: data treatment

The research heuristic provided with the onion model was the basis for the development of categories and guiding questions for the collection of data. The answers collected on these guiding questions in the sampling process were analysed to identify recurring patterns. Missing information on the provided data was collected in the course of additional desk research. The interpretation of the identified patterns allowed the presentation of concrete recommendations in new, inductively identified categories that were crosscutting the layers of the original research heuristic. The identified result categories are represented by the separate sub-chapters in the entire presentation of results in chapter 3. The resulting overview therefore draws on available qualitative data and, consequently, best allows for an interpretative analysis that delivers insights into current developments

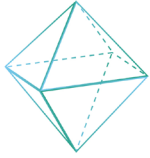


and the status quo of the German social innovation ecosystem. Much more, these are the results from the interpretative analysis that allow insights into current developments and the status quo based on the available information. Based on the data at hand, the report is enriched by a demonstration of best practices. That section is constructed of a description and key learning analysis of exemplary social innovation projects and initiatives. The presented best practices, hence, from the overall case sample were selected based on variety of policy fields and key learnings they offer. In this way, practitioners from a wide array of policy fields may acquire a broad set of key learnings.

Similar to the meta-analysis of co-creative innovation initiatives in the SISCODE project⁶ (Eckhardt et al., 2020), the analysis based on the developed categories followed a qualitative content-analytical approach to the document analysis (i.e., the descriptive qualitative data collected via survey method). Since the experts already assigned data to the deductive categories during the sampling process in the survey, an inductive development of categories initially was not necessary. However, the analysis followed an inductive approach in that the deductive categories served to structure the data, but not the meta-analysis itself. For the meta-analysis, correlations and patterns that emerged in the data, even across categories, were merged interpretatively from them. The results of the analysis presented in chapters 4 and 5 highlight the main findings from the data analysis and interpretation. They are not a description of all qualitative results, but rather an overview of key findings. Yet, the data collected in the sampling process did not provide all the information needed for the interpretation of the data and the subsequent meta-analysis. In the course of the analysis process by TUDO, additional desk research was conducted to supplement the data or to reject or confirm identified patterns. In this light, findings from previous research or additional content from practice were added when applicable to spotlight critical results from the mapping. The mapping also allowed for a demonstration of best practices, in particular as derived from those cases entered as case studies of social innovation.

⁶ The SISCODE project focused on researching and exploring co-creation as an approach to realising responsible research innovation processes. A total of 135 cases were analysed quantitatively and 55 qualitative case studies were done and analysed comparatively. (Eckhardt et al., 2021) In addition, co-creation processes were tested in real-life experiments in 10 labs (Real and Schmittinger, 2022).





3 Status Quo: The Contemporary German Social Innovation Ecosystem

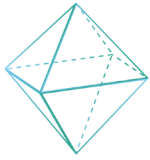
Supporting what?

About the framing of social innovation in the support ecosystem

Social innovation has found its way to become an established theme in German policies, where it is conceptualised in a way that is open to society. It is seen to be associated, for example, with new solutions for social challenges, both for profit and not for profit (BMBF 2021; BMBF 2018). However, in support practice there are both narrow and more open conceptualisations of the term. The result are criteria that limit access to support offers, funding or financing opportunities for some social innovators and improves it for others.

For example, social innovation in Germany is often closely associated with the activities of social enterprises and the visions of social entrepreneurs. Entrepreneurial practice with the primary goal of addressing societal challenges (SEND 2022) then offers the prerequisites for social innovation. Analogous to start-ups without an orientation towards social goals, innovation capacity is placed in the context of market orientation and entrepreneurially managed organizations. This lends itself to the adaptation of funding programmes and financing offers that have already proven their suitability for supporting start-ups or already established for profit business. The result are successful programmes that aim to support the development of commercially viable business models and financing instruments that focus on growth or return on invest.





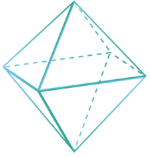
German **social enterprises** that are looking for support in developing social innovation can now find it in a wide variety of instruments and programmes. These include, for example, the **European Social Innovation and Impact Fund (ESIIF)**, an instrument developed by FA-SE to provide financial support to social enterprises in Germany and Europe in their early stages. The fund is backed by a partial loss protection with the EaSI guarantees of the European Investment Fund (EIF).

In the course of the growing importance of social innovation at the **regional level**, offers at the level of the federal states can now also be found, which explicitly address **social enterprises** and social entrepreneurs that want to implement social innovations. Funded by the Hessian Ministry of Economics, Energy, Transport and Housing, one of these examples is the support programme **Sozialinnovator Hessen** (Social Innovator Hessen), which is implemented by a consortium of partners led by SEND e.V. and supported by the Hessian Ministry of Economics, Energy, Transport and Housing. This programme is focussing on start-up advice and coaching, provision of free space and a network with events.

*Supporting social
enterprises and
entrepreneurs
to enable
social innovation*

While the link between market success of companies and innovation has been recognised for decades, the focus group discussion and data from the sample show that the recognition of success chances of innovations in the social sector is more recent. A strong example is the large welfare organisations that enable non-profit social innovation to gain momentum and develop. Here, social innovation is linked to solutions for concrete societal challenges that cannot be solved by market mechanisms but, for example, concern gaps in the welfare system. Although the concept of social innovation is rather new in the welfare sector, social innovation has been emerging in welfare for a long time. New models of social care and new social services are just two examples. The welfare sector in Germany has traditionally been largely non-profit oriented, so there is scope for social innovations that are oriented towards the non-profit sector. At the same time, there are increasing efforts in the welfare sector to ensure the economic viability of innovative approaches. The question of long-term refinancing of an innovative initiative ultimately also arises in this protected environment and temporary funding programmes do not ensure the long-term development of an innovative approach into an established social innovation, even if a social impact is observable. Under pressure to be economically viable, welfare organisations also have to act as economic organisations as they have to refinance their activities.





Market orientation is thus not a goal but a means to ensure the sustainability of non-profit. Thus, innovative solutions that emerge in the welfare sector must often also be economically viable. At the same time, innovative solutions that are developed in welfare organisations offer space for new business fields in the social sector. Accordingly, the focus of support for social innovation from within welfare is by far not only on offers for independent social innovators but also on the support of social innovators in the organisations, hence intrapreneurs. This does not necessarily imply a market orientation of social innovation in the welfare sector. However, it does indicate that the potential of economically viable models that nevertheless place social goals at the centre is also recognised here and transferred into support practices.

In the context of **welfare**, we can increasingly observe laboratory contexts in which the development of social innovations is supported together with the development of accompanying **business models**.

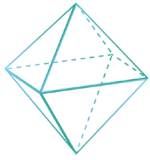
The **UnTIL Lab** at Trier University provides an example for the provision of support in the start-up phase. This innovation lab is supported by regional welfare organisations (Caritasverband für die Diözese Trier and Der Paritätische Rheinlandpfalz/Saarland) in addition to the university and aims to promote innovations that are created by **intrapreneurs** of welfare organisations, hence by already existing organisations and their members. The focus is on the idea generation phase and the development of a business model. The Lab is also accompanied by research with the aim of gaining knowledge by testing organisational pedagogical approaches.

Another lab-approach to support the development of social innovation initiatives by intrapreneurs in the welfare sector is the **AWO Innovation Lab** in Braunschweig. Here, **intrapreneurs** from AWO staff and other members of associations and social enterprises are supported in developing and implementing innovative social services. The lab approach also aims at developing business models to achieve economic viability.

*Support of social innovation
by social entrepreneurs in
the welfare sector*

The diversity of support services, ranging from funding and financing to consulting, coaching or networking, does not end with the question of whether social enterprises, social entrepreneurs or other social innovators are primarily addressed or if both are welcome.





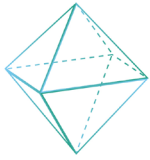
Especially when social innovation is not specifically identified and supported as a topic, predefined challenges enable or block access. Social innovation, in the sense of established new social practices to solve concrete challenges, could per se be funded with programmes that start from societal challenges of whatever societal sector, unless the focus is explicitly limited to technical innovations. New models for the social integration of refugees, new practices for the recruitment of trainees in times of a shortage of skilled workers or for the renewal of care in the face of intensifying demographic change can generate social innovation and thus enable problem solving. At the same time, if an innovative approach to the renewal of social practices does not concern a currently supported thematic field, a social innovation may not be able to develop due to a lack of resources.

Overall, support structures for social innovation in Germany are thematically fragmented and approaches to support all social innovators still remain rather the exception. For social innovators, this means a considerable need to deal with the differences in support services and to identify the best opportunities, which can require a substantial expenditure of time and effort that may become a hurdle to gain initial momentum. At the same time, a thematically fragmented support landscape includes the risk of gaps and some promising socially innovative approaches are at risk of falling through the cracks.

» There is still a lack of funding opportunities for social innovators in Germany. Especially patient capital is a scarce resource, as most impact investors seek market-rate returns. Additionally, it is rather difficult for social innovators to find the right offer and build a coalition of appropriate investors. «

Dr. Markus Freiburg
Founder and CEO
Finanzierungsagentur für Social Entrepreneurship GmbH, Germany





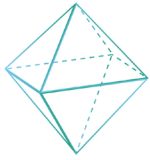
Although the fragmented landscape of support services causes gaps, their diversity at the same time represents a capacity for addressing social challenges where they become observable and can be solved. Local or regional programmes with an explicit thematic focus respond to corresponding local or regional needs. In order to do justice to the greater diversity of socially innovative approaches, it is by no means necessary to overcome thematic focal points but rather to **concert** such programmes **across geographical units and social sectors** in order to identify and avoid gaps. This conclusion complements the call for an independent institution for the promotion and financing of social innovation in its full range, as most recently put forward centrally in the report *Financing Social Innovation* (Krlev et al., 2021).

Internationally, the Portuguese initiative "Portugal Innovação Social" (**Portugal Social Innovation**) has recently received a lot of attention. The aim of this **public approach** was to bring together several financing instruments in the sense of a one-stop shop. With the help of impact bonds, the financing of capacity building, public and private investment in projects and a fund for already developed social innovation projects, more than 600 initiatives have already been financed by spring 2022. Thematically, the programmes of Portugal Social Innovation are broadly positioned and so far, initiatives from the areas of social inclusion, employment, education, health, justice, digital inclusion and citizenship and community have been funded. Incubators have also been funded.

*Closing the gaps with a
one-stop shop approach*

At the same time, there is **also a need for more open programmes that promote social innovation across the board** and address innovative strength at the interfaces of thematic fields or in thematic fields that have not yet been identified. After all, the new often cannot be anticipated. Hence, there is a need for thematic leeway. It is not a matter of defining other themes or deciding for or against market-oriented or non-profit approaches, but rather of taking diversity into account at all levels. This also includes appropriate information services that help all social innovators to navigate the support landscape.





How are financial resources for social innovation provided? A new variety of approaches

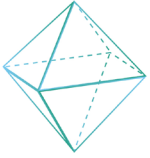
In the business world, innovation has long been the dominant driver of economic success. It has often been linked to new technologies. At the same time, the funding of innovative activities that focussed on social improvements beyond technology was often only supported financially by welfare organisations (incl. church), the state, philanthropists and foundations. This has changed since then. The development towards a new understanding of the potential of new solutions for social challenges was complemented with new concepts like social innovation, social entrepreneurship, social enterprise or corporate social responsibility. In this course, it was not only recognised by public organisations, welfare organisations, foundations and philanthropists anymore that innovative solutions can work beyond technical developments. Since then, companies and private investors are increasingly investing in social innovation, for instance, to fulfil new aims for social responsibility or to address problems whose solution is also in their interest. At the same time, the awareness grew that social impact can be linked to profit-making interests.

► Spotlight study: Financing Social Innovation

The report *Financing Social Innovation by Krlev et al.* (2021) discusses a comprehensive range of financing instruments and funding tools for the promotion of social innovation and presents recommendations

The authors identify and recommend five financing tools from international evidence, which they suggest as “best practices for Germany” (2021: 23), namely: “accelerator loans/grants”, “social impact bonds/outcome funds”, “community bonds” “blended market finance” (ibid.: 24f). In their approach, these tools go hand in hand with a financing architecture that is aimed at funding “social innovation effectively and mobilise private capital” (ibid: 16), via targeted policy measures. Towards a holistic approach, the proposed measures include new or adapted support measures (monetary and non-monetary) as well as changed framework conditions and targeted state interventions: “pooling of accelerator subsidies”, “tax incentives or premiums for impact”, “guarantees”, the establishment of the “pay-by-results principle”, “local community investments”, social procurement & building quasi-market”, the “opening of existing programmes” for social innovation” and “capacity building & networks” for both “investors” and “social innovators” (ibid.: 18f).





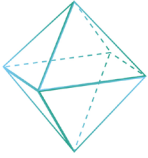
Against the background of these developments, approaches and ways of providing financial resources for social innovation have diversified and social innovators find various funding and financing opportunities. Beyond funding for projects with a pre-defined lifetime, new funding and financing models emerge for social innovation that are already established in the market of private investment. Especially the idea of **investment** as an approach to providing financial resources makes a significant difference. The approach of providing financial resources with the expectation of growth and later profits opens up new sources of funding. Private investors can be won over for the financing of social innovation and be part of the support structure in the ecosystem. This reflects a new awareness that profits and social goals are not mutually exclusive. This is of course central for social enterprises, where entrepreneurial action and social goals come together. This new possibility to achieve a return on investment opens the gates to established investment tools, such as **loans** or mixed forms of debt and equity like **mezzanine capital** to name but a few. In this environment, funds for social impact investment, such as FA-SE's ESIIIF fund or the BonVenture I-IV funds, have increasingly developed in recent years. However, these funds are solely open to social enterprises and social entrepreneurs, as they require economically viable business models with an expectation for not only social impact but also profits.

Several examples of the provision of **mezzanine capital** for social enterprises can already be found in Germany, provided with support from public, private and civil society organisations. For instance, the **Mikromezzaninfonds Deutschland**, the **ESIIIF Fund** and **BonVenture** already use the mix of equity and debt capital for financing social enterprises. While Mikromezzaninfonds Deutschland is basically open to a broader range of (small) ventures, BonVenture and ESIIIF more explicitly focus on social impact. At the same time, these three examples also cover a range of investment volumes per venture with a maximum of € 50,000 to a minimum of € 500,000.

Banks are probably among the most traditional capital providers in the financial market. In the state of North Rhine-Westphalia, the public **NRW Bank** provides loans with a volume of up to € 150m to not only business and public organisations, but also to socially oriented organisations who address the public and social infrastructure of North Rhine-Westphalia.

*Investment funds and loans
for social innovation*



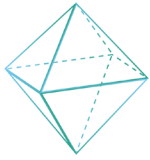


Furthermore, social impact and return on investment can be leveraged with assistance from the public sector. First used in the United Kingdom in 2010 (Han et al., 2020), **Social impact bonds** are still a relatively novel financing tool in Germany. Here, third parties like private investors initially finance projects. If an evaluation after the project concluded shows that previously defined impact targets have been achieved, the project is refinanced through public funds, hence social impact bonds are also referred to as “pay for success” (ibid.). They allow for a “risk shift to private investors, while providing outcomes-based rep-payment (plus premium) by the public sector” (Krlav et al., 2021: 26). This constellation creates an incentive for private investors to develop a strong interest in the social impact of their (social) investments in order to minimise the risk of default. At the same time, **social innovation initiatives are encouraged to act impact-oriented and to develop or adopt measurable indicators to provide a basis for the evaluation.** Although the investment is initially borne by third party investors, contracts must be concluded in advance with public administration to guarantee payment after successful evaluation. This can be a hurdle early in the process.

Social impact bonds (SIBs) already received a lot of attention internationally and are recently one of the major tools of Portugal’s nationwide programme for social innovation, “Portugal Inovação Social”. In Germany, the NGO **Phineo** manages two SIBs since 2017. The first SIB is a cooperation with the **Landkreis Osnabrück** and funds an innovative parenting programme (“Triple P”) to help parents who have individual support needs to raise their children. The pilot project is intended to test whether these families could be helped better and faster with a preventive parenting programme than with the support measures currently available. The second SIB is a cooperation with the municipality of **Mannheim** to finance a tutoring programme in German and mathematics for pupils with a migration background. The aim is to support a successful educational biography of the students.

*Social impact bonds for
socially innovative
initiatives*



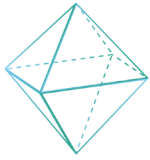


Civil society to support social innovation

Public funding programmes and private financing offers, which explicitly address social innovation or enable the financing of social innovation more indirectly through the support of social entrepreneurs or other thematic tailoring, are not limited to the provision of financial resources. Examples such as *INVESTEU*, *NRW BANK* or *BONVENTURE* show that the need for advice and networking has long been recognised, as has the need to create places and opportunities for initiating innovation processes, for example in social innovation labs supported by welfare organisations.

Civil society actors have also recognised the needs for support of social innovation. For example, KoSI brings together such civil society organisations that have recognised the need to support social innovation initiatives. Social Impact, SEND, FA-SE, Ashoka, Phineo and Diakonie Schleswig-Holstein represent civil society organisations of the social innovation support ecosystem in Germany and provide support on several levels. They participate in funding and financing programmes, for example by supervising them or being involved in their conceptualisation. Examples are the *ESIIF* (FA-SE), *SOZIALINNOVATOR HESSEN* (SEND), or the *SKALA* Initiative (Phineo). They form networks for social innovators, such as the Ashoka Fellows Network or the SEND Network, often with a focus on social entrepreneurship. They also offer advisory services and provide venues and opportunities, such as the *SOCIAL IMPACT LABS* and they develop concepts for impact orientation, hence impact-improvement, with the Phineo Impact Model. In addition, they support initiatives at the political level through advocacy and policy work or by actively developing the topic in the welfare sector, like Diakonie Schleswig-Holstein.





The association **Heldenrat e.V.** offers an example of a civil society organisation dedicated to **coaching and qualification** for both young and established social initiatives and social entrepreneurs. The aim is to support **social engagement** in general. This results, at least implicitly, in an offer of support for non-profit social innovation. The offer is based on the approach of empowering social initiatives by advising them on the professionalisation and continuous improvement of their work. This takes place both in the form of workshops and individual coaching. Advice and knowledge transfer are also complemented by their own research. To this end, the association also conducts **research** and cooperates in larger projects, such as the development and evaluation of a study programme for social entrepreneurship in the project Social Entrepreneurship for Local Change, funded by Erasmus+, with several European universities.

Support of social engagement
to support social innovation

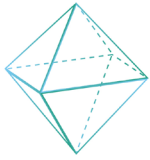
As the mapping reveals, there is also a lot of civil society support for social innovation. These offers are directed at different social innovators, partly explicitly and partly also rather implicitly.

Overall, the mapping shows that some civil society organisations in Germany have long recognised the need to support social innovation. While some gaps have already been closed due to support by civil society, other gaps might remain open. Depending on each socially innovative approach, there may still be a lack of suitable, accessible or findable support services for concrete ideas for social innovation. There seems to be a need to provide a better overview that is aimed at all social innovators and helps them to navigate through civil society support offers and find the right ones. In addition, in the cases identified, civil society organisations tend to manage the transfer of financial resources but cannot provide them themselves. The result is a need for further cooperation with third parties like private investors or public administration.

How to decide whom to support? The role of social impact measurement

Impact measurement is not only a topic for social innovators interested in their social impact. Next to well-established tools for social innovators to allow, measure and increase social impact like Phineo's impact model and its Social Reporting Standard, impact measurement is increasingly finding its way into social innovation research. On the one hand, social innovation initiatives and social enterprises





themselves are interested in their impact. On the other hand, there are also political and funding or financing interests in making the impact of social innovation tangible, understanding it and making it usable for political decisions and the funding and financing of social innovation. An example of a recent research project in Germany is the IndiSI project by the Institute for Work and Technology at Westfälische Hochschule Gelsenkirchen, the Centre for Social Investment at Ruprecht-Karls University Heidelberg and Philipps-University Marburg (Department of Geography), funded by the BMBF as of 2018 and concluded in spring 2021. Starting from the aim to address the gap of tools for measuring the diversity of social innovation, a set of indicators was developed and tested for the measurement of early-stage social innovation. The approach puts the question for “the relevance of social needs in a concrete context” into focus by analysing “societal discourses” and how this relevance is “socially constructed” (Strambach and Thurmann 2021: 8). In this vein, one idea often connected to the role of higher education institutions in projects such as IndiSI, in addition to developing research and measurement instruments, is helping create awareness and credibility.

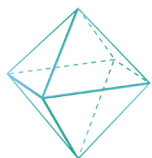
» Many social innovators want to measure and analyse their impact. To do so, they need reliable methods and indicators. Science plays an important role in the research and further development of instruments and can at the same time ensure high quality and credibility. «

Thomas Steiner
Impact Measurement & Management Expert
PHINEO gAG, Germany



From a funding perspective, making the impact of social innovation tangible and measurable is connected to the question of which social innovation initiatives can be promising and how funds can be distributed in an impact-oriented way. Finally, the distribution of public funds is often related to the desire for solutions to goals identified by





policy-makers, which are linked to concrete challenges, such as those behind the Sustainable Development Goals⁷. If funding programmes are the instrument for enabling solutions to these challenges, an impact-oriented distribution of funds is obvious. After all, this promises a more targeted use of these public resources.

With the **SKala Initiative**, the non-profit Phineo and a philanthropist entrepreneur support 93 non-profit projects in the thematic areas of inclusion and participation, engagement and skills development, bridging the generations and forgotten crises. A central selection criterion for the funds is either **a concept for impact-measurement** for early initiatives **or proof of first social impacts** for already active initiatives. Thus, both new and already established organisations are supported as long as impact-orientation is guiding their practice.

With a **high impact investment** approach, **BonVenture** provides opportunities to invest **venture capital** in its already 4th fund with a portfolio of enterprises, which both aim at profits and social impact. To ensure investment with a high social impact, only enterprises are selected for the portfolio that address the United Nations' **Sustainable Development Goals**. Each enterprise must clearly describe the social challenge it wants to solve and identify its causes. It must pursue a measurable goal with a defined target group and set out the levers it will use to achieve the goal. BonVenture measures the achievement of these goals using the "IOOI Theory of Change"⁸.

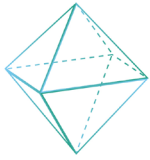
*Resources for
social impact*

In addition, there are funding models through which money from private investors is channelled to social innovation initiatives. Due to the expectation of profits with simultaneous financing of socially oriented goals, this mostly concerns programmes for social enterprises that can generate profits while addressing social goals. In such programmes, impact orientation is not only used to anticipate the successful addressing of social goals, but also to assess the prospects of success of a business model. In addition to public coverage of risks through guarantees, as in the ESIF programme, impact orientation offers additional security. If business models of social enterprises are

⁷ The German Social Entrepreneurship Monitor (Kiefl et al., 2022) points to a high relevance of the Sustainable Development Goals for the impact-oriented work of social enterprises in particular. Accordingly, 88.9% of the enterprises in the monitor address at least one of the goals (ibid.: 31). The extent to which addressing these goals as a necessary condition for access to funding or financing had an effect can at best be assumed. However, they are obviously a central reference point for (impact-oriented) social enterprises.

⁸ This theory of change comprises the inputs ("investments in the venture"), the outputs ("measurable results"), the outcomes ("accomplished social change") and the impact ("social change"). (Bonventure, n.d.)





assessed in the context of the decision to distribute funds based on their prospects of a successful social impact, default risk for investors also decreases.

This context gives rise to both opportunities and risks for social innovators. If a concept for the implementation of a concrete solution is expected to have a high impact, the chances to access funds increase. Thus, approaches that are expected to produce higher social impact are strengthened by this practice. If an innovative approach based on previous experience with the impact of social innovation is unlikely to have high social impact, financing opportunities are likely to remain unattainable. Thus, **there is an urgent need to develop valid and reliable impact measurement tools for funders and investors as well, which help to ensure that the gatekeeper function of impact orientation does not become dysfunctional.**

Organisational forms for social innovation initiatives

International research projects on social innovation, such as the SIMPACT project, recognised early that a major challenge of social innovation initiatives lies in financing and sustaining the work on social innovation (Terstriep et al., 2015). Particular importance is attached to longer-term financial viability, which, for example, enables the establishment of changed social practices or at least a continuation of activities, for instance, after a temporary project has ended. Based on the question of how social innovation can realise its social and economic impact, various business models have already been discussed in the context of the SIMPACT results (Terstriep and Kleverbeck, 2018), which can form the framework for initiating and implementing social innovation. Since financing opportunities have opened up through private investments, the demand on social innovation initiatives has increased even more. Without a convincing business model with the prospect of a return on investment, it is often difficult to find private funding. This requirement for business models that are financially viable in the long term is also increasingly reflected in public funding. Social enterprise models that combine market orientation and social goals, but prioritise the latter, provide part of the answer. The German Social Entrepreneurship Monitor (DSEM) by SEND e.V. already reflects this for social enterprises themselves. On the one hand, 34% benefit from trade with consumers as their main source of income and 37% from trade with profit-oriented companies. Through

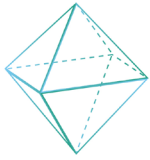




revenue, such social enterprises can enable their own sustainability. At the same time, however, "grants/ subsidies/ support from the government/ municipality/ public sector" (Kiefl et al., 2022: 43; own translation) as one of the main sources of income for 39% or donations from private individuals for just under 29% also have a central role. Likewise, volunteering still remains important for social enterprises by about 35% (ibid.). But, what happens if a solution cannot be mediated through the market at all, for example because it is expected to have social impact but the changed practices cannot be monetised? What ensues, if entrepreneurial approaches are not or cannot be part of the concept?

Traditionally, Germany has a strong association system (Vereinswesen). Thus, this organisational form lends itself to many civil society initiatives, with and without business-oriented approaches to solving social challenges. SEND's DSEM (Kiefl et al. 2022) shows that social enterprises are often characterised by the legal form of a charitable registered association (e.V.). In the DSEM sample, a proportion of more than 18% of social enterprises reported to have this legal form (ibid.: 25). In the current mapping sample, there are also several indications where associations were involved or even represent the central legal form of the organisation for the work on a socially innovative solution. This shows that the association model has long since arrived not only in civil society, but also in the ecosystem of social innovation. Examples comprise intermediaries and support actors such as SEND e.V. and organisations that focus solely on getting their social innovation or socially innovative approaches off the ground, such as ACKER E.V. or *SOZIALHELDEN E.V.*





The **association Acker e.V.** pursues the goal of increasing the appreciation of food in society and counteracting the loss of knowledge and skills in the field of food production. It addresses issues such as healthy nutrition and the avoidance of food waste. Acker e.V. now includes several offers aimed at children and adults, from educational programmes in collaboration with schools (e.g. Gemüseackerdemie) to concepts for office gardening or urban farming aimed at adults, e.g. in collaboration with companies (e.g. ackerpause).

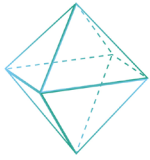
The approach of Acker e.V. was financed in a first financing round from 2015 as the non-profit Ackerdemia e.V. in a **hybrid form of subordinated loan and donation**. Ackerdemia was thus financed by **donations and grants** from foundations, companies, philanthropists and from the public sector, its **own revenues** from the sale of vegetables and **impact-oriented investments** (profit participation capital to finance the self-supporting business model). This model was developed in cooperation with FA-SE and learning from this first round serve as the basis for the business plan of the second financing round.

Associations for social innovation

Similarly established in civil society as associations, cooperatives are a traditionally strong organisational form of civil society in Germany. Among the social enterprises in the DSEM, however, cooperatives are more the exception and only 1.7% of the organisations have this legal form (Kiefl 2022: 25). Compared to associations, in cooperatives economic purposes are more in the foreground, but at the same time they are also determined by a principle of promotion as well as the principles of self-help, self-responsibility and self-administration, among others. Thus, they are closer oriented towards the common good than other forms of organisation with economic goals. Cooperatives are characterised by the fact that the owners are both customer and supplier as well as equity providers. In the DSEM, SuperCoop Berlin is an example of a social enterprise that highlights the characteristics of cooperatives for its organisational form. As per them, they chose this legal form as they

"1) by definition operate in the interest of all users and society instead of individual investors, 2) are democratically organised through a voting-right per head instead of per share and 3) are convinced that through collective action, everyone can be part of positive change" (ibid.: 26; own translation)





Chancen e.G. was founded in 2016 by two former board members of the **Studierendengesellschaft** (SG) at Witten/Herdecke University as a further development of the inversed inter-generational contract (Umgekehrter Generationenvertrag, UGV) with the aim of being able to offer the service at other higher education institutions.

The original UGV is already been implemented by the SG for over 25 years. It covers private education costs with the aim of more equal opportunities and self-determination in the choice of education and career. The UG is based on a downstream, income-dependent financing model through which the costs are borne by older members or partly re-paid already during the higher education period.

Based on the approach of the UGV, Chancen e.G. finances the costs of living and/or tuition fees during higher education. After graduation and entry into employment, graduates pay back a fixed and capped share of their income over a maximum of 8 years. As a registered cooperative, the financing model also includes the possibility for investors to purchase **cooperative shares**. Furthermore, Chancen e.G. received public **funding** by the European Union through the European fund for strategic investments (EFSI).

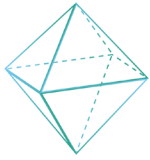
*Cooperatives for social
innovation*

So what?

The diverse scope of narratives in strategies and political agreements

As part of the mapping, norms of social innovation have been surveyed to generate learnings for the development of a social innovation ecosystem. Norms of social innovation inter alia include political agreements, strategies, position papers etc. As outlined in chapter 2.1, the norms layer of the onion model includes factors such as legal frameworks, ethical and moral standards or specific actors' or actor groups' missions, represented, for instance, by such innovation strategies or coalitions agreements. From the mapping sample a total sum of 27 answers to guiding questions for the dimension of norms has been reported, for all of which politics and public administration represent the central actor, followed by 23 cases led by the business sector including social enterprises. Notably, only a bit more than a half of the norms (15) involved civil society, with fewer norms (13) including academia. The subsequent qualitative analysis delivers interesting results. Strikingly, the reported norms demonstrate that their contents with regard to social innovation are clearly **driven by recent narratives, yet, alongside a diverse scope.**





» 15 years ago, rather unknown, social innovation nowadays plays a vital role in entrepreneurial and political decision-making. This is an outcome of involving the private and social welfare sectors as well as academia in the development of social entrepreneurial initiatives, on top of addressing immediate customers. The newly gained attention now should find its way into strategies and measures, among others, the promotion of a sustainable institutional system. «

Norbert Kunz
Managing Director
Social Impact gGmbH, Germany



In this light, a third of all reported regional, mainly federal-state-level, innovation strategies, but less than a third of current coalition agreements, particularly include social innovation as a **stand-alone type of innovation with a clear distinction from technological innovations**. This exposed positioning of social innovation within the strategies is derived from recent narratives, for instance, on new societal challenges that must be defied in a common effort of the different actors within the social innovation ecosystem and on sustainable, socially fair growth. Former strategies with a narrow focus on technological innovation mainly developed in federal states well-known as technology hot spots such as North Rhine-Westphalia or Baden-Wuerttemberg nowadays extend their strategies in that they expressly include social innovation as a necessary pillar of sustainable regional growth. Equally, some strategies include own clear definitions of social innovation to emphasise its stand-alone role.





Exemplary case excerpt for a narrative-driven strategy

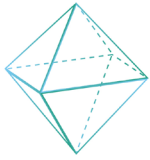
The federal (city) state of **Bremen's Innovation Strategy** aims at fostering intelligent, sustainable and socially responsible growth. It includes five key areas of innovation, that is (1) sustainable economy and resource efficiency, (2) networked and adapted industry, (3) future-oriented mobility, (4) intelligent services and (5) digital transformation. To reach these goals, social innovation is incorporated as a stand-alone mode of action. In particular, the strategy contains **a separate definition of social innovation** describing it as new social practices and organizational models that should solve societal challenges through sustainable solutions. Thereby, underlying innovation measures can be of technological and non-technological nature. The strategy emphasizes the social and economic value of social innovation for society and the environment. Social innovation and social entrepreneurship alike are separately addressed by support measures. For instance, to reach sustainable mobility, social innovation should be considered alongside technological innovation.

The strategy takes account of recent narratives on social innovation as a mode of action separate from technological innovation and beside social entrepreneurship to reach sustainable, socially responsible and fair growth.

Half of the regional strategies and, to a minor extent, coalition agreements more focus on a **broad** definition of innovation and either refer to social innovation and its relevance in addressing societal challenges **as a part of a wider innovation approach or even as a sub-form of technological innovation**. Similar to those strategies setting social innovation as a stand-alone mode of action, these strategies are impacted by recent narratives in that they leap at the recent debate on social innovation and societal challenges. However, the scope of recent narratives involved in establishing the strategies and agreements is less diverse than for the stand-alone counterpart. Thereby, such regional strategies emphasise the importance of social innovation for society and include it as a novel method or tool within the innovation toolset as an extension to their original strategy on technological innovation. They do not provide a prolonged definition of social innovation.

Almost a half of all coalition agreements and two regional strategies approach innovation with the broad definition of creating something novel. In this light, **social innovation is chiefly understood as innovation generated through social entrepreneurship and social enterprises**. As a mode of action to address societal challenges, these strategies and political agreements aim at promoting social entrepreneurship. In contrast to the two approaches described earlier, they leap at involving





recent narratives on societal challenges and the value of social entrepreneurship as distinct from commercial or business entrepreneurship. In this vein, the scope of narratives included is more limited, as they neither explicitly give a definition of social innovation, if referred to at all, nor elaborate over and above social entrepreneurship regarding methods or tools to address societal challenges.

It should be noted, that some coalition agreements include social innovation to a lesser magnitude, particularly as modes of action for specific policy fields only, such as for employment or education. In this vein, they either approach social innovation broadly or refer to social entrepreneurship only. However, coalition agreements for specific federal states might be supplemented by action plans or policies that specifically focus on social innovation. Such plans are driven by recent narratives like on new societal challenges to be addressed by an interplay of different actors within the social innovation ecosystem.

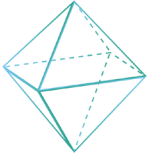
Exemplary case excerpt for a narrative-driven action plan

The action plan “**Soziale Innovation**” (social innovation) by **Lower Saxon Ministry for Federal and European Affairs and Regional Development** aims at promoting pilot projects that address societal challenges and regional needs. Specifically, scalable projects in the fields of optimisation and access to welfare and public services as well as new modes of employment inter alia to account for social change. Because of the pilot (experimental) character of the plan, there are three federal-state-level social innovation authorities, that is contact agencies under the lead of the public administration, that support the different actors within the **social innovation ecosystem**, among others, welfare providers, institutions and initiatives, with addressing challenges, finding solutions and putting them into action.

The plan takes account of recent narratives on social innovation as an important mode of action -separate from technological innovation- to defy societal challenges and, in particular, as an interplay of different actors in the social innovation ecosystem.

Apart from regional strategies and coalition agreements, recent narratives also drive the positioning explicitly of organizations in the welfare sector and vice versa. Focusing on the narrow definition, that is considering social innovation as a **stand-alone type of innovation**, a group of the major German welfare organizations together with Social Entrepreneurship Netzwerk Deutschland (SEND, German network of social entrepreneurs) and Bundesverband Deutsche Startups (Startup-Verband, German association of startups) issued a common position



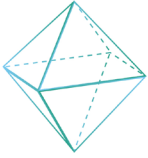


paper and agreed upon a collaboration for the sake of societal progress and social innovation in Germany (Diakonie Deutschland, 2019). In particular, they aim at fostering innovation in social services, inter alia through cross-disciplinary networks, expert meetings and conferences, enabling an environment in favour of social innovation, or improved media coverage to promote social initiatives. This also involves claims on getting set for intrapreneurship, mainly having their employees as internal social innovators, within the welfare organizations. In doing so, they also build on earlier claims for a more specific measuring of social value as outcomes of social innovation such as made by Eurodiaconia (2015), a European network of NGOs providing social and healthcare services. While recent narratives drive and influence the positioning and strategy building of welfare organizations in the context of social innovation and social value creation, such ultimate position papers in turn drive the development and diffusion of that same contemporary narratives. The more actors position themselves in favour of social innovation, the greater the diffusion and sharpening of narratives. In addition, the position paper described here in itself is innovative in that actors from the non-profit and social entrepreneurship field commonly develop a statement of intent and agree upon a collaboration to foster social innovation. However, as described in the next section, there are still tensions caused by narratives, even more emphasizing the necessity for such collaborative approaches.

» Non-statutory welfare in Germany comprises more than 93,000 institutions. The intrapreneurs in such welfare institutions brace themselves for current and future challenges. It is therefore crucial to promote the innovative potential of non-statutory welfare via tailored support and financing opportunities. «

Dr. Grit Kühne
European Social Policy and Project Development
Diaconia Schleswig-Holstein, Germany





Social enterprises torn by narratives – the grand misunderstanding

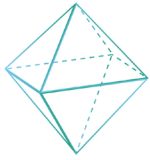
The mapping revealed that the social entrepreneurship field, chiefly social services, are confronted with recent narratives from two sides – commercial entrepreneurship and non-profit organizations. This contributed to a grand misunderstanding of how social enterprises should be managed.

First, one recent narrative heavily unlinks social from commercial entrepreneurship. According to the narrative, social enterprises that are managed like commercial ventures are inefficient. This is likely derived from the overall assumption that non-profit organizations inter alia in the social services field are less professionally managed due to a lack of performance incentives. Non-profits are dependent on funding and public budgeting rather than on market mechanisms. However, in contrast to non-profits, social enterprises often rely on market mechanisms and competition to acquire third-party funding. Hence, second, another recent narrative blames social enterprises for establishing capitalist forms of finance in the social sector and thereby superimposing the sector's traditional modes of access to funding. This is derived from the assumption that, once capitalist measures are deployed within the non-profit sphere, public finance might diminish.

» In times of multiple crises, social entrepreneurs address societal and environmental challenges with innovative and entrepreneurial approaches, while prioritizing impact over profit maximization. Thus, they contribute immensely to the urgently needed socio-ecological transformation. «

Daniela Deuber
CEO Social Entrepreneurship Network Germany
SEND, Germany





Many recent successful social enterprises provide proof against these opposing views on social entrepreneurship. While social entrepreneurship carries the value and mission of the social sector, it still partly relies on market or competitive mechanisms, like commercial entrepreneurship, to further develop and scale its business. These two sides do not mutually exclude, but are rather intertwined.

Spotlight: A bird-view on social innovation within the welfare sector

“Soziale Innovationen in den Spitzenverbänden der Freien Wohlfahrtspflege - Strukturen, Prozesse und Zukunftsperspektiven” (Social innovation in umbrella organisations of the Freie Wohlfahrtspflege - Structures, Processes and Future Perspectives), a study by Nock, Krlev and Mildenerger (2013), by order of the Federal Association of Non-statutory Welfare (BAGFW). It was supported by the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ) and evaluated social innovation within the welfare sector. The study tackled the following question: Which structures and mechanisms exist within the social welfare sector to foster, develop and spark innovation?

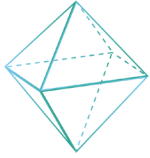
Making use of an explorative research design and interviews the study inter alia describes the regulatory triangle logic of financing which consists of (1) beneficiaries, (2) provider and (3) funding agency and, hence, due to discretionary powers, might lead to a diverging appraisal of needs between regulatory views and what beneficiaries and providers express. Newly developing needs build the “centre of gravity” making it necessary to not only *discover* those needs, but also *approve* them under the regulatory framework. Social innovation, thus, depends on time, place and existing norms. According to the study, further barriers to social innovation within the welfare sector embody bureaucratic processes, “sticking to the longstanding processes” and dependency regarding funding.

Insofar, the study presents a striking pathway to discussing social entrepreneurship, how social enterprises are and should be managed and the recent narratives tearing it between two sides – that social enterprises (1) which are managed like commercial ventures are inefficient and (2) are superimposing the welfare sector’s traditional modes of access to funding.

Regional ecosystems: Public support programmes for social innovation

Almost a third of all innovation strategies in the sample recognise social innovation as a distinct type of innovation (cf. above). A large proportion of these strategies in the sample explicitly concern the federal states. In the context of regional innovation programmes, these strategies ultimately point to a mandate for public administration to promote and fund social innovation.





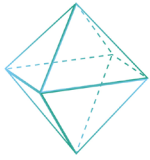
Actually, there are examples in the sample of such programmes that have been set up with the participation of the public sector to support and fund social innovation. As a ubiquitous phenomenon that can be observed in many areas of society, social innovation naturally benefits from programmes that generally aim at new solutions for societal challenges. They do not specifically recognise and name social innovation as a target dimension of the support action or the funding theme.

At the same time, however, there are such regional innovation programmes that specifically place social innovation at the centre and thus explicitly address it as a distinct type of innovation. These examples range from the targeted support of social innovation by social enterprises to more open approaches that allow the support of social innovation even without the explicit requirement of an economically viable business model (cf. above). Concrete examples of such public regional programmes pointed at social innovation specifically were identified with, for instance:

- *FÖRDERUNG SOZIALER INNOVATION IM LAND BRANDENBURG* (Brandenburg, Ministry for Economic Affairs, Labour and Energy)
- *SOZIALINNOVATOR HESSEN* (Hessen, supported by the Hessian Ministry of Economics, Energy, Transport and Housing),
- *SOZIALE INNOVATION* (Niedersachsen, Ministry for Federal and European Affairs),
- *DASEINSVORSORGE & SOZIALE INNOVATION* (Bremen and Niedersachsen, Metropolregion Bremen-Oldenburg im Nordwesten e.V.),
- *PROFI IMPULS* (Hamburg, supported by Free Hanseatic City of Hamburg)

Furthermore, *ESF+ funds*, through their anchoring in the European Pillar of Social Rights, offer funding opportunities for socially innovative approaches in general. In some ESF+ funds are, however, even *explicitly* allocated for the support of *social innovation* in some federal states, for instance, Bavaria, Baden-Württemberg, Brandenburg, Lower-Saxony (together with EFRE funds) and, starting from autumn 2022, in Saxony.





In the federal state of **Saxony-Anhalt**, a **regional Competence Centre for Social Innovation** (Kompetenzzentrum Soziale Innovation Sachsen-Anhalt) was established in 2017-2022. To this end, the state of Saxony-Anhalt funded a project with the participation of the Zentrum für Sozialforschung Halle e.V., the Fraunhofer IMWS and the Fraunhofer IFF and the Institut für Strukturpolitik und Wirtschaftsförderung mbH with **funds of the federal state** and **ESF funds**. The centre **identified, analysed, supported and tested** social innovations in the state of Saxony-Anhalt until 2022. In the course of these activities, a **map** of social innovation initiatives was created, in which the geographical location in Saxony-Anhalt and, additionally, in Erfurt, Leipzig and Berlin, as well as contact details, can be accessed. In Summer 2022, this competence centre project was concluded and the Zentrum für Sozialforschung Halle will continue to conduct research on social innovation, according to the project website.

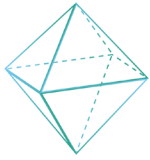
The Saxon State Ministry for Social Affairs and Social Cohesion will fund a Future Platform for Social Innovation (**Zukunftsplattform für soziale Innovationen**) from autumn 2022, using **ESF+** funds. The platform is intended to support social innovators from the **social economy, social entrepreneurship** and **civil society** initiatives. They are to be supported and accompanied in the development and implementation of new social solutions. It is therefore to be expected that the plans for the platform are primarily aimed at social innovation with explicit social goals.

*A competence centre and
a platform for social
innovation at the
regional level*

An active role of academia in the ecosystem

When considering universities and academia in more general terms as part of the German ecosystem of social innovation, the question of possible contributions to supporting social innovation inevitably arises. Research on social innovation and the transfer of knowledge and skills on social innovation in teaching are particularly obvious contributions. In addition, there is the transfer of knowledge into practice, to social innovation initiatives and public administration. In the context of a third mission of academic institutions with regard to the fulfilment of social responsibility, the question of a role as social innovators also arises. After all, higher education institutions combine knowledge, competences and are often already well networked through their research activities and on the strategic level, not only in practice but also in politics and public administration.





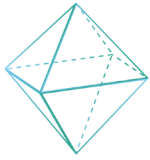
In a recent study conducted in the framework of the WISIH project, the Centre for Higher Education (CHE) took a closer look at higher education institutions in Germany's social innovation ecosystem (Hachmeister and Roessler, 2021). An analysis of their roles in different stages of social innovation processes revealed that respective projects usually require the **collaboration with other ecosystem actors**, especially when it comes to **initiation and implementation**. When part of a social innovation process, academics **take over roles, which are not directly related to their research and knowledge production**, such as mediation or quality assurance. As large organisations, higher education institutions are more than just the sum of their academics. They are functionally differentiated and include staff with other expertise and areas of responsibility, like public relations or administration. Hence, the study also shows that higher education institutions can contribute to social innovation processes **not only with scientific knowledge and knowledge production** but also with other contributions like project administration or public relations. At the same time, their contributions might be limited to the framework set by the research or the limits of the respective project. The impetus for social innovation and the long-term institutionalisation of new social practices may thus remain absent and left to other ecosystem actors (ibid.).

*Higher education institutions
as social innovators?*

In 2016, the SI-DRIVE global mapping of social innovation initiatives Howaldt et al. (2016) identified that higher education institutions had hardly taken an active role in social innovation ecosystems. Looking at Germany in 2022, this situation seems to be changing. Meanwhile, individual activities can increasingly be identified. When analysing the central roles and actors, some of the most common actors identified in the initiatives were first, civil society and public administration, while the university becomes increasingly important with the development and implementation of projects with an ecosystem approach.

Two relevant initiatives are represented within the projects Knowledge and Idea Transfer for Innovation in Administration (WITI) and Trier University Intrapreneurship Lab (UNTIL), as examples for the leading role of higher education institutions. The first project has a strong element of **transfer** of higher education institution capacities **directed at and together with public administration**. The second project has a strong element of **education and training**. **Beyond that**, it provides various methods for the direct development of social innovation, such as laboratories to explore the capacity of





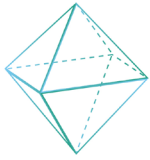
entrepreneurs or co-creation processes. Among others, with various actors.

The **WITI Project** at the University of Administrative Sciences Speyer provides a relevant example in supporting administration with creative and scientific expertise with specific challenges such as digitalisation and participation. The main goal of the WITI project is to foster and support a **cultural change in public administration**, which is more open for new methods and approaches in public administration. This project offers transfer capacities through an innovation lab. WITI is funded by the BMBF and GWK as part of the federal-state programme "Innovative Hochschule" (Innovative University) and provides public administration with creative solutions for current challenges.

*Higher education institutions
supporting the public sector
in the development
of social innovation*

The analysis of roles of actors and the formation of networks revealed that a large majority of the initiatives in the sample are relevant for the German ecosystem because of their network. Many of these initiatives are structured as social enterprises or as platforms supporting social enterprises and, as promoters of social innovation in all fields. Their role lies on networking to support and promote new initiatives born in their incubators or similar social labs. Two of these initiatives are related to better use of resources and sustainability issues (Circular Valley and Bürgerwerke). This requires a high level of commitment from regional actors, including not only accelerators but also companies, scientists and local actors in the region, in this case Wuppertal and Heidelberg, where these initiatives operate. In that sense, higher education institutions reveal a role as a network actor, from a perspective of infrastructure development and outreach to civil society through not only laboratories but initiatives that show an openness of academia to society, business and government.





Circular Valley is a supra-regional initiative of Wuppertal that aims to support the circular economy. The project is funded by the European Regional Development Fund (ERDF) and the state of North Rhine-Westphalia. This project focuses on the creation of an accelerator at the Wuppertal location, in which start-ups, established companies from the region and science find new solutions to resource use issues. Together with companies, especially from the tool industry and materials science, ideas and prototypes are developed that can be used in industry and reduce waste, emissions and energy consumption. Some groups of key actors in the ecosystem can be identified in regional initiatives that have developed a specialised network on social innovation with a regional focus and that support **education for social change based on entrepreneurship and social innovation**.

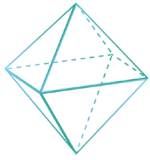
The **Social Entrepreneurship Academy** was founded in 2010. It was born from the network cooperation of the four Munich universities (Munich University of Applied Sciences, Ludwig-Maximilians-Universität München, Technische Universität München, Universität der Bundeswehr München) and their associated entrepreneurship centres. Their main activities are start-up promotion, qualification and networking, as well as research & infrastructure. This network focusses on entrepreneurship, but has a strong element of education as well. Under the motto "Education for Societal Change", it qualifies social entrepreneurs and those who want to become one. Currently, it offers the certificate programme "Social Innovations" for students and promotes social start-up projects. The Social Entrepreneurship Academy is based in Munich and is supported by the Vodafone Foundation, among others. It is a member of the Social Entrepreneurship Network Germany and supports, for instance, the social enterprise Social Bee.

*Actors forming networks
of actors –
the role of networks*

Labs in higher education institutions to support social innovation

Some of the higher education institutions' activities relate to the support of social innovation, infrastructures and networks. Here, higher education institutions do not take an active role of their own as social innovators but as supporters. This supportive role is often linked to laboratories, in which higher education institutions acquire the freedom to experiment with ideas and methods, both with and without technical aids, but also to integrate different actors in this process. With laboratories, we refer to contexts of living lab approaches which serve to explore social contexts in a real-world setting (Schneidewind 2014).





Examples in Germany where higher education institutions and other academic actors become active partners of the support ecosystem of social innovation feature a variety of cooperation with partners from other social sectors. When it comes to laboratory contexts, **academic institutions** often provide a **concept** and **academic expertise** for these labs. Sometimes, they also provide space. Other partners of such labs often come from other societal sectors and contribute with their specific expertise or additional resources. Sometimes, they also send their employees to join the labs to become intrapreneurs.

In Hessen and Rheinland-Pfalz, there are two striking examples for such labs, where **academic and non-academic partners from the welfare sector** work together to provide spaces for the development of social innovation. UnTIL Lab in Trier and LaDu in Darmstadt provide space and support intrapreneurs from welfare organisations and social enterprises to develop economically viable business concepts for new, socially innovative, ideas. While UnTIL Lab is a cooperation of Trier University and Caritasverband für die Diözese Trier, LaDu is a cooperation of EH Darmstadt (IZGS) and Mission Leben, a local welfare organisation.

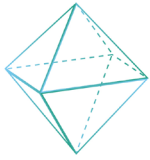
The **UnTIL** Lab at Trier University provides an example for the provision of support in the start-up phase. This innovation lab is supported by regional welfare organisations (Caritasverband für die Diözese Trier and Der Paritätische Rheinlandpfalz/Saarland) in addition to the university and aims to promote innovations that are created by intrapreneurs of welfare organisations, hence by already existing organisations and their members. The focus lies on the idea generation phase and the development of a business model. The Lab is also accompanied by research with the aim of gaining knowledge by testing organisational pedagogical approaches.

*Higher education institutions
and the welfare sector
working together to support
the development
of social innovation*

The focus in such labs is more on the development of innovation. When a laboratory has less focus on the development (and the learning context) of innovative technical solutions, (e.g. FabLabs) and more on the development of social innovation (Edwards-Schachter, 2018), such labs follow the international trend towards the establishment of collaborative spaces of social innovation (Wascher 2021).

But which gap do such university laboratories fill? The answer is quite simple: such labs offer experimental spaces that often would not exist without higher education institutions. They ultimately play a similar role in the ecosystem as public administration: they may not finance or fund social innovation, but they act as supporters who do not develop





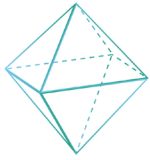
If there is a shared idea and awareness for the potential of social innovation, **cooperation between academic institutions and other societal sectors** can also be the seedbed of new efforts to **support social innovation** outside of university. For example, the **municipal Social Innovation Centre** of Dortmund's economic development agency was developed within a project by **public, academic and civic partners** who also developed a Social Innovation Centre in the city of Wuppertal. Meanwhile, Dortmund's Social Innovation centre has become a permanent public institution. This example not only shows how both academic and public actors take active roles in the support ecosystem together with civil society, but also that collaboration across sectors for social innovation can succeed. Ultimately, it is important to recognise the potentials and to realise a trusting cooperation, successfully bringing together perspectives, ideas and backgrounds.

*Academia as part of a larger
support ecosystem*

social innovation themselves. At the same time, however, there is more under the surface: just like public administration, higher education institutions can also be involved in social innovation, develop it and implement it. For university teaching, this would be, for example, new teaching and learning practices that become established. For research it could be new interview practices that are established or new practices of open knowledge sharing. Both can also be part of social innovation from labs that are set up at higher education institutions. Ultimately, this depends on the composition of the social innovators. If members (including students) from higher education institutions are involved, not only scientific knowledge and expertise might be contributed, but very likely also ideas for challenges to be addressed by social innovation.

Actually, the identified labs are characterised by the participation of different actors, which on the part of the higher education institutions include not only scientific researchers but also, in part, students. It is not always possible to clarify whether the primary reason is the idea of creating an ecosystem for social innovation, in which all social actors are actively involved and supportive. However, **there is a tendency towards higher educational contexts in which different innovators from various sectors come together and jointly develop innovative solutions: not only with regard to technical but also with regard to social innovation.**





» Only a few years ago, higher education institutions hardly had any active role in developing and shaping social innovations. In the meantime, more and more such institutions are turning to the topic. In the future, higher education institutions can take on a leading role in researching and communicating social innovations. They can initiate and drive them forward in cooperation with society. «

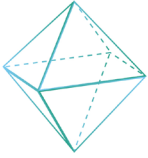
Prof. Dr. Jürgen Howaldt,
Director of Sozialforschungsstelle Dortmund
TU Dortmund University, Germany



Social innovation requires broad social collaboration and new infrastructures (Howaldt et al. 2022). As mentioned above, the development of centres and laboratories for social innovation has increased and the need for social actors to have more spaces and engagement is a success in the use of such infrastructures to strengthen cooperation between science and civil society. Therefore, the necessary conditions must be created to unleash the potential of social innovations. This means that the development of infrastructures, funding programmes, legal frameworks and ecosystems (Domanski et al. 2020) is crucial for the long-term sustainability of such infrastructures.

The development of infrastructures has been favoured by various social innovation programmes, but also by initiatives in Germany such as the "Innovative Hochschule" (Innovative Higher Education Institution) programme, as it has created a new space for the development of new ideas. In this sense, higher education institutions have a greater capacity to develop new approaches. Laboratories, but also spaces such as science shops, in particular the initiative of the science social shop with focus on the topic of social innovations offers a great potential for knowledge transfer and research in the field of social innovation, being part of a large network but at the first in Germany to develop this focus.

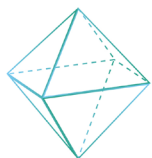




The **Social Science Shop** (Sozialwissenschaftsladen) is embedded as a pilot project in the structure of the Social Innovation Transfer Network (s_inn), which was founded at the beginning of 2018. It is located at the Catholic University of Applied Sciences NRW, Dept. Cologne and the Protestant University of Applied Sciences Rhineland-Westphalia-Lippe (EvH RWL) in Bochum and is funded within the framework of the federal-state programme "Innovative Hochschule". The Social Science Shop is committed to the idea of science shops. It brings **together society and science** to jointly develop approaches **for tackling ecological, ethical, technical or social problems** and issues. It is important that civil society actors determine the research question and are involved in dealing with it. In this way, problems and research needs are brought to the attention of the Social Science Shop and projects are developed together with students and scientists.

*Academia connecting with
society to foster social
innovation*





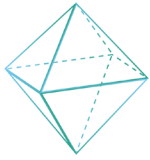
4 Best Practices: Avenues for Learnings? Real-life examples of social innovation in Germany

As part of the mapping, projects and initiatives of social innovation have been surveyed for a consideration as examples to learn from for the development of a social innovation ecosystem. Apart from assessing key learnings from each case study, the further foci of interest are target groups and their involvement in the process and advantages and limitations of aspects such as time frame and technology.

From the mapping sample a total sum of 24 social innovation projects and initiatives have been reported. As per self-report, 11 cases (46%) were not allocated to one of the given policy fields or areas, but were classified as “other”. This category inter alia comprises cultural or sustainability-related case studies. For a structured analysis, the cases are further clustered according to their respective case descriptions, leading to the seven clusters. Almost half of all reported case studies fall into the *welfare and health* (6 cases) and *employment* (5 cases) clusters, followed by cases of *environmental protection and climate change* (4 cases). Moreover, according to the self-reported data (multiple selection was available), for 23 cases civil society represents the central actor, followed by 22 cases led by the business sector including social enterprises. Notably, less than a half of the cases (10) involved politics or public administration, with fewer cases (8) including academia.

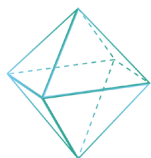
Sample composition for the dimension “case studies of social innovation”

policy field / area	partner allocation	post-allocation cluster
Welfare and health	4	6
Employment	2	5
Environmental protection and climate change	2	4
Education and lifelong learning	2	3
Society and participation	0	3
Transport and mobility	2	2
Energy supply	1	1
Other	11	
Total	24	24
central actors		partner allocation [multiple choice]
Civil society (NGOs, welfare providers, citizens’ initiatives etc.)		23
Business (incl. social enterprises)		22
Politics and public administration		10
Academia (universities, academies, institutes)		8



The subsequent qualitative analysis shows interesting results. Five projects or initiatives are highlighted to derive the most prevalent learnings. Projects and initiatives are selected from diverse clusters and features. Specifically, cases were selected on the basis of two major components, that is (1) policy field variety and (2) range of key features they offer as learning, the latter of which pertaining to the availability of information. To allow for a broad perspective and deliver learnings for a wide span of policy fields, henceforth, the six cases each represent a different policy field. *Welfare and health* is added one further case by displaying a spotlight study. For the purpose of this analysis, *employment* is excluded, as this cluster is mainly comprised of projects and initiatives fostering social entrepreneurship. Examples in this field are focused by a broad array of research and practice analyses and represent a field for themselves. The remaining six policy fields, transport and mobility, society and participation, education and lifelong learning, energy supply, environmental protection and climate change, welfare and health, thus are covered by the final case selection, following component (1). Yet, as the sample comprises more than one case for each policy field, in a second step, cases were meta-analysed regarding the diversity of key features they offer alongside available information. Some cases throughout the full sample offered a similar learning so that the choice of final cases was made based on component (2) that is, they were selected according to the unique learning they offer. In this way, the final sample represents a wide range of learnings, for instance, on features such as target group involvement or social innovation ecosystem networking. Ultimately, the sample presented spans policy fields and key features alike.



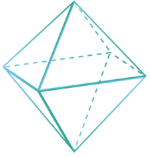


Collection of key learnings from the selected case studies

key feature <i>dimensions/layers</i>	case	post-allocation cluster
target group involvement → <i>interactive user layer:</i> real-time editing by users <i>co-creative layer:</i> technical development via API	<i>WHEELMAP</i>	transport and mobility
social innovation ecosystem networking → <i>local/regional:</i> cooperation of local actors to setup SI <i>national:</i> cross-municipal cooperation and learning	<i>ENGAGIERTE STADT</i>	society and participation
overarching offering to widespread target groups → <i>inner layer:</i> serving educational mission to primary schools <i>outer layer:</i> transferring the concept to other target groups	<i>TINY MUSIC HOUSE</i>	education and lifelong learning
spanning policy fields → <i>original:</i> serving its original purpose (energy) <i>cross-impact:</i> serving a second policy field (climate)	<i>BÜRGERWERKE EG</i>	energy supply
generation of a mutual win via creator-user-loop → <i>creator layer:</i> provision of user resources for creator <i>user layer:</i> provision of goods from user resources by creator	<i>ÖKONAUTEN EG</i>	environmental protection and climate change
boundary-spanning approach to optimised involvement → <i>micro level:</i> local collection of key learnings on involvement <i>macro level:</i> link of micro learnings for cross-boundary toolset	<i>SEMPRE & MAMBA</i>	welfare and health
Spotlight study:		
cross-boundary communication → <i>coordination:</i> communication between sectors <i>collaboration:</i> use of existing volunteer networks	<i>KOMMUNALE INNOVATION - ALTERSFREUNDLICHKEIT IN ZEITEN DER CORONA- PANDEMIE</i>	welfare and health

For *transport and mobility*, *WHEELMAP* represents a case of social innovation by the Berlin-based non-profit actor “Sozialhelden e.V.”. It provides key learnings on the relevance of **target group involvement**. Particularly, the project features different forms and levels of target group involvement up to co-creation on the basis of technical interfaces, demonstrating that such involvement is a decisive factor in fostering social innovation and addressing major societal issues. **Co-creation** culminates from the levels of coordination and collaboration, the latter two highlighted in the study by the Berlin Institute and the Körber Foundation displayed above. Such co-creative layer involves multiple actors and stakeholders including users (von Hippel, 1978) in

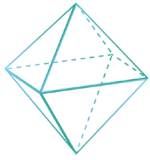




the ideation, enactment and evaluation of products, services, policies and systems to advance their efficiency and effectiveness and to satisfy those actors involved (Real and Schmittinger, 2021). The project covers the necessities of wheelchair users as target group in that it offers a map of places accessible for wheelchairs. The map is interactive and, in this vein, the project involves the main target group by allowing real-time edits by the users who can mark categories of places on the map such as restaurants, libraries etc. as fully, partly and not accessible via traffic light system. By building the app on the OpenStreetMap geo data, it is available globally and nurtured by input from users. Co-creation also plays a role for the technical fundament, as crowd-development takes place via RESTful API. Aside from the interactive, crowd-developed feature, forms of target group involvement also extend from weekly “mapping events”, wheelchair users meet and together examine locations for their accessibility. The long-term availability of the app requires ongoing financial support inter alia for technical support, which might be a constraint. Aside from the wheelchair user target group, this social innovation case addresses a set of other target groups, specifically, those being responsible for implementing accessibility such as public administration, politicians, event organisers, business executives etc. The project, hence, raises further avenues of activity for those target groups on top of the ongoing development of the app.

ENGAGIERTE STADT is a striking case of social innovation for the *society and participation* layer with key learnings in the field of **social innovation ecosystem networking**. The initiative aims at implementing and developing civil engagement in German municipalities and towns in that it specifically promotes cooperation instead of separate projects. Thereby *ENGAGIERTE STADT* is generally held through a consortium on the national layer including the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth together with a set of foundations and governing bodies. The initiative functions as a network of >100 cities, in which specific public engagement offices, civil volunteer centres and others organise and support volunteerism within their city. Civil agencies cooperate with public administration, politics and businesses to enhance the local infrastructure for civil engagement. Particularly, cooperation is meant as a learning and chance platform through which actors within the social innovation ecosystem can build on a variety of established local practice concepts

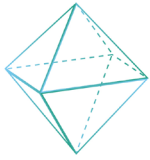




and themselves contribute their learnings. One dimension is the cooperation of ecosystem actors on the local level in that public administration, civil society and businesses connect and develop the infrastructure necessary for local social innovation. A scaled, second dimension, at a later stage, is represented by national networks of cooperating cities that discuss learnings, support each other and together create cross-municipal infrastructure to address societal challenges.

For the *education and lifelong learning* field, *TINY MUSIC HOUSE* is a case of social innovation with major learnings on the **overarching offering to widespread target groups**. The Tiny Music House is part of Dortmund Innovation Capital, hence, funded by the North Rhine-Westphalian (NRW) State Ministry of Culture and Science as well as by the NRW KULTURsekretariat, a public-law cultural promotion initiative. The project has also won an innovation award by the “Deutsche Orchester-Stiftung”, as it addresses the lack of access to classical music for the youth as a crucial societal challenge. A music manager and mediator as well as a media designer develop and hold on-site workshops in a mobile tiny house specifically constructed in a way to make audiences sit down and engage in making music or generating content about it. The major target group are primary school students in the city of Dortmund. In this sense, the *TINY MUSIC HOUSE* team holds workshops for a period of some weeks each at different primary schools in Dortmund. Specifically, the team tailors the content of the workshops to the various necessities of the classes in cooperation with the schools’ teaching staff. Among the offerings are video and audio workshops, virtual sessions, concerts, lectures by orchestra musicians, all of which are designed to be transferred to a variety of other target groups with differing societal and occupational backgrounds such as families from different Dortmund areas, theatre visitors, researchers, musicians etc. Hence, the project exemplifies a two-layer approach of how to address a societal challenge, in that it first focuses on the inner target group layer, that is the primary school students and also is already created to be scaled for an outer layer of widespread other target groups. A decisive factor for a successful scaling is the mobile and workshop style of the project, which brings classical music to the audience (instead of waiting for them at the venue) and interactively engages them (instead of having them only listen).



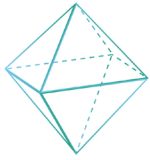


Regarding the *energy supply* field, an exemplary case of social innovation is represented by *BÜRGERWERKE EG*, which is a Germany-wide cooperative energy supplier of renewable energy. Through collaborative activities of >100 local energy cooperatives *BÜRGERWERKE EG*, as the head organization, reaches economies of scale and sells energy to private households and businesses alike, while it works at original cost and gives revenue back to the cooperative members for further investments in renewable energies and personnel. It thereby contributes key learnings on **spanning policy fields**, as it not only serves the energy supply field by broadening market supply, but, as a second dimension, also fosters climate protection through its focus on renewable energies and civic engagement as a cooperative organization. Involved actors are civil society and businesses. The case exemplifies successful crowd investing by these actors.

As the above case, *ÖKONAUTEN EG* embodies an exemplary case of social innovation implemented by a cooperative initiative in the field of *environmental protection and climate change*. The cooperative aims at establishing a sustainable agriculture in the federal states of Berlin and Brandenburg. In this sense, the initiative uses member deposits to purchase land, which it then makes available to junior farmers for small scale agriculture. The farmers grow and produce high-quality, regional agricultural goods, of which a part is given to the cooperative members in a sense of a producer-user-network. Hence, the case exemplifies the **generation of a mutual win via creator-user-loop**, in that the user provides resources to the creator, who deploys those resources to produce goods for the user.

For the *welfare and health* field, the two initiatives by themselves represent cases fostering social innovation with major learnings on the **boundary-spanning approach to optimised involvement**. *SEMPRE* (Social Empowerment in Rural Areas) and *MAMBA* (mobility – accessibility – innovation) were both under the lead of Diakonisches Werk Schleswig-Holstein and funded by the Interreg Baltic Sea Region Programme. The initiatives both aim at supporting rural areas, with *SEMPRE* focusing on social service providers of the Baltic Sea Region to optimise service innovation and *MAMBA* seeking to maximise mobility and accessibility of services. Major outcomes of the two initiatives address features of target group involvement and its related different layers from a cross-boundary perspective, which is with





learnings gathered across national borders within the Baltic Sea region. Through a trans-national effort, *SEMPRE* published a handbook on empowerment of rural regions as well as a roadmap for practicing user involvement. Specifically, to account for national differences, *SEMPRE* built their work on a series of 26 locally based micro projects that are described as “very different in many ways” (*SEMPRE*, 2016), but that all have in common a co-creative approach of customer involvement and empowerment. Likewise, *MAMBA* issued “A Guide to Collaborative Mobility Solutions in rural areas” grounding their work on operational concepts, regional profiles and ultimately on nine pilot projects in different regions throughout the Baltic Sea to “serve as transferable solutions for other rural areas in the Mamba partner regions and beyond” (*MAMBA*, 2018). Hence, both cases signify how learnings on target group involvement such as co-creation can be collected locally, on the micro level and then be consolidated on the macro level for a toolset that can be applied across different nations.

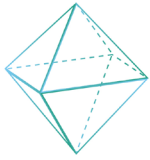
Spotlight: A bird-view on real-life cases

In the *welfare and health* field, a study issued in 2020 by the Berlin Institute (Berlin-Institut für Bevölkerung und Entwicklung) and the Körber Foundation (Körber-Stiftung) on social innovation during the COVID-19 pandemic, “*KOMMUNALE INNOVATION - ALTERSFREUNDLICHKEIT IN ZEITEN DER CORONA-PANDEMIE*”, demonstrates the relevance of **cross-boundary communication** in the innovation process. Specifically, this study reports how municipalities successfully implemented measures to secure the elderly’s participation despite social distancing. A prominent measure was fostering the use of digital communication between the elderly and their relatives. Municipalities built upon existing networks of volunteer organizations to coordinate measures such as teaching the elderly in the use of digital devices for communication. Yet, countering the novel ways of communication, those organizations also offered traditional telephone calls and counselling, which allowed for a fast lane to guarantee social participation and considered individual resistance to change or incapability. Many municipalities adopted or adapted such ways of social innovation, learned from each other and, under pandemic turbulence, avoided to “reinvent the wheel”.

The study generated three key learnings:

- A. **Coordination across usual boundaries** is vital for quick, yet aligned, measures under turbulence. This includes inter-sectoral as well as cross-municipal coordination.
- B. **Collaboration across usual boundaries** is crucial under turbulence. Building upon existing volunteer networks provides personnel and eases access to knowledge about target groups.
- C. **Direct involvement of the target group** is a major aspect. This includes asking them about their needs through telephone counselling, but also providing them information.





5 International Trends: What could they mean for Germany?

The mapping also asked for the main trends in the German social innovation ecosystem. The majority of answers refers to the need for digital solutions, to include cross-sector collaboration, where all stakeholders are involved in the development and implementation of social innovation. Finally, greater support from the state is seen as necessary specially to sustain social innovation with a longer perspective.

Apart from those basic findings, resulting via the mapping and confirming them, learnings in the German social innovation ecosystem were derived via interactive methods; focus group sessions in particular. Based on insights from a focus group joined by German experts in social innovation, a further transnational workshop session hosting international experts was held to derive inspiration for future work and reflect on the German ecosystem. Through collective reflection within the international arena, international trends could be identified to spark learnings for the German perspective.

International perspectives: Themed transnational focus group

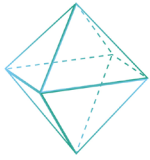
Ecosystems of social innovation are as diverse as social innovation itself. Actors who want to strengthen a supportive ecosystem for social innovation face different challenges and have to consider different framework conditions. But what unites these diverse ecosystems? **What can we learn from each other?**

Guiding questions for a transnational discussion:

- 1) *Which examples of good practices to build a cohesive social innovation community would you like to share?*
- 2) *Which supportive instruments boosting social innovation have worked best in your context (e.g., financing, knowledge provision, infrastructures)?*
- 3) *What changes in the political landscape are supportive of social innovation in your country?*
- 4) *Can you name three strengths and/or weaknesses of (your) social innovation ecosystems?*

During the workshop, international experts in social innovation from research and practice, stemming from eight different countries and one international intergovernmental organization, discussed four guiding questions. Among the participants were international experts from public administration, civil society, business and academia with





different working foci. The aim was to exchange best practices from social innovation ecosystems that reveal commonalities and disparities and thereby learn from each other, to ultimately unravel inspiration for the German social innovation ecosystem. In addition to the discussion, some trends were captured via an ad-hoc survey conducted at the end of the workshop. Henceforth, trends are here developed (1) in a sense of a navigation guideline for the future from discussions of best practices and (2) as possible future developments based on trends and ideas discussed for other countries.

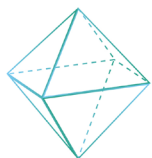
Trend 1:

Policy – what up to? Concentration of competencies as heavyweight

Policy trends such as strategies, organizational structures and bodies or resorts oriented at social innovation represented the major field discussed by the international experts. The experts largely emphasised that one major learning and future trend to be sparked is signified by the **concentration of competencies**. In addition, they called for an aligned and clear public policy. These two approaches not only allow for an optimised knowledge diffusion within the social innovation ecosystem, but also for a more targeted enabling of social innovation and direct engagement of social innovators. Some countries presented real-life examples of how to involve the different actors of the social innovation ecosystem in a systematic way through respective policy measures and restructurings.

In particular, **implementing novel bodies and structures** that solely address solving societal challenges via social innovation embody one major trend as future guideline. Novel *governing bodies* are generated to serve as umbrella organizations or one-stop shops and ultimately bridge sectors and actors. Such bodies take a top-down approach of managing the promotion of social innovation. Yet, they function as enablers of social innovation. Such measures are directed at including the different actors and public administration primarily, in the arena of social innovation. Contrastingly, *think tanks and social innovation labs* serve as the vehicle for social innovators, as they directly facilitate experimentation and mutual learning to better understand recent challenges and create and test solutions. In this light, other examples build upon installing *social innovation communities* in that they connect the different societal actors and directly drive social innovation in micro projects such as novel methods of farming to



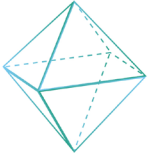


address rural deprivation and sustainable food needs alike. Such communities in some examples identify champions to grow a culture of social innovation. This creates catalysers and ultimately multiplier effects within the social innovation community to further develop impact-driven programs.

Furthermore, **public policy needs to be aligned throughout different layers** on the national level (national, regional, local) as well as cross-nationally such as on the European level. As to that, a major trend identified is policy innovation and transformation. According to the experts, a public policy accounting for all different layers allows for scaling up social innovation and making connections, for instance, between countries, to redesign and redefine a new welfare state. This points at *including social innovation as a stand-alone type of innovation within political strategies and agreements* to give social innovation the required lobby. This also includes *strengthening the discourse on social innovation ecosystems and the subsequent respective activities* sparked by political dynamics. Dedicated policies and strategies in combination with a clear mandate serve as a leading role to create these dynamics. This dynamism optimally starts at both ends with differing means. First, social innovation activities occur on the micro or local level and then diffuse bottom-up to the higher layers in the sense of scaling up. Vice versa, policies and discourse on social innovation are set on the top layer to trickle down to the micro level. Insofar, some experts also already realised spill over effects from top-down in that the social innovation discourse on the European level promoted a focus on social innovation on the national, regional and local level.

The mutual conclusion on policy trends can be drawn that there is the need of both a strategy and an operational approach combined and aligned to foster social innovation. In particular, competencies need to be concentrated to arrive at an effect of impact-oriented diffusion of both knowledge on and active engagement in social innovation. Vehicle structures such as social innovation labs and micro projects add to the operational layer. Likewise, competence centres as governing bodies and in communities enable a strategic approach to social innovation.





Trend 2: Trickle up and down? Funding spill over effects

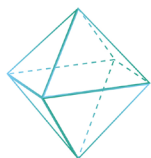
A central international trend identified regarding funding of social innovation is embodied by some form of hybrid funding by private and public agencies. Yet, in line with the experts, funding from both sides does not flow simultaneously at the start of fostering social innovation and establishing a social innovation ecosystem. There is a sometimes complex, lagged stream of funds stemming from two directions, both of high importance.

There is a form of a **trickle-up effect** in that, first, private funding appears on the scene, which then leverages a kick-off to involve the public sector. This spill over effect allows for a visible mobilization of not only public funding, but also for raising awareness of social innovation within the public sector and beyond, throughout the society. Specifically, this direction is used to get ultimate beneficiaries in front of the public sector, with the private sector helping explain what impact a specific innovation will have on society and on them respectively. In this vein, in line with the experts, the diffusion of recent narratives on social innovation play an important role in allowing funding activities to trickle up.

In contrast to the above, there is also a **trickle-down effect**, as visible large-scale public funding activates private funding. Such effect also applies to small-scale grants that specifically address first raising awareness, subsequently acquire private funds as well. In a similar vein, the provision of a budget for a political strategy to be operationally viable creates spill over in a way that different actors and funding sources are mobilised. Such trickle-down effect, in addition, is also identified with regard to public funding in that European funding or UNDP-initiated accelerator programs, for instance, fostered awareness and ultimately financial funding on a lower layer such as on the national or regional level. In a different vein, spill over occurs between nations in that, in some instances, foreign funding promotes national, regional, or local social innovation programs.

As identified as a common trend by the experts, successful social innovation initiatives spill over in both directions. They not only acquire





subsequent hybrid funding, but also receive support for becoming more visible. Either way, alongside these funding flows and forms, a common conclusion embodies the simplification of funding regulations, availability, streams and transparency. According to the experts, this includes public procurement practices, instead of aiming at saving, to be more directed at sustainability goals and efficiency. In line with simplifying funding, finance instruments should also be aligned to better fit the different stages of the social innovation process life cycle.

Strengths and weaknesses calling for co-construction of competence centres

Ad-hoc survey: Insights into strengths and weaknesses to derive common trends

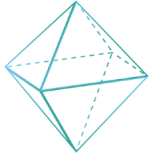
+ Strengths

- commitment from government to support social innovation via **competence centre** establishment
- central **mission unit** for implementing the social innovation public policy
- **cooperation on different layers** between European, national and regional actors
- implementation of **scaling solutions** for public policy to higher layers
- set up a social innovation process based on different responsibilities of the ecosystem actors
- **co-construction** of social innovation policy by policy makers, private sector actors, academics etc.
- openness of the Ecosystem through socialization to involve all actors via **public listening**
- increased **transparency, efficiency and accountability** from all agents involved
- **financing instruments aligned** with the needs of each stage of a Social Innovation project life cycle
- **many different perspectives**

- Weaknesses

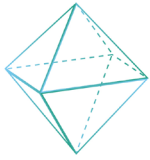
- **lack of one responsible institution** concentrating competencies
- ecosystem still **partly fragmented**
- **lack of political will and self-confidence** to develop the field of social innovation
- **lack of cooperation** between the public-private-nonprofit organizations
- **heavy bureaucracy** outweighing small entrepreneurial activity
- question of **how to measure and then visualise** social impact without supporting “SDG washing”
- corporate investors are **still hard to mobilise** to co-invest in social innovation
- **no responsibility** among actors, primarily of the public sector
- much **focus on local** start-ups and innovations, but no support of scaling efforts
- **(too) many different perspectives**

A final ad-hoc survey confirms trends derived from the discussion. In general, social innovation ecosystems in many countries are still somewhat fragmented, yet, all prove important developments in key



elements such as regarding policy establishment and funding availability and transparency. **One of the basic calls relates to the establishment of mission units and the concentration of competencies.** Under such umbrella, responsibilities could be weighted to simplify processes, funding aligned and transparency created. This, in turn, mobilises funding, raises awareness and enables a better evaluation of social innovation top-down and bottom-up, also cross-nationally. *In this sense, such competence centres optimally are co-constructed by the actors of a social innovation ecosystem, involving as many different perspectives as possible.*





6 Conclusion and Outlook

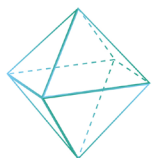
Conclusion

Our insight into the ecosystem of social innovation in Germany points to a heterogeneous picture. On the positive side, chapter 3 shows that many actors are involved in social innovation and new actors are joining and taking an active role in the ecosystem. This happens both at the level of support, when universities actively provide infrastructures like social innovation labs, government programmes make the promotion of social innovation central or new actors become social innovators, for instance from the strong welfare organisations. On the negative side, the results presented in chapter 3 reveal that not all measures to promote social innovation and participation in social innovation processes are targeted. Some funding programmes enable social innovation by promoting solutions to societal challenges without specifically addressing social innovation, for instance, at the regional level.

In this environment, some actors initiate new social innovations without knowing the term and being able to benefit from the knowledge base behind social innovation research and experiences from practice. Even if this does not rule out the successful genesis of innovative approaches to established social innovations, it does reveal a failure in the design of framework conditions for social innovation in Germany to date. While the perception of the potential of non-technical solutions for addressing societal challenges seems to be becoming increasingly common sense, the ecosystem has so far been determined by disparities. Not only is the concept of social innovation not yet perceived as such at all levels, there are also reductions to partial aspects, be it thematically or with regard to the allocation of innovation potential to a few actors. In addition, there is a fragmented funding landscape with a multitude of very specific target dimensions and resulting thematic cuts, which means that some social innovators could receive support, but may not find it. Other social innovators may fall through the cracks or could only receive funding in other regions.

Chapter 4 presents a set of best practices to provide practitioners from a variety of policy fields with a broad array of key learnings that each social innovation project or initiative delivers. This report draws on

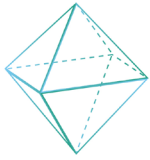




international trends, as elaborated on in chapter 5, to gain inspiration for and reflect on the German social innovation ecosystem. Specifically, collective reflection with international experts in a transnational workshop allows for the conclusion of two major trends: Concentration of competencies in newly created bodies and across layers as well as funding spill over effects from private to public funding and vice versa.

Overall, the insight shows which needs exist. Most recently, various studies focused on important sub-aspects of social innovation in Germany, such as the financing of social innovation (Krlev et al., 2021), social innovation as a topic of higher education institutions (Hachmeister and Roessler, 2021) or the specific situation of social entrepreneurs (Kiefl et al., 2022). Significant developments are also evident at the political level with the establishment of a unit for *Strategische Vorausschau; Partizipation; Soziale Innovationen* (Strategic Foresight; Participation; Social Innovation) in the Federal Ministry of Education and Research (BMBF) or the departmental concept (Ressortkonzept) of social innovation (BMBF, 2021). The promotion of social innovation through ESF+ will bring additional movement into public support for social innovation in Germany. An important role will continue to be played by the federal states and their ministries, which will distribute these funds in many cases and have already included social innovation in their policies in several places and in some cases are already specifically promoting it. Despite all these welcome developments, it remains the case for the time being that social innovation in Germany would benefit from a coordinated and holistic approach, as called for by Krlev et al. (2022) with regard to the funding and promotion of social innovation. This includes a call for the establishment of a central contact point for all stakeholders of social innovation at all levels of the ecosystem. Be it in the regional and local ecosystems, which are often closer to the innovations and the concrete, addressed, challenges, or at the federal level and thus the German ecosystem and at the same time more strongly the level of the nationally applicable framework conditions. In addition, although the concept of social innovation is becoming increasingly established, it needs more support to reach new social innovators, to create awareness for social innovation among existing innovators and to establish a broad understanding of social innovation in which no actors are left out. Be it public administration, universities, companies or civil





society actors. Public administration not only sets the framework and promotes social innovation, but can also be an innovator itself. Universities not only research and teach social innovation, but can also be involved in the process themselves. Businesses can drive social innovation even if they do not act as social enterprises and civil society can set up social enterprises or realise social innovation in other ways. They can all play an active role in initiating, disseminating and establishing social innovation while making the framework more conducive.

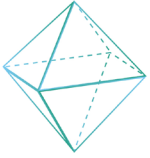
The German Competence Centre for Social Innovation (KoSI) is on its way to become a first milestone in the development of the German ecosystem as a central, nationwide contact point for social innovation actors in Germany. It is important to continue the activities in research, political advocacy, the promotion of knowledge and action competences through concrete offers, strategic development and the exchange and collaboration with the worldwide community of social innovation. The KoSI project will continue to work on this in the current alliance until spring 2023. In addition, all partners of the Competence Centre will remain in exchange and continue to pursue concrete activities to further improve the support structures of social innovation in the German ecosystem.

Limitations and possible further research

This study presents the results of an exploratory study on the ecosystem of social innovation in Germany. The sample of 95 cases of framework conditions and initiatives of social innovation represents observations and their interpretations that could be elaborated on the basis of the collected cases. Therefore, the present study does not come without limitations.

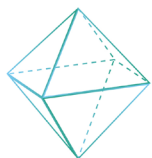
First, there will be activities of some actors and framework conditions that, despite their relevance, could not be taken into account, simply because they have not been collected in the sampling procedure. The focus of the study results from the available information in the sample, the relevance for the cases as well as the requirements by the work plan, which, for example, placed an emphasis on the consideration of the situation in the welfare sector. Hence, second, another limitation might be the diversity of cases with regard to sectors and branches. Further research might profit from more in-depth qualitative analyses





that could complement the focus of this report. In the future, quantitative observations of the ecosystem will further supplement the findings of this study. Likewise, an attractive avenue for future research might be to rely on longitudinal data, addressing the third shortcoming of the present study, which reflects data collected at a single point of time. The role of foundations or of intrapreneurs in profit-oriented business enterprises could thus be brought into closer focus, to name just a few examples. The study is to be understood as a starting point that delivers both attractive first insights and valuable avenues for future research.





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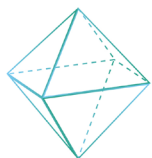
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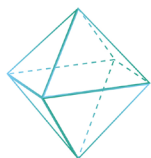
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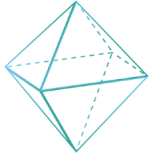


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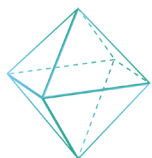
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Annex

Annex 1: Overview of project activities related to this report

- The basis for the work of this mapping is a conceptual framework (GoA 2.1.3), which was operationalised specifically for this analysis. The development of the focal points was coordinated with the German partners of the ESIA project (KoSI partners) in the course of internal project workshops.
- The final sample contains results from the collection of best practices in the welfare sector (GoA 2.1.5) and the Social Entrepreneurship Monitor (Kiefl et al., 2022) (GoA 2.1.6).
- In addition, international experts were consulted in a capacity building workshop (GoA 4.1.1) to discuss and identify relevant objects of observation necessary for researching national social innovation ecosystems.
- The data collected with the mapping were also supplemented with implications from an international literature study (GoA 2.1.1), an international expert workshop (GoA 2.1.4) and a German expert workshop both with experts in social innovation within civil society, business, the public sector and academia (GoA 2.1.1).

Annex 2: Overview of cases in the sample

This information will be provided in an update with the full annex.

Annex 3: Guiding questions

This information will be provided in an update with the full annex.

Annex 4: List of contributors

This information will be provided in an update with the full annex.

