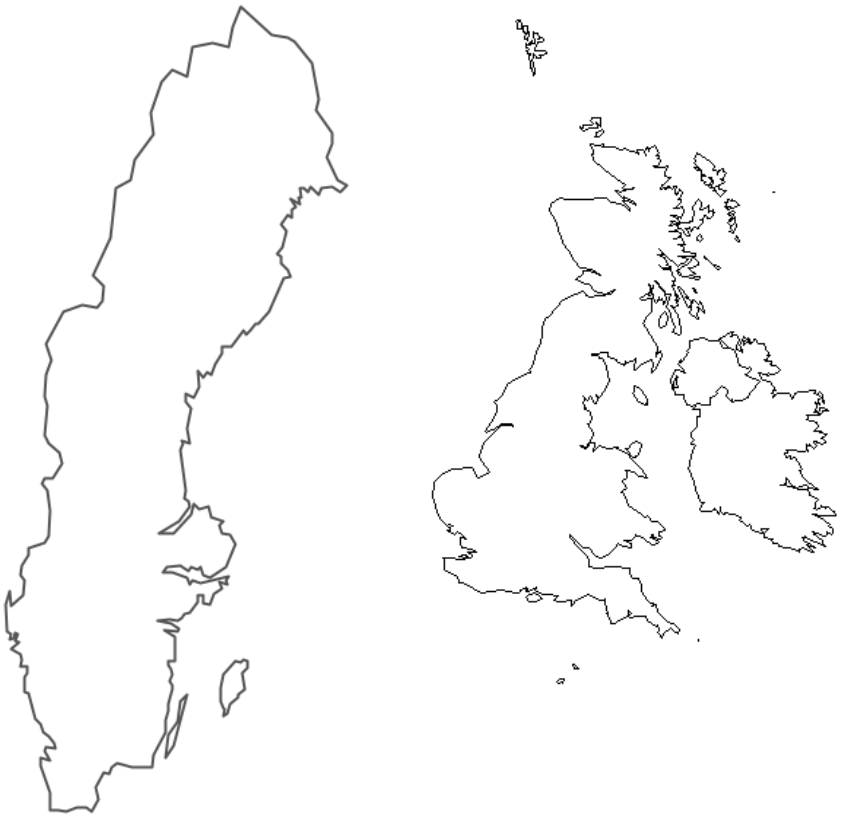
CHALMERS
UNIVERSITY OF TECHNOLOGY



Promoting Social Innovation:
A comparative study of the ecosystems in Sweden and the UK

Master of Science Thesis
in the Management and Economics of Innovation Programme

ALEXANDRA SÄTERBERG
SIMON WESSBERG

Department of Technology Management and Economics
Division of Science, Technology and Society
CHALMERS UNIVERSITY OF TECHNOLOGY
Göteborg, Sverige 2016
Report No. E 2016:093

MASTER'S THESIS E 2016:093

Promoting Social Innovation

A comparative study of the ecosystems in Sweden and the UK

ALEXANDRA SÄTERBERG
SIMON WESSBERG

Tutor, Chalmers: Karl Palmås

Department of Technology Management and Economics
Division of Science, Technology and Society
CHALMERS UNIVERSITY OF TECHNOLOGY

Göteborg, Sweden 2016

Promoting Social Innovation
A comparative study of the ecosystems in Sweden and the UK

ALEXANDRA SÄTERBERG & SIMON WESSBERG

© ALEXANDRA SÄTERBERG & SIMON WESSBERG, 2016.

Master's Thesis E2016:093

Department of Technology Management and Economics
Division of Science, Technology, and Society
Chalmers University of Technology
SE-412 96 Göteborg, Sweden
Telephone: + 46 (0)31-772 1000

Chalmers Reproservice
Göteborg, Sweden 2016

Acknowledgements

There are several people that we would like to thank for helping in bringing about this Master's thesis. Firstly, we would like to thank all of the interviewees that allowed themselves to be interviewed as part of this thesis. Their participation was absolutely essential in order for this thesis to become a possibility. We would thereby like to extend our sincerest thanks to the interviewees both in Sweden and the UK. Furthermore, we would like to thank our supervisor Karl Palmås for supporting us throughout the whole process, and for encouraging us to approach the topic of social innovation.

A special thanks goes out to Elena Guidorzi and Jack Malan of Centre for Strategy and Evaluation Services, for incorporating us in the SEiSMiC project, allowing us to participate in the interviews that she carried out in the UK, and for allowing us to take part in the interview notes that she summarised for the interviews for which we could not participate.

Göteborg, 2016-06-14

Abstract

Innovation and entrepreneurship are today well known concepts within business and academia alike. In the global arena, Swedish entrepreneurs excel at creating successful new companies. However, in an increasingly connected and globalized world, it is becoming apparent that the pressing social issues of our time (environmental degradation, social exclusion and mass migration to name a few), remain largely unsolved by existing institutions. During recent years, a new trend has appeared in which innovative business solutions are being used to tackle these social issues. Such solutions are *social innovations*.

In order for social entrepreneurs to create impactful social innovations, it seems as though they need support from surrounding entities within their country. The majority of this support is today being provided by *social innovation incubators* (SII:s), but there are other actors of great importance, such as investment firms, public sector entities, and think tanks. The context in which social innovations are created, and the actors within this context, can be referred to as an ecosystem.

Leading within the field of social innovation is the United Kingdom, where the concept was pioneered. Sweden, on the other hand is lagging behind. The field of social innovation and how social innovations are supported remains largely un-researched, and the concept itself is still relatively unknown outside of the immediate field. Therefore, the purpose of this study was to, *bring clarity to the developing field of social innovation, through a comparative analysis of the contexts of Sweden and the UK, hereby investigating how a more supportive ecosystem for social innovations in Sweden could be developed.* The conclusions were based on 22 interviews in Sweden and the UK. This Master's thesis was partly involved within an EU-project, 'SEiSMiC', which is a research of social innovation incubators in five European countries. The authors of this thesis provided the data for Sweden and supported the data collection in the UK.

Applying an existing theoretical framework for 'traditional' entrepreneurial ecosystems, the social innovation ecosystem can be described as comprising 10 'conditions'. Based on the empirical data, it seems as the Swedish ecosystem is lacking primarily within three of these conditions: *Knowledge* (the field remains very unknown for outside actors), *Finance* (funding opportunities for social innovations remain scarce), and *Networks* (social innovation actors lack strong relationships with external actors outside of the field). Finally, as the role of the public sector is of special importance regarding social innovations, it seems as though the public sector in Sweden needs to reassess its role, and possibly become more open to adopt social innovations.

Key words: *Social Innovation, Entrepreneurial Ecosystem, SII:s (Social Innovation Incubators), Social Impact*

Glossary

Entrepreneurial Ecosystem	The context in which entrepreneurs exist, consisting of (among others) other entrepreneurs, support organisations and institutions.
Impact investment	Investment in new ideas of how to solve different social issues, potentially by impact investment firms the government or other entities.
Impact investment firm	Investment firms targeting specifically social innovation.
Incubator	An entity that supports entrepreneurs with the process of creating a company.
Network	Relationships and connections among actors.
SEiSMiC	**‘**Societal Engagement in Science, Mutual Learning in Cities’, a EU-project in collaboration between 10 countries in the EU. One part of the project addresses social innovation incubation in 5 European countries.
Social enterprise	An enterprise whose operations address social issues. The operations may or may not be innovative.
Social entrepreneur	An entrepreneur whose business idea is a social innovation. However, a social innovation is not necessarily invented by a social entrepreneur.
Social impact	The positive difference a social initiative brings to a certain social issue. This is often hard to measure.
Social innovation	Innovative solution that solves societal issues. The innovation may or may not be invented by a social entrepreneur.
Social Innovation Incubators (SII:s)	Incubators which aims to support innovation with a social interest.

Table of Contents

Acknowledgements i
Abstract ii
Glossary iii
Table of Contents iv
1 Introduction 1
1.1 Background 1
1.2 Purpose 4
2 Methodology 5
2.1 Study Design 5
2.1.1 SEiSMiC Study 6
2.2 Literature Study 6
2.3 Data Collection 6
2.3.1 Interviews 6
2.4 Study Process 7
2.4.1 Building the interviews 7
2.4.2 Structuring the empirical data 8
2.4.3 Structuring the analysis and conclusions 8
2.5 Delimitations 8
2.6 Validity and Reliability 8
3 Literature Review 10
3.1 Social Innovation 10
3.2 Incubators and the Incubation Process 11
3.4 Entrepreneurial Ecosystem 13
4 Empirical Findings 16
4.1 Sweden 16
4.1.1 Specialisation 17
4.1.2 Support Service Needs 21
4.1.3 Locational Factors & Physical Space Configuration 24
4.1.4 Finance 25
4.1.5 Governance Model & Collaborations 28
4.1.6 Performance & Impact 29
4.1.7 Policy Support 31
4.1.8 Challenges and Future Prospects 33
4.2 The United Kingdom 36
4.2.1 Specialisation 37

4.2.2 Support Service Needs 40
4.2.3 Locational Factors & Physical Space Configuration 43
4.2.4 Finance 44
4.2.5 Governance Model & Collaborations 47
4.2.6 Performance & Impact 48
4.2.7 Policy Support 50
4.2.8 Challenges and Future Prospects 53
5 Analysis 55
5.1 Comparison of Entrepreneurial Ecosystems 55
5.1.1 Framework Conditions 55
5.1.1.1 Culture 55
5.1.1.2 Formal Institutions 57
5.1.1.3 Physical Infrastructure 58
5.1.1.4 Demand 59
5.1.2 Systemic Conditions 60
5.1.2.1 Finance 60
5.1.2.2 Leadership 63
5.1.2.3 Networks 65
5.1.2.4 Knowledge 66
5.1.2.5 Talent 68
5.1.2.6 Support Services 68
5.2 Thoughts on the Future Development of the Social Innovation Field 70
6 Conclusions 72
6.1 Answers to Research Questions 72
6.2 Suggestions for Further Research 75
7 References 76
Appendices I
Appendix I - List of interviews I
Appendix II – Interview templates III
Template for the interviews held in Sweden III
Template for the interviews held in the UK IV

1 Introduction

Below, the background and the research questions will be presented, followed by the purpose.

1.1 Background

As we enter the 21st century, the world which we live in is facing ever greater challenges. Be it environmental degradation, poverty, rising population, increased segregation in developed countries, and social exclusion. While many countries have historically relied upon governments and public institutions to solve pressing societal issues, it is becoming apparent that these institutions have a hard time solving these issues themselves. In correlation with increased focus on innovation and entrepreneurship as the catalyst for problem solving within a capitalistic market economy, increased interest is also being given to harnessing the power of innovation and entrepreneurship to solve societal issues. Innovations, arguably the product of entrepreneurship, is within the business world considered one of the best ways to solve problems in novel ways, and is also seen as a key driver of economic activity (Schumpeter, 1943). Innovations that address pressing social issues and deliver novel ways of solving them, are known as *social innovations.*

Social innovation is not a new phenomenon per se, as people always have been striving to find solutions for social issues (Hahn & Andor, 2013). However, as a concept, and as a field of study, social innovation is fairly new (emerging in the late 1990s), and has recently received more attention (Lettice & Parekh, 2010; Nicholls et al., 2015). The most famous social innovation is arguably Nobel Prize laureate Muhammad Yunus's innovation of microfinance; providing loans, savings, insurance and financial services to poor people who do not get access to conventional financial systems (Phills et. al., 2008)

As mentioned, social innovation has recently gained more attention and many new stakeholders have entered the field. New social innovations, enterprises, platforms and forums, incubators, financial players and universities have recently appeared. There has also been an increased number of awards, media coverage, grants, and a growing political discourse regarding social entrepreneurs, social enterprises and social innovation (Europe Commission, 2013; Alamaa, 2014). Sweden, having a history of a strong welfare state, has seemingly had issues in accepting and integrating the concept of social innovation into its existing structures. However, more actors are appearing in Sweden, and currently an assessment of how innovation support should be distributed on a macro level in Sweden, is currently being carried out by the Ministry of Finance (Näringsdepartementet) in Sweden.

Mulgan et al. (2007) explain this recent growing interest partly by arguing that some of the barriers to lasting economic growth, such as climate change and aging population, can only be overcome with help of social innovations. Further, there is an increasing demand for economic growth that improves human wellbeing, and does not damage it (Mulgan et al., 2007). Kickul and Lyons (2012) further suggest that the reason for the recent emergence of the social innovation field is because more people today have the freedom, time, wealth, health, exposure, social mobility, and confidence to address social problems in a bold new way. With this statement they are referring to an increasing middle class, better access to information, better communication technologies, increased awareness, increased number of democratic societies, increased availability of education and also that it is easier for women and other subjected groups to participate in societal affairs (Kickul & Lyons, 2012).

There is still lack of an agreement on a more formal definition of social innovation (Alamaa, 2014; Groot & Dankbar, 2014; Nicholls et al., 2015). As Mulgan et al. (2007, p.5) state: "Surprisingly little is known about social innovation compared to the vast amount of research into innovation in business and science." However, one of the simpler, as well as holistic,

definitions is: “new ideas that address unmet social needs” (Nicholls et al., 2015, p.2) Building upon the original definition of innovations laid forth by Schumpeter (1943), social innovations could likewise be argued to necessitate a certain degree of novelty and scalability.

There are many different social needs that could be addressed by social innovations. Hahn and Andor (2013) state four different societal trends of challenges in Europe: demography (migration and ageing of the EU population), environmental trends (water, climate change and energy), poverty-related trends (poverty, social exclusion and child poverty), trends in health and well-being (health inequalities, happiness and caring). In Sweden some common areas that are discussed are: aging population, youth unemployment, increasing economic inequality and segregation (Alamaa, 2014), but also mental health issues and the growing challenge of refugee integration (Regeringskansliet & SKL, 2016).

Yet, some argue that ‘social’ entrepreneurship and innovation should not be distinguished from ‘normal’ (Kickul & Lyons, 2012; Groot & Dankbaar, 2014; Alamaa, 2014). Groot and Dankbaar (2014, p.17) argue that “every entrepreneurial action results in some measure of intended or unintended social innovation, regardless of whether the entrepreneurs in question are considered or consider themselves “social” or not”. To clarify some concepts in this thesis, the concept of social entrepreneurship is considered to give rise to social innovation. However, social innovation need not only stem from social entrepreneurs but may also be created from entrepreneurs or other entities whose initial intention was not to have social consequences. Finally, the concept of social enterprise refers to an enterprise that may be run by social entrepreneurs to bring forward a social innovation, but it may also be an enterprise addressing social issues without their activities being innovative.

In Sweden the terms social innovation and social enterprise have historically been seen as the same thing. However, Alamaa (2014) claims through her study that even though some confusion does exist, this confusion is primarily outside of the social innovation sphere itself. Within the social innovation field, most actors agree upon what constitutes a social innovation, such as the need for a social innovation to be novel, scalable and system changing.

Even though some might argue that there should not be a difference between social innovation and business innovation, some differences can be identified in how they operate and what challenges they face. Mulgan et al. (2007) claims that social innovations differ from business innovations, which are generally motivated by profit maximisation and diffused through organisations that are primarily also motivated by profit maximisation, whereas social innovations are generated and diffused by organisations primarily motivated by *social change*, as opposed to profit maximisation. Mulgan et al. (2007) further state that even though there is a plethora of good ideas for solutions to social issues, oftentimes they are unsuccessful due to vested political interests. They further claim that the main reason for this is due to a lack of institutions and funds devoted to social innovation and that the competitive climate that drives innovation in commercial markets does not exist to the same extent within the social field. Lettice and Parekh (2010) confirm this statement by referring to Rogers’ (2010) suggestion that diffusion of innovations that challenge the compatibility with current technological, societal or behavioural norms will take longer time. Taylor (1970) mainly pinpoints two reasons for why it is harder for social innovation to prosper in relation to ‘business innovation’: firstly because of the fact that many new ways of dealing with social issues would disrupt established and valued roles, identities and skills. These social innovations might therefore challenge and anger whole societies, hence running the risk of being rejected or profoundly altered in its original offerings. The second issue Taylor (1970) states is the problem of interdisciplinary cooperation, that people from different disciplines are trained to work isolated from each other and have a hard time working and learning from each other.

In the European Union, the topic of social innovation is discussed as an opportunity to create solutions for Europe's pressing 'grand challenges' of today, including: "environmental degradation, climate change, declining birth rates, high levels of immigration, the rising costs of healthcare, the increasing number of elderly people, poverty and social exclusion, security of the citizenry," among others (Groot & Dankbaar, 2014, p.17). Hahn and Andor (2013, p.5) explain these as, "burning societal challenges" and claim that the quality of Europe's health and social security systems, as well as social policies in general are threatened. Also, the economic crisis in Europe around 2009 brought with it severe unemployment and social consequences for many Europeans (Hahn & Andor, 2013). These challenges will require, according to the European Commission, new ways of meeting and dealing with these types of issues, and it is believed that social innovation is attractive partly as "it can serve as an umbrella concept for inventing and incubating solutions to all these challenges in a creative and positive way" (Hahn & Andor, 2012, p.5), which the European Commission think will be necessary for today's Europe.

As a result of an intensified situation in Europe regarding social issues, as well as an increased attention toward social innovation, there are an increasing amount of incentives to investigate the development of, and how to promote social innovation in Europe. Through the supervisor of this study at Chalmers University of Technology, the authors of this study participated in the project 'SEiSMiC' (Societal Engagement in Science, Mutual Learning in Cities), funded by the EU's Seventh Framework Program (FP7). The project aims to engage citizens, identifying social needs, and contributing to future urban policies and research strategies, in order to help tackle Europe's biggest urban problems. SEiSMiC has established a national network in 10 European countries, where Sweden is one of them, to work together and to exchange ideas about social innovation. On behalf of the SEiSMiC project, and as a part of this Master's thesis, the Swedish part of the SEiSMiC investigation was carried out by the authors of this study, and assistance was also given to the UK part of the SEiSMiC project.

Clearly, the concept of social innovation is on the agenda, and sought after by the European Commission to tackle the pressing societal issues of today. However, the field of social innovation remains fragmented, and becoming a social entrepreneur and tackling a social issue is still a difficult and tedious process. It therefore becomes apparent, that if social innovations are to become an effective means of solving social issues, a well working support structure for social innovations becomes essential. Both the intricacies of starting a business, as well as what social issues are most pressing, depend heavily on the context. It therefore becomes of great interest to analyse what support that exists for social innovations, and how such support differs between contexts. A context could be thought of as a geographically limited area defined by certain cultural norms. However, interesting for this study is the subset within each context, relating to the 'field' of social innovation, consisting of the different actors that operate with, or in relation to, social innovations. Such a subset is herein defined as the *ecosystem* of social innovation. In order to understand social innovations, a wider perspective on this ecosystem surrounding social innovations becomes necessary. This leads to the main research questions of this study:

1. What constitutes a social innovation ecosystem?

For 'traditional' entrepreneurs, an ecosystem provides different forms of support for innovations, such as venture capital, networks, business counselling and incubation programmes. Arguably the most important provider of support for entrepreneurs is the *business incubator*. Increasing attention being given to social innovations has seen the emergence of *social innovation incubators* (hereafter referred to as SII:s); incubators that

tailor their support to social innovations. Understanding SII:s within the larger social innovation ecosystem is likely to gain insight into how social innovations are supported.

2. Within a social innovation ecosystem, what role do social innovation incubators play, and how do they tailor their support specifically for social innovations?

Since the concept of social innovation is relatively new in a Swedish context, the Swedish social innovation ecosystem is likely not as fully developed as the 'traditional' entrepreneurial ecosystem. Furthermore, as previously mentioned, the European Commission is placing greater emphasis on how to harness social innovations to tackle the pressing societal issues of today. Both for solving social problems of national relevance in Sweden, as well as for Sweden to contribute solutions to the European community, it becomes of relevance to assess in what way the Swedish social innovation ecosystem needs to be further developed.

3. What factors within the social innovation ecosystem in Sweden seem to be most critical in order to improve the support for social innovations?

1.2 Purpose

Since ecosystems, in their nature geographically defined, are likely to be contextually dependent, in order to conclude something of value, a comparative analysis becomes of interest. Within the social innovation field, much attention has historically been given to the UK, a country that has pioneered the concept of social innovation, and hosts key actors that shape the discourse on social innovation. Sweden, however, has a seemingly lacking social innovation concept. Therefore, a comparative analysis between the social innovation ecosystems of Sweden and the UK are likely to garner interesting insights. The research questions herein provided will all be analysed and answered on a comparative basis; comparing empirical data from the social innovation ecosystem in Sweden to that of the UK.

The purpose of this thesis is to bring clarity to the developing field of social innovation, through a comparative analysis of the contexts of Sweden and the UK, thereby investigating how a more supportive ecosystem for social innovations in Sweden could be developed.

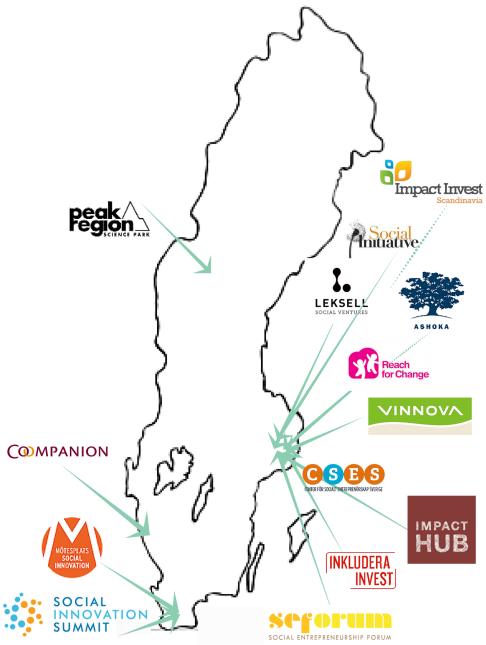


Figure 1 – Some of the actors operating within the field of social innovation in Sweden

2 Methodology

This section covers the methodological approach chosen for this study and will discuss the study design, data collection, study process, and the validity and reliability of the thesis.

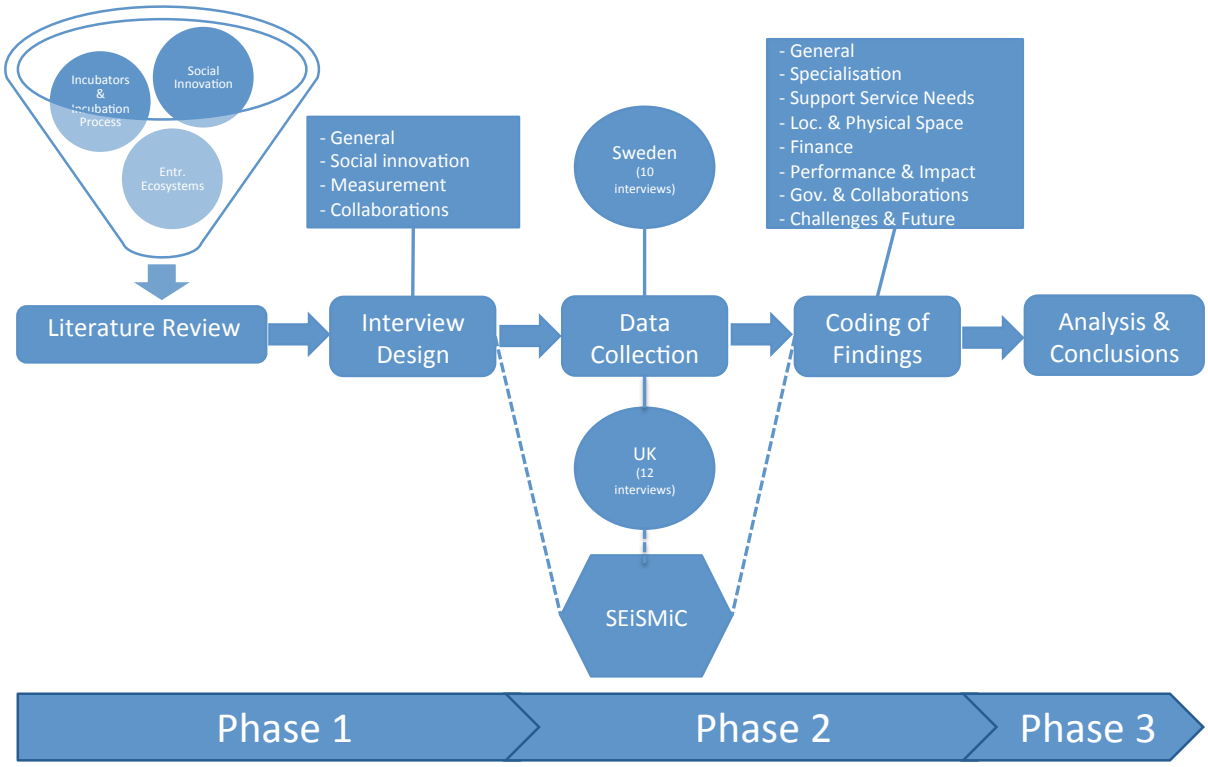


Figure 2 – A summary of the research process undertaken in this study

2.1 Study Design

The purpose of this thesis is to bring clarity to the developing field of social innovation, through a comparative analysis of the contexts of Sweden and the UK, thereby investigating how a more supportive ecosystem for social innovations in Sweden could be developed. The study is comparative in nature, comprising qualitative data gathered from two distinct geographical contexts: Sweden and the United Kingdom. Sweden is a country that is said to be in its early phase of the development of social innovation is chosen to be compared to the United Kingdom, known as the frontrunner within the field.

The ontological basis for this study could be thought to be of a *relativist* position. Due to its comparative nature, the study necessitates an inherent openness for establishing an understanding based on different viewpoints from different actors. The relativist position in essence does not provide one single truth, but rather many truths, which together, based on discussion and analysis of data from several sources (Easterby-Smith et al., 2012). As for epistemology, defined by Easterby-Smith et al., (2012, p.21) as "different ways of inquiring into the nature of the physical and social worlds", this study applies a *social constructionism* position. Social constructionism states that the 'truth' is not an objective fact, but rather something heavily influenced by, and meaningful only in the context of, people (Easterby-Smith et al., 2012). Seeing as the study concerns social constructs and their

interdependencies, the study benefits from analysing and attempting to understand the experiences of the actors involved.

Based on the relativist and constructivist positions in terms of ontology and epistemology, a qualitative study approach was deemed most adequate. Furthermore, this study can be seen as exploratory in nature, as there exists little prior research within the social innovation field in general, but also in terms of a comparative research design on the topic of social innovation in particular. This exploratory nature lends itself better for a qualitative study approach, as "[q]ualitative methods can be used to explore substantive areas about which little is known" (Strauss & Corbin, 1990, p.11).

2.1.1 SEiSMiC Study

This study has partly been a part of a pan-European project known as 'SEiSMiC' (Societal Engagement in Science, Mutual Learning in Cities). The goal of the SEiSMiC project was to assess social innovation incubators in Europe, and to produce suggestions for how social innovation could be supported more effectively on a European scale. The SEiSMiC project covers data from 5 European countries: the UK, Hungary, the Netherlands, Italy and Sweden. The data collected from Swedish actors in this thesis also provide the empirical data for the Swedish part of the SEiSMiC report. Furthermore, the data from the UK is what constitutes part of the empirical data for the UK in this Master's thesis.

2.2 Literature Study

In order to create a framework for the study and understanding of how to compare the context of social innovation in Sweden to the one in the UK, a literature study was performed. Three areas of investigation were chosen: *Social Innovation*, *Incubators and the Incubation Process*, and *Entrepreneurial Ecosystem*. Literature about Social Innovation and its background is highly relevant to understand in what context the study is performed and to compare with the empirical data. As support of social innovation is considered essential for its emergence, the chapter of *Incubators and the Incubation Process* is outlined to give an understanding of the most prominent support to innovation in general and to be able to compare this to the support available for social innovation in particular. Lastly the chapter about *Entrepreneurial Ecosystem* provide a concrete framework of the components affecting entrepreneurial activities in a certain context, to better visualize, understand and compare the context of social innovation within Sweden and in the UK.

2.3 Data Collection

Most of the data collected for this thesis is from primary sources, which according to (DiCicco-Bloom & Crabtree, 2006) is best way of giving a study useful information. However, supplementary data was collected to support the primary data (Bryman, 2003), which were collected from articles, websites and publications. Some information was also collected during the European Social Business Forum in Utrecht, 2016.

2.3.1 Interviews

The data was gathered through semi-structured and open ended interviews performed with actors deemed relevant for the study. The approach of data collection was chosen since it allows pre-written questions as guidance in the interviews to follow relevant topics but at the same time open up the possibility to discover new ways of seeing and understanding the topic at hand (Cohen & Crabtree, 2006). Also, it enables to get a holistic picture of the topic (Easterby-Smith et.al, 2012), which is of relevance for this study.

The interviews lasted approximately one hour. All of the in total ten interviews conducted in Sweden were performed by the authors of this thesis; five of them were performed in person, and the other five were performed over Skype. All interviews were recorded, and transcribed. As for the interviews in the UK, there was in total 12 interviews performed. Four of them were not performed by the writers of this thesis, but instead by Elena Guidorzi, project manager for the SEiSMiC project, another four of the UK interviews the writers of this thesis participated in the interviews, but they were led by Elena Guidorzi and remaining four of the UK interviews were performed entirely by the authors. In Appendix I the table below summarizes all of the performed interviews, in terms of who performed them, by what means they were carried out, and to what context they relate (the UK or Sweden). Most of the interviews were performed with social innovation incubators (hereafter referred to as SII:s), as this Master's thesis being part of the SEiSMiC project. In an early stage it was noticed at that the focus of this Master's thesis was wider than that of the SEiSMiC project. Therefore, additional interviews with other actors (not SII:s) were performed in order to gain a more holistic data set; NESTA and The Young Foundation can be seen as experts within the area, rather than pure incubators; two academic institutions in the forms of the University of Oxford and the University of Cambridge have been interviewed; the Swedish governmental agency Vinnova presents information both about governmental support, as well as financial, since Vinnova is an agency promoting innovation through financial tools; Forum for Social Innovation is deemed an expert in the field, as they do not provide incubation programs, but rather spread knowledge and discussion regarding social innovation. To be noted is that for this study it suits well having SII:s as primary source of information. Incubators can be argued to give the most holistic support to entrepreneurial activities and hence are involved in various aspects of social innovation as well as interact with many stakeholders in the field and they might therefore have the most holistic view of the field.

2.4 Study Process

This thesis has been developed during five months divided into three periods. One where literature study, building of interview questions as well as mapping and contacting actors within the field, were made. The second period involved performing and compiling interviews, which was also shared and presented to the SEiSMiC project. As this is a comparative study this period involved travels to London, where the interviews were performed during approximately one month in total. An additional journey to Utrecht in the Netherlands was performed to take part of the European Business Forum 2016. The last period involved analysis and application of frameworks.

2.4.1 Building the interviews

The interview questions for this study were generated independently of the SEiSMiC study. The questions were created before engaging in the SEiSMiC project, and it was later discovered that most of the questions suited for the SEiSMiC study too, why they also were used for the SEiSMiC study in Sweden. The generated questions were categorized into four main topic areas; questions regarding the organisations themselves and about their operations, perceptions of the concept and field of social innovation in general, measurement of operations and success, and collaborations. The exact interview questions that were used as guidance during the interviews can be found in Appendix II. However, depending on what was being said in the interview, other questions and sub questions could be asked. The interviews held by Elena Guidorzi were not based on the generated questions for this study shown in Appendix II, but they were very much in line with and overlap these questions why the received can be said to be comparable and generated in the same way.

2.4.2 Structuring the empirical data

Empirical data consist of the information gathered by the interviews. The data from each interview is summarized according to the same categorical themes: *General, Specialisation, Support Service Needs, Locational Factors & Physical Space Configuration*, *Finance, Governance Model and Collaborations,* and *Challenges & Future Prospects.* These are the categories found under the *Empirical Findings* section. The categories chosen for summarising the interview notes are identical to the themes chosen for the SEiSMiC project. After thorough discussion, these themes were deemed adequate for an adequate compilation of data for this study as well. Further, about a month before analysing the empirical data, all summaries of each interview were sent to corresponding interviewee allowing them to comment on the notes and correct potential misunderstandings.

2.4.3 Structuring the analysis and conclusions

In line with the relativist and constructionist approach chosen for the study, a comparative analysis constitutes the main approach for the analysis. The comparison compares empirical data from Sweden and the UK. For the analysis, existing theoretical frameworks were drawn upon and applied to the empirical data. The theoretical framework by Stam (2015) describing an entrepreneurial ecosystem constitutes the main basis for the analysis. Drawing upon the empirical data, the analysis is divided according to the conditions for an entrepreneurial framework presented in the literature review; a comparative analysis between the Swedish and UK contexts is performed for each category in the analysis. The analysis is also compared and reinforced by earlier findings and literature about social innovation and innovation incubators, described in the literature review, to bring further clarity into the field. To further ensure the validity of the conclusions drawn from the analysis, triangulation in terms of gathering data from different actors, was applied.

Based upon the analysis the conclusion summarises the findings by answering each of the research questions, and to fulfil the purpose of this thesis and to bring more clarity into the context of social innovation.

2.5 Delimitations

In the background it was stated that social innovation may or may not be created by social entrepreneurship. However, this study investigates when social innovation is the intention, hence social innovation created by social entrepreneurship. Therefore, the thesis will not cover when social innovation happens out of a coincidence, but rather how to intentionally promote social innovation. This is arguably motivated, since Nicolopoulou et al. (2015) state that social entrepreneurs are often the drivers of social innovation.

Furthermore, this study will only perform a comparative analysis of Sweden and the UK. While comparison with other countries would likely yield interesting results, this is outside of the scope of this thesis. Further, a comparison with the UK is motivated, since the UK is frequently cited as being the leader within the field of social innovation.

2.6 Validity and Reliability

What criteria to use to evaluate the quality of research differs slightly between qualitative and quantitative research. Whereas the concepts of validity, reliability, generalizability and objectivity are usually applied in quantitative contexts, within the qualitative field there exists a plethora of concepts (Winter, 2000). Mays and Pope (2000, p.50) further argue that there has “been considerable debate over whether qualitative and quantitative methods can and should be assessed according to the same quality criteria”. Maxwell (2012) emphasises the need for qualitative research to be modifiable during the time of the research, as well as that

the qualitative community is currently facing problems in finding a common standard for assessing quality in qualitative research. Tracy (2010) lays forth 8 criteria for qualitative research quality: *worthy topic, rich rigor, sincerity, credibility, resonance, significant contribution, ethics* and *meaningful coherence*.

With this in mind, it becomes clear that assessment of quality of qualitative research is in itself not as straightforward as one might initially assume. However, the purpose of this study is not to develop a common standard in terms of quality criteria for qualitative studies, and thus further discussion on this topic is left for other studies pertaining to this specific area. While it is important to be aware of such alternative criteria as the ones proposed above, they will not be used in the assessment, due to lacking mainstream support and grounded base in prior research.

The main noticeable implication of this Master's thesis being part of the wider SEiSMiC project is that the majority of empirical data is gathered from social innovation incubators. Theoretically, this could skew the results somewhat, as the analysis aims to perform an analysis on an ecosystem level, of which incubators are only one actor. However, as argued previously, the incubators are a natural actor to approach if one is to assess the support available for innovations; firstly, since incubators constitute the main source of support for innovations in society, whether it is directly through incubation programs and advice, or indirectly through providing entrepreneurs access to networks and other actors (government, entrepreneurs, other incubators, financing institutions); and secondly, since the data gathered from the incubators describe other, surrounding actors within the ecosystem, and in this way the incubators are arguably a natural point of information, due to their role as an intermediary within the ecosystem. Moreover, approaching social entrepreneurs themselves might have provided with useful information. However, such a sample would likely exceeded the resources available for this study, as well as the fact that such a sample would also have proven difficult in what entrepreneurs to choose to include and why. Finally, other interviews that are not incubators have been performed, arguably leading to a substantially more nuanced data set than if incubators had in fact been the *only* interviewed organisations. This arguably complements the interviews with the incubators, and further strengthens the validity of the study.

Furthermore, it can be questioned that some of the interviews performed in this study were chosen by the SEiSMiC team prior to our involvement. This could also potentially skew the results of this study, as these actors might potentially not provide information useful for this study. In terms of reliability, the fact that the questions utilized in some of the UK interviews did in fact differ somewhat from the Swedish counterparts, could arguably lower the reliability of the study. Furthermore, since some of the UK interviews were performed without the authors of this thesis, this necessitated an additional coding process on behalf of the authors of this study, possibly influencing both the reliability and validity. However, the reliability and validity are deemed adequate due to a number of factors: Firstly, the interview questions were initially developed independently of the SEiSMiC questions, and thereafter assessed in relation to the SEiSMiC questions. After rigorous scrutiny, it was deemed that, while slightly differing, both sets of questions covered the same aspects, and were deemed reliable. Secondly, only a few interviews in the UK were performed without the attendance of the authors of this study, and the authors were granted access to the interview notes, which, since having been summarised according to the same thematic categories, were deemed as reliable for a comparative study. On a final note, based on the additional notion of *significant contribution*, this study has the possibility of achieving a high level of such contribution, since the field of social innovation remains relatively un-researched, and furthermore since comparative studies of national contexts relating to specifically social innovation are even more scarce.

3 Literature Review

In order to provide a good understanding and a framework for this study, a literature review concerning Social Innovation, Incubation and the Incubation Process, as well as of Entrepreneurial Ecosystem are provided below.

3.1 Social Innovation

As mentioned in the introduction, the concept of social innovation is riddled with confusion and competing definitions (Groot & Dankbaar, 2014; Nicholls et al., 2015; Alamaa, 2014)). While it is not a new issue, it is gaining interest, and is increasingly seen as a possible supply of solutions to pressing systemic issues (Nicholls et al., 2015; Lettice & Parekh, 2010). In its most basic form, social innovation can be said to be "new ideas that address unmet social needs" (Nicholls et al., 2015, p.2). Like 'traditional' innovation as defined by Schumpeter (1943), social innovation uses innovative approaches to solve pressing social issues. In contrast to 'traditional' innovation however, the Nicholls et al. (2015, p. 3) defines social innovation as correcting market failures, rather than "introducing new types of production or exploiting new markets". Lund and Malmö University together with CSES define social innovation in their jointly written report as "new approaches and solutions to social needs or common problems that are implemented in and impact society" (Hansson et al., 2014, p.10).

Nicholls et al. (2015, p.2) state that "[in] practice, social innovations can take the form of specific ideas, actions, frames, models, systems, processes, services, rules and regulations as well as new organisational forms." The topic of social innovation is discussed in the European Union as an opportunity to create solutions for the pressing 'grand challenges' of today, amongst other being: "environmental degradation, climate change, declining birth rates, high levels of immigration, the rising costs of healthcare, the increasing number of elderly people, poverty and social exclusion, security of the citizenry" (Groot & Dankbaar, 2014, p.17).

The actors driving social innovation can be called social innovators. Oftentimes, social entrepreneurs are equated with these social innovators (Nicolopoulou et al., 2015), as social innovation is usually the outcome of an endeavour in the private sector (Groot & Dankbaar, 2014), and the fact that innovation is the end result of entrepreneurship (Schumpeter, 1943). This view (social entrepreneurs being social innovators), is much in line with the historical view in Europe, in which social innovation has been seen as something tackled by social entrepreneurs in the form of private sector initiatives, usually focusing on social care and security issues, whereas in the USA and Canada, social innovation has also included public sector initiatives (Leadbeater, 2007; Groot & Dankbaar, 2014). Currently however, social innovation even within Europe covers innovations originating in the public as well as the private sectors (Groot & Dankbaar, 2014), and what is commonly referred to the 'third sector', generally comprising non-profit organizations and non-governmental organizations (Moulaert, 2013).

Biggs et al. (2010, p.3) expand upon this further, stating that "[s]ocial innovations can be pioneered by a wide range of actors, including NGOs, community groups, charities, governments, business, academics, philanthropists, or combinations of these groups". As such, social entrepreneurship could be viewed as a sub-set of social innovation (Nicholls et al., 2015).

Historically, social entrepreneurship, and thereby social initiatives, has been labelled as 'social' to differentiate it from 'traditional' entrepreneurship. Leading figure within the field of

social entrepreneurship Prof. Muhammad Yunus defines business as being either 'good', or 'bad', and that social entrepreneurship represents the 'good' business (Yunus, 2007). Recently however, there is a trend towards questioning this division of concepts, and whether it aids or hampers social innovations (Groot & Dankbaar, 2014). This argument is echoed by Pamela Hartigan of the Skoll Centre for Social Entrepreneurship at the University of Oxford: There is no doubt that the term "social entrepreneurship" served its purpose at one point in time, mainly because we needed to highlight what type of entrepreneurial practice we were referring to – but today it only serves to further dichotomise entrepreneurial practice into the "social" and the "commercial" ("non-social"?)" (Hartigan, 2014). As claimed by Groot and Dankbaar (2014, p.17), "every entrepreneurial action results in some measure of intended or unintended social innovation, regardless of whether the entrepreneurs in question are considered or consider themselves "social" or not". Groot and Dankbaar (2014, p.24) further argue that ""social" should not be used as an adjective to entrepreneurship, which suggests that some entrepreneurs are social and others are not, but as a dimension of the results of entrepreneurial action". Therefore, social innovation is not dependent on *social* entrepreneurship per se, but rather in need of entrepreneurship in general (Groot & Dankbaar, 2014; Alamaa, 2014).

Regardless of whether social innovations arise from the private sector, public sector initiatives, or cross-sector partnerships, social innovations are commonly defined as meeting both business *and* social challenges (Nicolopoulou et al., 2015). This is often defined as the 'double bottom line' of a social entrepreneur (Groot & Dankbaar, 2014) referring to both a financial and a social sustainability goal, and in some cases even referred to as a 'triple bottom line' (Nicolopoulou et al., 2015). Social innovations can be thought of as solutions to market failures in which public institutions have failed to solve pressing societal issues, and therefore it can be argued that the increasing interest in social innovation is due to, at least partially, failed welfare systems (Nicholls et al., 2015). It is argued that if public sector actors increasingly adopt social innovation as a concept, innovative solutions could be more effectively designed by and for its service users (Hansson, et al., 2014).

Nichols and Murdock (2011) define 3 levels of social innovation: Firstly, *incremental* social innovation, referring to social innovation as a new 'business opportunity' that solves social problems more efficiently through the introduction of new goods and services. Secondly, *institutional* social innovation is what they refer to as the upheaval of old and creation of new markets to tackle social problems. Finally, *disruptive* social innovation refers to the truly systemic change.

Despite attempting to distinguish what is a social innovation and what is not, in several contexts, the concept may still seem vague, as the concept is highly contextual. In Sweden, the discourse of social innovation has largely focused on so called *work integrating social enterprises*, with the main goal of integrating people from social exclusion into society (Alamaa, 2014). Also, 'social enterprise', is sometimes used when people in Sweden are talking about the cooperative form 'cooperatives' (Alamaa, 2014). In this study, social innovation, drawing upon traditional innovation theory, is defined as containing an element of scalability, and as most of the work integrating social enterprises around do not focus on said scalability, these will not be included in the concept of social innovation in this study.

3.2 Incubators and the Incubation Process

Seeing as social entrepreneurs are most commonly seen as the drivers of social innovation, in order to analyse how social innovation is supported within a specific context, it becomes relevant to understand what support is made available for social entrepreneurs. The most prominent and widely recognized holistic support for any entrepreneurial endeavour is the

business *incubator*. The definition of what constitutes a business incubator has changed and evolved ever since it first being mentioned during the 1950's in the USA (Caiazza, 2014). Seeing as incubation literature historically has only focused on 'traditional' entrepreneurship and only recently shifted to include social aspects, it is important to first define what constitutes an incubator, and what support such an organization provides for its *incubatees* (the organizations that the incubator supports in their process from idea to enterprise creation).

In short, an incubator refers to an organization that supports the creation and development of new firms (Chan & Lau, 2005; Klofsten & Lindholm Dahlstrand, 2002; Lyons et al., 2003), by providing support services to its incubatees. Currently, several definitions of what constitutes a business incubator exist, and although certain key aspects can be found in different definitions, there is still confusion and uncertainty to what a business incubator means in practice (Bergek & Norrman, 2008). Bergek and Norrman (2008), argue, drawing upon the works of Aernoudt (2004), Allen and McCluskey (1990), Bøllingtoft and Ulhøi, (2005), that the key components of a business incubator are:

1. Shared office space
2. Shared administrative support services, in order to minimize overhead expenditures
3. Professional business counselling
4. Internal and external network access for the incubatees

While previous incubation research has focused on the aspects of shared office space and administrative support services, more recent research tends to emphasize business counselling and support (Peters et al., 2004; Karatas-Ozkan et al., 2005; Bruneel et al., 2012). The business counselling aspect of incubation support is commonly provided in programs spanning a certain time period. This study will not limit its definition of an incubator to those organisations that provide physical working space, but instead include also those organisations which might only offer business counselling and network access.

While an incubator historically meant a way of developing a certain region in terms of job creation within different sectors, incubators have more recently turned to focus on 'high-tech' sectors such as information technology and biotechnology (Caiazza, 2014). Incubators and science parks usually provide links and networks between companies and academia (Thursby & Kemp, 2002). The related term 'science park' is herein defined as being a subset of an incubator, as it operates much in the same way as an incubator, but is often tied to a specific university (Caiazza, 2014). An incubator could arguably be described as what Porter (2000) describes as a cluster for innovation, but instead a cluster specifically for start-ups (Aerts et al., 2007), or as "microcommunities of firms and individuals" (Phan et al., 2005, p.174). Carayannis and Von Zedtwitz (2005, p. 109) propose 5 main types of incubators: "the university incubator, the independent commercial incubator, the regional business incubator, the company-internal incubator, and the virtual incubator".

In terms of benchmarking and the establishments of best practices with regards to how successful incubators are in supporting startups, there has been very little research in terms of performance (Caiazza, 2014; Bergek & Norrman, 2008), and what a useful measurement of performance for an incubator would be is still debated (Phan et al., 2005). Phan et al. (2005) give a suggestion of comparing the survival rates of incubatees at several incubators, but they conclude that little research using this methodology has yet been performed. Bergek and Norrman (2008) propose a framework for assessing the incubation process: selection (how incubatees are selected to be part of the incubator's support programs), business support (what type of support that is offered), and mediation (network creation and communication).

The incubator model as a way to support and promote commercial activity seems to be widely accepted within literature and in practice (Caiazza, 2014; Aerts et al., 2007; Bergek & Norrman, 2008; Nicolopoulou et al., 2015). Success stories such as the Research Triangle Park in North Carolina, and the Stanford Industrial Park in California have spurred the creation of several similar endeavors, both within the USA and in Europe (Caiazza, 2014). Incubators in Europe, however, have historically tended to be both smaller, and less niched towards a specific sector (Caiazza, 2014).

However, despite the fact that business incubators are widely accepted, they have come under increased scrutiny as of late. Some argue that the supposed value of incubators, apart from locational factor and administrative support, is questionable (Mian, 1997; Hansen et al., 2000). In a study on incubators focusing on technology startups, Chan and Lau (2005, p.1215) concluded that "the general merits that are claimed by incubators as useful to technology start-ups are debatable." Chan and Lau (2005) further conclude that the startups observed in their study do not benefit from the aspects of clustering and networking that the incubator provides. Chan and Lau (2005, p.1217) further argue, drawing upon studies by MacDonald (1987), Quintas et al., (1992) and Hall and Castells (1994), that "science parks are unlikely to produce synergies of any significant kind." Even though the effectiveness of incubators has come under increased scrutiny (Tamasy, 2007), they are still an important support provider for entrepreneurs (Spigel, 2015).

While incubators, regardless of their form, technically operate as independent companies (Phan et al., 2005), it is also essential to understand that many incubators receive funding from national governments (Aerts et al., 2007), thus making the incubators reliant on governments, and, as argued by Phan et al. (2005, p.174), "tools for economic development and political bargaining". If federal funding should cease, it may be that incubators' business models may not be financially viable (Lendner & Dowling, 2003). Phan et al. (2005, p.174) further add that this is "often the case for nonprofit incubators", which is of special interest for incubation of social innovations, in which incubatees are, to a greater extent than 'traditional' incubation at least, nonprofit ventures. Furthermore, this is also of great interest for the context of social innovation, since social innovations derive largely from the public sector (Groot & Dankbaar, 2014; Mulgan et al., 2007). Understanding in what context an incubator, and other forms of support for social innovation exist becomes of great importance.

3.4 Entrepreneurial Ecosystem

As stated by Caiazza (2013, p.1067), "[t]he development of some areas of innovation and technology diffusion depends on the presence of structures that are able to support them". Previous entrepreneurship literature has overemphasised the importance of the sole entrepreneur, and neglected the context that the entrepreneur exists within; in order for a better and more holistic understanding, the context is what should be of interest in an analysis (Spigel & Stam, 2016). In order to fully understand the support available for social innovations, it therefore becomes of great importance to understand the dimensions of an ecosystem in which the social innovator exists, and what other actors share said ecosystem (Zahra et al., 2014). Bloom and Dees (2008) state that it is indeed beneficial for social entrepreneurs to recognize how they relate to other actors in what is defined as an 'ecosystem of social entrepreneurs'.

Ecosystems in relation to innovation and entrepreneurship is still not a mature concept making analysis more difficult (Spigel, 2015). Especially in relation to social innovation and social entrepreneurship, where much of past research has focused on the importance of the

individual entrepreneur; analysing a social entrepreneur as being part of a larger ecosystem is still relatively unheard of (Bloom & Dees, 2008). Therefore the frameworks herein described will be derived from the realm of 'traditional' entrepreneurship, hereafter referred to as an 'entrepreneurial ecosystem', but applied in a social innovation setting. A holistic definition of an entrepreneurial ecosystem is: "a set of interdependent actors and factors coordinated in such a way that they enable productive entrepreneurship within a particular territory" (Spigel & Stam, 2016, p.1).

Theoretical concepts of entrepreneurial ecosystems contains elements from other fields, such as the theoretical concept of 'clusters', networks and innovations systems (Spigel, 2015). An entrepreneurial ecosystem resembles that of a cluster, in the sense that there is no formalized hindrance of flow of information between different actors (Bell et al., 2009; Pitelis, 2012). However, an entrepreneurial ecosystem largely differs from a cluster in the sense that the actors in an entrepreneurial ecosystem are unlikely to compete for the same customers within the same supply chain, but rather share some form of common competency (Spigel, 2015). The aspect that binds all of the disciplines together is their shared understanding that factors that exist outside of a firm affect the evolution of a new venture (Spigel, 2015). Furthermore, the concept of an entrepreneurial ecosystem is only applicable in a finite geographic context, as opposed to on a global scale (Spigel & Stam, 2016).

Several differing definitions of an entrepreneurial ecosystem and its dimensions exist. Zahra et al. (2014, p.2), describes an entrepreneurial context by the dimensions of: "temporal, industry, spatial, social and organizational, ownership and governance". Spigel (2015), however, defines an entrepreneurial as consisting of 3 main attributes: cultural, social and material. The *cultural attributes* define what the attitudes are towards innovation and entrepreneurship in the region that is being addressed (Spigel, 2015). Spigel explicitly mentions success stories of entrepreneurs as an important component, as this can inspire and spur young people into pursuing a career within entrepreneurship (Spigel, 2015). The second attribute that Spigel introduces is that of *social attributes*, consisting mainly of the networks within the region, but more specifically, networks in relation to mentors, talent and investment capital (Spigel, 2015). The third and final attribute is that of *material attributes*, and are referred to as including the more tangible aspects such as physical locations and shared working spaces, but also other components such as universities, support service organizations, as well as policy and regulations (Spigel, 2015). Incubators, as well as accelerators and other types of support service organizations, despite their usefulness being under scrutiny, are currently "an important facilitator of entrepreneurial activity and are often a key node of an ecosystem" (Spigel, 2015, p.6).

The ecosystem attributes defined by Spigel (2015) above act as a basis for the definition by Stam (2015). Stam (2015) further provides a four-layer description to describe the entrepreneurial ecosystem, as shown in Figure 3. The four layers of the model are: the *outcomes*, the *outputs*, and the entrepreneurial ecosystem itself, comprising *framework conditions* and *systemic conditions*. The output is the entrepreneurial activity created by the ecosystem, and the outcome is the aggregate value created by the entrepreneurial activity. The framework conditions comprise formal institutions, culture, physical infrastructure, and finally an element of demand, relating to the demand of innovative products and solutions. The systemic conditions are the most important components of the ecosystem, and how they relate and interact directly affect the effectiveness of the ecosystem. The systemic conditions comprise: *networks* (the networks of entrepreneurs, and the information that is shared between them), *leadership* (role models that act as inspiration for other entrepreneurs within the region, and actors taking it upon themselves to lead the ecosystem in a certain direction), *access to finance* (key element needed for entrepreneurs to spur innovation and entrepreneurship), *talented workers* (not entrepreneurs, but supporting workers; argued to be

the most important component of the systemic conditions), *knowledge* (knowledge provided both by public and private actors is an important source of information for entrepreneurs), and finally *support services* (in the form of intermediaries, such as incubators, support entrepreneurial projects in developing their idea). (Stam, 2015).

During the Social Business Forum in Utrecht in April 2016, Stam presented the above mentioned model for an entrepreneurial ecosystem described in his paper 'Entrepreneurial Ecosystems and Regional Policy' (2015), but applied it to a social innovation setting. Therefore, this model is deemed useful for the analysis undertaken in this study, and will hereafter be the main framework on which the forthcoming analysis will be based.

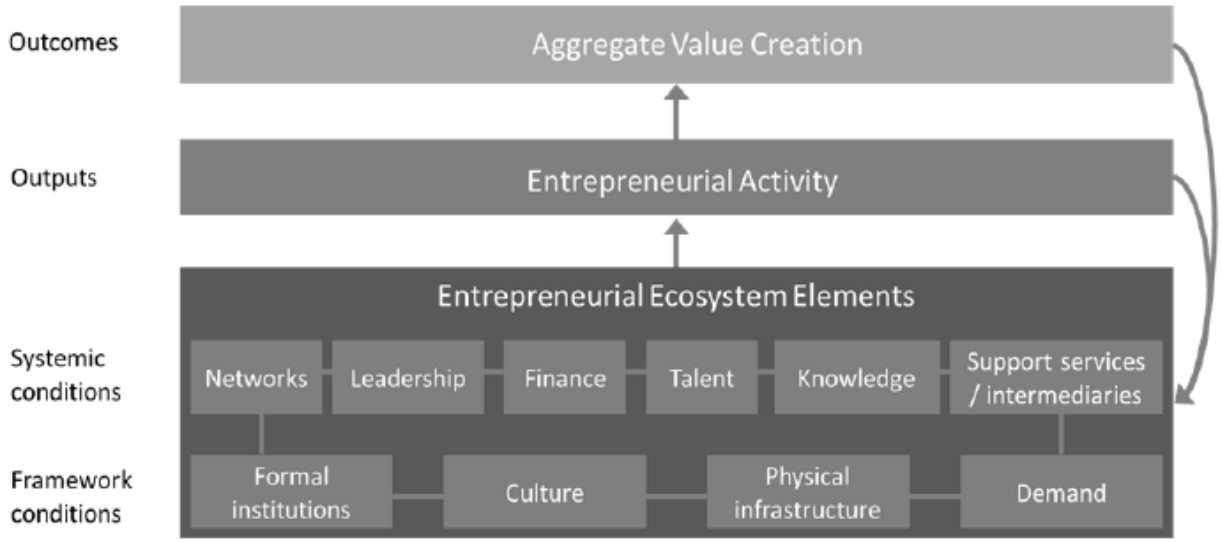


Figure 3 - The Entrepreneurial Ecosystem framework by Stam (2015)

Even though ecosystems differ depending on the context, if they are able to create a context in which new ventures are promoted and supported, it will likely be a successful ecosystem (Spigel, 2015). And while intermediaries such as incubators provide the most direct form of business support, Aerts et al. (2007, p.265) argue that "[t]o successfully promote innovation, the incubator business should be geared to other elements in the system, like venture capital and the entrepreneurs themselves". This sentiment is shared by Spigel and Stam, as they argue that access to financial capital is crucial; "a strong, dense, and supportive community of VCs, business angels, seed investors, and other forms of financing should be available, visible, and accessible across sectors, demographics, and geography" (Spigel & Stam, 2016, p.6).

Looking ahead, determining the relative importance and necessity of the conditions of an entrepreneurial ecosystem, as well as defining the role of public actors and the government, become important in order to gain a more holistic understanding of an entrepreneurial ecosystem (Stam, 2015). Furthermore, ecosystems change constantly (Hansson et al., 2014), and as additional literature and research on these ecosystems develops, it is of great interest to investigate how entrepreneurial ecosystems are created, how they change, and most importantly how they affect entrepreneurial actors within the ecosystems (Spigel, 2015). Such an investigation is especially interesting for social innovators, whose ecosystem of actors and conditions is additionally complex (Bloom & Dees, 2008).

4 Empirical Findings

The following chapter will review the empirical data collected from the interviews, both in Sweden and in the United Kingdom. The interviews from Sweden will first be presented followed by the interviews form the UK. For each country, a short description of each interview will first be outlined. Thereafter, the results will be presented according to the thematic categories: Specialisation, Support Service Needs, Locational Factors & Physical Space Configuration, Finance, Governance Model & Collaborations, Performance & Impact, Policy Support, and Challenges & Future Prospects. Each category will begin with a summary of all the interviewees followed by the findings for each organisation interviewed for that specific category.

4.1 Sweden

In the study it was found that 12 organisations in Sweden could be defined as social innovation incubators, with various kind and degree of support provision. This can be compared to the number of members (43) of the organisation 'Swedish Incubators and Science Parks' (SISP), which consist of 'traditional incubators'. While SISP is indeed a national organisation, there might be incubators that are not part of this network; the total number of 'traditional' incubators might be slightly higher than 43. Hence, 12 out of at least 55 (43 from SISP + 12 SII:s) incubators focus on social innovation. Some of these incubators have been interviewed in this study as well as additional few other kinds of actors related to the field. The supporters interviewed in Sweden are: Ashoka – Sweden, Coompanion, CSES, Inkludera Invest, Impact Hub, Peak Region Science Park, Forum for Social Innovation, Reach for Change, SE Forum and Vinnova. The section about Sweden will be introduced by a general description of these actors.

Ashoka – Sweden

Ashoka started in Germany 1979 and are now operating in 70 different countries worldwide. Their mission is to Support Social Entrepreneurs, Promote Group Entrepreneurship and to Build Infrastructure for the Social Sector. Ashoka has been present in Sweden since 2011.

Coompanion

Coompanion is a 'business developer', commissioned by 'Tillväxtverket' (the Swedish Agency for Economic and Regional Growth), to foster cooperative businesses (companies who are owned by its members and with a social focus). There are 25 independent organisations in Sweden but they work within one common organisation and under the same name and brand.

CSES

Center for Social Entrepreneurship in Sweden (CSES) was founded in 2010 and is an incubator supporting social innovation.

Inkludera Invest

Inkludera Invest was founded in 2011 and is a non-profit organisation, which aims to support entrepreneurs who target the social issue: exclusion. We will refer to Inkludera Invest as a

Impact Hub

Impact Hub is a global network of around 80 locations in different countries and provide co-working space and incubation centers for social entrepreneurs. They also arrange events, incubation programs, seminars, and aim to enable a community for social entrepreneurs to support each other. In Sweden there is one Impact Hub, located in Stockholm.

Peak Region Science Park

Peak Region Science Park is an incubator that supports innovation and new businesses. In 2013 they started incubation programs targeting social innovations specifically. They are, to their own knowledge, the only incubator that established a social innovation program within an existing science park. However, the social incubation programs ended in 2015 due to lack of financial support, but since they have come to be recognised for social innovation, social entrepreneurs still reach out to them and can be a part of their existing incubation programs.

Forum for Social Innovation (Swe: Mötesplats Social Innovation)

Forum for Social Innovation promotes social innovation through collection, packaging and spreading of information on the topic of social innovation. They also act as a catalyst for change through building networks and hosting seminars and conferences on relevant topics. Forum for Social Innovation was founded in 2010 and since 2013, it is part of Malmö University (Malmö Högskola).

Reach for Change

Reach for Change is a non-profit organisation whose aim is to identify and support local social entrepreneurs with ideas that makes life better for children. Reach for Change was founded in 2010 in Sweden by the Kinnevik Group, and Sara Damber. Today Reach for Change exists in 17 different countries on three continents.

SE Forum

SE Forum started in 2004 as a forum for social innovation, but is now focusing on accelerator-programs, innovation labs, events for social entrepreneurs and lectures about social entrepreneurship. They are primarily targeting entrepreneurs in developing countries, but have also performed some projects in Sweden. They aim to be a global platform for social innovation, and the majority of their participants have so far come from Uganda, Nigeria, Nepal, Brazil and South Africa.

Vinnova

Vinnova is a public authority under the Swedish Agency for Economic and Regional Growth, with the mission to secure innovativeness in Sweden, by catalysing, stimulating and connecting key actors in different areas. They work primarily with financing, but are operating within three areas: supporting innovation, expert authority for the Ministry of Enterprises and Innovation, and being responsible for the Research- and Innovation Program at a European level. Within Vinnova there is a program specifically targeting social innovation. We will refer to Vinnova as a Public Authority.

4.1.1 Specialisation

This section aim to describe what the Swedish actors, supporting social innovation, focus on and specialize their support on. This in order to see to whom these supporters offer their support to, to what extent social innovation is targeted and what their support consist of.

Summary

The large majority of the social innovation incubators (SII:s) provide, in one way or another, incubation programs, business advisory and support, and access to networks. Most SII:s in Sweden do not provide physical working spaces as they do not see this as a resource that the startups/projects needs help with. The physical working space that a few SII:s or other

more generic shared working spaces offer seem to be enough. Some SII:s also support with access to finance for the incubatees while they are a part of their programs.

The extent to which incubators specifically target social ventures varies between the different SII:s. How selective the incubators are and what criteria that initiatives have to fulfil in order to be selected for their programs also varies. Most SII:s have very specific criteria relating to social issues in order for projects to be part of their incubation programs, while some actors have less specific criteria and welcome anyone with a social focus. Furthermore, some actors welcome any initiative to use their co-working space, regardless of if they have a social focus or not.

Ashoka – Sweden

Ashoka aims to support individual entrepreneurs and startups but also want to support the area of social entrepreneurship in general, and it's infrastructure in order for it to grow. Ashoka has almost 40 different programs and incubation programs in order to support social entrepreneurs, e.g. Ashoka Fellowship, Ashoka Globalizer, Ashoka University, Ashoka Youth Camp. They also hold camps for young entrepreneurs and work with certain selected "change making schools" in a global network. However, in Sweden Ashoka mainly focus on Venture/fellowship, Change maker schools, youth years and not least to build infrastructure. To be a part of the Ashoka Fellowship program, there are extensive evaluation processes before they are selected into the network. Once in the program, Ashoka supports them with: 1) Finance (full-time-payment for 3 years), 2) Professional counselling (in e.g. strategy, marketing, legal advice etc.) and 3) Networks (other and senior fellows within the same fields, investors etc.). The fellowship incubation program is for 3 years but inclusion in the network is for life.

Coompanion

Coompanion offering business counselling, rather than full incubation programmes. After four hours of counselling, the entrepreneur can choose to become a member of Coompanion. Business counselling is offered for free, but in order to be eligible for business counselling you must be at least two persons with the same idea. Coompanion is aiming to support ideas with social interests, primarily focusing on work-integration enterprises. However, they also do counselling for some groups without social aims. They mainly focus on young people who want to start a business, rather than existing companies. They promote the cooperative as the business design for most of the groups they support. "Good enterprising" for Coompanion mainly has to do with how a company is owned and run.

CSES

CSES only works with social ventures, and never with projects that have no clear social impact. CSES helps ventures in a very early stage of their development, which differs somewhat from other Swedish intermediaries. CSES provides support in the form of counselling, business development and access to networks. There are two main programs of support for social startups: 1) Open counselling, which consists of meetings 1- 4 times only. 2) The incubator program, which consists of more in-depth support over a period of 4-6 months. The interviewee mentions three reasons for why SII:s are needed: 1) Support social ventures to communicate their impact, which differs from traditional ventures. 2) Social innovations are often conceived in the borderland between the public sector, the private sector and civil society. As traditional incubators seem ill fit to foster these innovations, SII:s are needed. 3) There is need for a more established and functioning network surrounding social innovations, which has, according to the interviewee, improved greatly in Sweden during the last few years.

Inkludera Invest

Inkludera Invest targets entrepreneurs who, in different ways, work to tackle exclusion in society. With their support programs they aim to support initiatives that are not in the very early stage but rather that are pretty close to the market and that already have some financial means. The selected startups are incubated in their program for three years, with the possibility to extend the incubation for two more years. They are aiming to work closely to the entrepreneur and each individual gets full attention for, what corresponds to, a whole day each week. Inkludera is involved in the entrepreneurs' daily activities and offers counselling and support adapted to each specific startups. The first 2 years Inkludera Invest works accordingly with their own developed model "inkludera-modellen": 1. Scouting, 2. Marketing and communication, 3. Identification of customer, 4. Develop business proposal, 5. Prepare for scaling 6. Sell, and 7. Performance measurement. After 2 years there is an increasing focus on scaling the business – to reach more people and municipalities in Sweden.

Currently Inkludera Invest only works with non-profit organisations but has earlier also been working with corporations (Swedish 'aktiebolag') However, during the time these businesses were a part of Inkludera Invest they had to invest the profit they made back into the business. Inkludera Invest works heavily with networking, identifying customers and packaging customer offers to and within public sector as they target public sector as their primary customer. They argue that since this is a fairly new kind of business, it is necessary to work to open up the municipalities to these kinds of solutions. They work to form opinion but also to establish customers. They explain that they are working from two perspectives to support the entrepreneurs: both to work directly with them but also to enable an environment for them to operate in.

Impact Hub

Impact Hub Stockholm's services include: Co-working spaces, several incubator programs, seminars, events (which they themselves organize, or the members of Impact Hub), access to both formal and informal networks. Impact Hub Stockholm does not actively seek out and promote themselves only to the specific group that is social entrepreneurs. However, since their brand is associated with social initiatives, the people and organisations that contact them usually have social initiatives in mind. If someone without a direct social approach asks for their services they will probably not be excluded however. Everyone is welcome to become a co-working member. This partly to secure income but also to create an ecosystem for enabling social entrepreneurs and that is wider than the social entrepreneurs themselves.

Peak Region Science Park

Peak Region Science Park offers incubator programs and helps 100-150 companies/ventures per year. They do not use specific metrics to decide what projects to work with, but rather the ambitions of the entrepreneurs decide. Within the traditional business incubation program, there is a premium program for those companies that are projected to be able to achieve a turnover of 25 million SEK within 5 years. Currently, there are 10 companies in this premium program. Since social innovations are unlikely to amass this level of turnover, thus far no clear social innovations have been part of this premium program. For 2 years, they had a social innovation program specifically for social entrepreneurs. Peak Region Science Park did not want to create a completely separate, parallel social innovation incubation program, but rather wanted to build one within an existing context. In terms of this, Peak Region Science Park is quite unique. 10 out of 40 initial social projects turned into companies. However, this social innovation incubator program was terminated in 2015. Today, when the social innovation program is no longer operating, they experience that more people now than before associate the Peak Region Science Park with social entrepreneurship. According to the interviewee, "*now people*

understand that they [traditional and social entrepreneurs] *can exist in the same context*" (quote translated)

Peak Region Science Park's business counselling is always individual (per startup), and not in group. Business counselling is also often virtual. Peak Region Science Park helps entrepreneurs with access to formal networks, and also how to communicate and interact with stakeholders within the networks.

Forum for Social Innovation

Dissemination of information regarding social innovation, usually in the form of magazines and/or pamphlets. They also organize seminars, breakfast meetings and conferences, such as the Social Innovation Summit, a yearly conference in November which was attended by at least 500 attendees in 2015. Forum for Social Innovation does not work with individual entrepreneurs, but instead their goal is to make social innovation more visible in the Swedish society. Their target group is wide: private sector, public sector, civil society. Also to politicians and decision makers in the government. Their services are aimed exclusively at social innovation in Sweden. Forum provides information to potential social entrepreneurs of how they can apply for money for their projects, but also, by highlighting the social innovation arena, social entrepreneurs get access to information and possibly a network that could lead to positive outcomes for their projects.

Reach for Change

Reach for Change specializes specifically on problems and solutions regarding children and how different groups of children directly or indirectly get affected. They select startups to be a part of their incubation program through an extensive election process performed by experts, and is based both upon the idea and the entrepreneur itself. They have to have a well-defined problem to be solved, coupled with an innovative solution which should be both scalable and system changing, and have a greater impact on the society. The entrepreneur should be smart, brave, passionate, be the founder of the idea, be able to work full time with the idea and be a good leader for the organisation and for the idea. The startups can be a part of the incubation program for up to 5 years, and are continuously evaluated whether they should continue to be a part of the program or not. The incubation program provides support through: Professional counselling (strategy, how to measure and follow up, scaling, etc.), workshops, advisory (continuous advisory about how to proceed with the business), financing, internal tools and frameworks for startups and impact measurements, networks (with each other, professionally, financially and others).

SE Forum

SE Forum targets social entrepreneurs from all around the world and offer three different programs: SE Outreach Accelerator (2x3 weeks, about 8 participants/year), SE Outreach Mini-Accelerator (2 weeks in-country, about 10 participants, earlier stage), and SE Outreach Training the trainer (Training local trainers in social entrepreneurship).
For the Accelerator program, which is the main program, they invite selected entrepreneurs to Sweden and to SE Forum to participate in their program two times a year, where they spend three weeks at program each time. During these events, the selected startups gather, discuss and get to know each other. They also get the possibility to network with people from the corporate sector and with investors. During the program they are paired up with mentors and take part in seminars and workshops, and receive professional one-on-one support. SE Forum themselves do not offer financial support for the selected businesses in terms of grants or loans, but they do however pay for the travel and visit expenses during the program. Even though they do not meet the startups more than 6 weeks a year they keep

track of the businesses continuously during the year. SE Forum does not target startups at a specific development stage but incubate business at different stages. Some are very new and still at an idea stage while others have been up running for a while. Each year they receive about 300 applications accelerator program. At the moment there are 8 startups in the program. They consider it extremely important to get the right people on the program and are primarily looking for a strong will to change and to solve a specific problem. They also need to show a willingness to constantly learn and to move on.

However, apart from their incubation programs, SE Forum also performs other activities as visiting schools and companies to talk about social innovation.

Vinnova

They aim to support corporations and non-profit organisations (not projects within public service) in their early phase. They support innovation projects and not the organisations themselves. Ether the product, service or the process needs to be innovative and need to have social impact in focus. It should not create demand, but satisfying a need. Social impact needs to be the first interest, not profit! The applicants either describe the problem they are trying to solve themselves, or (sometimes) Vinnova launches problems/themes they believe they need to find solutions for. They are focusing on finding new solutions rather than to start new businesses. Also, they see that cooperation and mergers effect on a larger scale and encourage this to happen. Sometimes they even require that two actors, within the same field, get together in order to receive funding.

4.1.2 Support Service Needs

Below will be described what kind of support the interviewees believe that startups within the social sector, are in need of and what needs that are not met at the moment. An overview of what the interviewees seemed to think in general, is first presented followed by a more detailed description of each interview.

Summary

All interviewees seem to agree that a functioning and well established ecosystem of social innovation is lacking, and more development of said ecosystem is necessary in order to enhance social innovation further. Many interviewees seem to think that it is hard for social ventures to receive funding or investments. Specifically, it is mentioned that the Swedish government is lacking financing tools to help and incentivize social innovation. However, some argue that the financing situation has improved lately and that funding is not one of the main problems anymore. Finding a sustainable financial model for social ventures still seems to be a problem though. Other needs of social entrepreneurs are that many social entrepreneurs lack business acumen and skills, that social ventures are not viewed as viable commercial actors, that it is difficult to successfully scale social ventures, that it is still unclear how to clearly measure and communicate social ventures' impact, and that there is a clear lack of cooperation and coordination which leads to different actors reinventing the wheel several times.

Ashoka – Sweden

Ashoka has investigated and conducted what startups experience as most problematic and has concluded three things: 1) come up with a sustainable financing model for their business. 2) Stress, since the business is very attached to personal goals and believes as well as the entrepreneur's personal economy. 3) How to measure impact and how to scale it. They also explain that social entrepreneurship in Scandinavia is in an "early stage" which makes it hard to operate in it. For example there is confusion about the terminology and about the concepts

of social innovation, entrepreneurship, business etc. However, it is getting better though, and she does not see the same problem with financing and investments as 10 years ago and she notices that companies have an increasing pressure on them to be structured with their CSR.

Coompanion

Startups need business development counselling. Many companies that just have started do not get help except from accountants and the tax office, actors which will not give them counselling about business development. Furthermore, startups need access to networks, and help with different processes surrounding the initial idea.

CSES

The interviewee does not consider the needs of social innovations to differ greatly from traditional innovations; they both have entrepreneurs that have to work hard to communicate their message, obtain customers and scale up their offering. However, 2 main problems specific for social entrepreneurs are mentioned: 1) As a social entrepreneur, you are not viewed as a commercial/business actor by the rest of the business world. 2) Some social entrepreneurs lack business acumen and skills.

Inkludera Invest

Inkludera Invest highlights that the first financial means can be hard to find, which is essential to enable getting started with the idea. They also suggest that startups need help with concretization of their business offer and working model as well as getting access to contact networks etc. Inkludera expresses that the market would need to be better at adopting new solutions. They experience that there is a willingness to use social solutions in the public sector, but that it is hard for them to know how to purchase the solutions. For example, there are usually very specific structures of how to purchase and what they should buy is usually very specific, why more innovative thinking often is excluded.

Impact Hub

In the early stage, social startups need a network and an understanding of how to obtain funding. Impact Hub is trying to coordinate as much as possible but it is up to the startups themselves to find a specific program or partner that they need. Impact Hub Stockholm states that the financial market for social innovations is much smaller than for traditional innovations. A more well-functioning ecosystem surrounding social innovation and impact is deemed necessary. The fact that "*social entrepreneurs are not measuring their impact*" is a problem for creating such an infrastructure.

Peak Region Science Park

Social entrepreneurs mostly need help with funding opportunities. It is difficult for social entrepreneurs to reach and communicate with potential investors. The interviewee identifies key differences in terms of incubation of traditional and social innovations: traditional entrepreneurs are more comfortable in being defined as entrepreneurs. The social entrepreneurs however, are not as comfortable in being defined as entrepreneurs. They must, according to the interviewee, learn that making money is part of establishing a sustainable operation. However, the interviewee's way of acting as a counsellor for social entrepreneurs does not differ significantly between the two groups, and her vision is that you should not have to distinguish between them.

Forum for Social Innovation

Forum for Social Innovation have identified a few areas that are some our times greatest societal challenges and where social innovation will be needed in the future – Mental illness (psykisk hälsa), Migration, Ageing population and Target people in social exclusion ("Adressera människor i socialt utanförskap"). One great challenge for social innovations is, according to Forum, the scaling of a social venture. Another problem related to this is that many social entrepreneurs do not necessarily have the business skill set needed to start and run a company, since social entrepreneurs often do not come from a business background.

According to the interviewee, it is not enough to teach social entrepreneurs a business skill set and business awareness, if there is not a functioning ecosystem surrounding social innovation in Sweden. According to the interviewee, the current ecosystem is inadequate, especially in terms of financing. The UK, as a comparison, has a much better functioning ecosystem where funds are made available to social entrepreneurs, according to the interviewee.

Reach for Change

They find it hard for the social entrepreneurs to establish a stable and sustainable organisation with good and sustainable economy. They also find relevant networks of actors to be a necessity. However, they can tell that it has been easier the last years as social entrepreneurship as a concept and arena has grown recently. It still needs to grow though. They also find that the ecosystem/market still is underdeveloped and that tools and structures for social entrepreneurship still is missing.

SE Forum

According to SE Forum the most important thing for a social entrepreneur is to get a good foundation in business skills, access to networks and to link different actors in order for them to utilize each other. Nicklas argues that it is lonely being a social entrepreneur and it is important that you get support in what you are doing. It is often tough being by yourself, as you yourself have to make all the decisions and you are unique in your field and often working towards existing norms. Nicklas claims that a better ground or ecosystem for social entrepreneurship is needed. Nicklas adds that those who get support are often the same people and who have reached a later stage.

Vinnova

Vinnova supports innovation with financial means, which they believe is one of the most important needs for social innovation in an early phase, since financial return is not the top priority but socioeconomic return. They also link different actors and aim to catalyse innovation in different ways. However, Vinnova want to expand their activities to create more value and primarily see a need to connect people in order to prevent "*the wheel to be invented over and over again*". In order to reinforce the innovativeness they want to see more mergers, which would need an overviewing organ to see what initiatives there are and how to connect them.

Further, different groups have different challenges and needs of support. There are some that have good business sense but these tend to not have as good knowledge of the actual problem or if the need for their service really exists. Civil society have better understanding of the problems but would benefit from more knowledge of businesses, in order to create impact. These two groups benefits from each other however, which further support the idea of more mergers.

4.1.3 Locational Factors & Physical Space Configuration

Startups need a place where they can work. This section has the purpose to investigate to what extent support of a physical working space is offered, how important it is and also if the actors find it important where they, as supporting organisations, are located.

Summary

Most SII:s in Sweden do not provide physical working spaces as they do not see this as a resource that the startups need help with. The physical working space that a few SII:s or others offer seems to be enough. Some also support with finance to the ventures while they are a part of their programs. Most actors within the social innovation sphere are located in Stockholm, since this is the financial hub of Sweden, but also close to the government and major public authorities. However, a few key actors originate from Malmö in southern Sweden, as this area has received most refugees in the country, thus leading to more pressing issues related to integration. Furthermore, one key SII was located in the Northern part of Sweden, and acted as a hub for social innovation in this region.

Ashoka – Sweden

They do not offer physical working space.

Coompanion

They do not offer a physical working space. The interviewee does not believe that a physical co-working place is of much help. She believes more in networks, counselling and help with processes. Coompanion is a national organisation, but with several offices in different locations. Their respective operations in each location is heavily defined by the local environment, in terms of pressing issues and actors with whom to cooperate.

CSES

CSES does not offer working areas or desk spaces for its incubatees. CSES is located in the co-working space known as 'The Castle', just by the actual Royal Castle in Stockholm.

Inkludera Invest

They do not offer physical working space.

Impact Hub

Impact Hub Stockholm has an open co-working area with separate meeting rooms. Coffee and tea is available. You rent the co-working space hourly. The interviewee highlights that the physical co-working space as well as internal networks, and the informal supportive community are very important. The interviewee mentions that they would like a larger co-working space, with private offices. Currently, as soon as the startups become bigger, they leave, which is a loss of income for Impact Hub, as well as a loss of competency. Furthermore, they would like to have a separate event space, since they want to dedicate more time to hosting events. This is currently only possible in the evenings or weekends, which has led them to turn down several event offers.

Peak Region Science Park

Peak Region Science Park offers opportunity to both rent a private room or to access open desk space. The desk space includes amenities such as Internet and printers. The interviewee does not define an incubator as necessarily having a physical place. It may as

well be handled virtually. Business counselling is often virtual. Business counselling is often virtual, i.e. not always on location in Östersund, but instead over the phone or Internet.

The locational factor is very important for Peak Region Science Park. It is located in Östersund, is well away from the larger cities in Sweden. Their mission is partly targeted towards the local region, in terms of "*attracting companies, capital and people to the region of Jämtland*" *(*"få företag, kapital och människor att flytta till Jämtland"*)*. The informal network is very important. Since Östersund is a small city, all of the major actors are situated in the same place. "*A lot of things happen during a coffee break*" (quote translated).

Forum for Social Innovation

No working space for potential incubatees is offered. Main base of operations is at Malmö University, since they are part of Malmö University and partly funded by them. Small presence in Stockholm, at the co-working space known as 'The Castle' next to the Royal Castle. This is probably due to positive externalities of working close to other companies in the sector.

Reach for Change

They do not provide physical space as they do not find it important for them – it usually works out fine.

SE Forum

Information not provided.

Vinnova

Vinnova does not provide a location for the incubatees but highlights the importance of networking and cooperation, learning from each other, and they want to see more 'joint ventures' and cooperation between different actors/initiatives. Spaces for them to meet and interact is necessary but they are not convinced that a common working place is necessary for that to happen.

4.1.4 Finance

An early phase in a business life, especially if it is of the social kind, involves a lot of risk and it might be hard to find financial means to sustain the operations. Financing models for SII:s as well as financial tools for social innovations will be summarised here.

Summary

Most incubators have not yet found a sustainable financing model themselves and are referring to the undeveloped ecosystem as a cause for this. They are depending on grants from both the public sector, the private sector and from the EU. The problem with grants is that they are often based on projects and do not provide a long-term sustainable financing model. A few have found sustainable model, but this is mostly related to how they were founded. For instance, Reach for Change has several corporate partners that provide them with money and expertise. What is interesting is that when corporate organisations are the founders of the SII:s it seems to be significantly easier to find more companies with whom to initiate partnerships. The other incubators are striving for similar financing models and aim to find corporate partners, but so far largely without success. Many SII:s have mixed sources of funding, e.g. Ashoka which is funded from private people (sometimes alumni incubatees), companies and foundations. Those which provide working spaces usually have implemented a real estate financing model, providing them with a revenue stream separate from their

incubation practices. Member fees also exist. In general however, most SII:s are still reliant heavily on public funding, mainly in the form of grants.

Ashoka – Sweden

Ashoka's financing model is divided into three parts: 1) Foundations, 2) Private persons, and 3) Companies. In Sweden, Ashoka receives about the same amount of money from each part. Because of global standards for Ashoka, and due to corruption in other countries, Ashoka Sweden is not allowed to accept grants from the government.

Coompanion

10-20% of funds are received from the national government (Swedish 26ncuba for economic and regional growth). The rest is a mix of revenues from certain projects that are carried out, and locally raised funds from the region.

CSES

CSES has historically received both public and private funding. Currently reliant on grants, but some consulting projects are also carried out to generate additional revenue streams.

CSES wants its incubatees to be financially sustainable and not rely on grants. This is difficult, due to a lacking ecosystem for investments in social innovations. Furthermore, the largest problem for CSES is currently to find a stable and long-term source of income for themselves, as they currently rely mainly on grants.

Inkludera Invest

Inkludera Invest is entirely financed by private sector entities and do not rely on grants. Their main sponsor is Per-Olof Söderberg, who is one of the founders of Inkludera invest and the chairman of the board. Inkludera Invest was initiated by VD and CR Manager at the private equity firm Ratos, which still also is a big sponsor of Inkludera Invest. Ratos further supports Inkludera Invest with their employees' time and competence in terms of counselling and supports Inkludera in HR-matters.

Impact Hub

Impact Hub rents out co-working space hourly. The interviewee mentions that they would like a larger co-working space, with private offices. Currently, as soon as the startups become bigger, they leave, which is a loss of income for Impact Hub, as well as a loss of competency. Impact Hub wants their startups to be profit based, and Impact Hub Sweden is currently an AB (Aktiebolag, the Swedish equivalent of a profit-driven corporation), but they are looking into the possibility of becoming a cooperative. Hence, Impact Hub is a for-profit organisation. However, they do not take any percentage of the profit that their startups earn.

Impact Hub currently relies mainly on income generation from services that it provides for its users. Each member pays 200 SEK to become a member. However, in order to use the co-working space, you must pay an additional fee. Furthermore, there are different membership packages, depending on how many hours per week you aim to work, and how large the team is. Moreover, incubator programs and usage of the meeting rooms incurs additional fees. In relation to 'Benisi' (a specific project that works with scaling of social innovations), funding has been received from JPMorgan.

Income is seen as problematic and the interviewee says that the ecosystem for social business that is needed does currently not exist. In order to obtain a more stable and sustainable financial model, they need more infrastructure support. Also, social innovation, according to the interviewee, seems to be a subject of fads and fashion, and that currently most of the money goes to integration issues, as opposed to more generic social innovations.

Peak Region Science Park

Peak Region Science Park offers opportunity to both rent a private room or to access open desk space. The majority of funds are received from public authorities, in the form of grants for specific projects. For instance, funding for the traditional incubator program, as well as the social incubator program, was received from *Tillväxtverket.* Some funding is received from the regional government. Lately it has been harder to receive funding, as investors are opting to fund entrepreneurs individually rather than intermediaries. The interviewee has experienced that some of her prior investors have disappeared/been less prone to invest. However, the interviewee expressed the need for more governmental support, foremost regarding financing opportunities.

Forum for Social Innovation

Forum is mainly funded by Malmö University, 'Region Skåne' (the business region of Skåne, the southern part of Sweden) and 'Malmö Stad' (the town government of Malmö). Some funding is received in the form of grants from the Swedish Agency for Economic and Regional Growth. More specifically they are from ESF ('Europeiska Socialfonden; the European Social Fund'), through the Swedish Agency for Economic and Regional Growth.

Reach for Change

Reach for Change is founded by the Kinnevik Group, which is still Reach for Change's main financier. It is also managers at Kinnevik that provide most of the advisory for the startups. MTG, Tele2 and 'Stenbecksstiftelsen' (The Stenbeck Foundation) were also involved in the foundation of Reach for Change, and are still financing its activities. Other financiers are other organisations, corporations and foundations such as SIDA, KK-stiftelsen, EU, UNICEF, and H&M Conscious Foundation.

Reach for Change are mostly working with long-term relationships except for some short-term relationships regarding specific projects (these relationships tend to evolve to something more however). They also have an account where private persons can donate elective sums. This is a negligible part of their incomes however.

SE Forum

Sweden's aid agency SIDA (the Swedish International Development Cooperation Agency) provides SE Forum with 70% of its funding and will continue to do so yearly until 2018. They have been able to get this support from SIDA as they are focusing on activities abroad, and SIDA's main focus is international development, as opposed to social issues in Sweden. The other 30 % of means SE Forum receives from different foundations as well as collaborations with different organisations. They also receive some revenue by holding lectures and trainings. After 2018 they have a challenge to substitute the means from SIDA.

Vinnova

Vinnova is a public authority under the Ministry of Enterprises and Innovation, and receive an annual sum 2, 7 billion SEK to support projects to foster innovation and research, where a part of the sum goes to their program for social innovation. However, the sum targeted

specifically to social innovation is small in comparison to what Vinnova hands out in total. On the other hand, social innovation might happen within other fields that Vinnova support, even though they are not specified as social. When they select the projects to support, they are trying to think like an investor and want to think in a long-term perspective.

4.1.5 Governance Model & Collaborations

The governance model of social innovation supporters, and what collaborations exist between actors is summarised below.

Summary

The governance model seems to vary a lot between the different SII:s. In Sweden. Everything from publically owned companies (Aktiebolag, known as AB; the British equivalent of a limited company, or corporation), member owned, non-profit associations as well as organisations that are completely owned by corporate partners exist in Sweden. All of the SII:s in Sweden are aiming for and working towards establishing long-term partnerships with corporate partners, however only a few have so far succeeded in establishing said cooperation.

Ashoka – Sweden

Ashoka is a non-profit organisation with an international board of directors. Ashoka Scandinavia is however run buy its own separate board.

Coompanion

Coompanion is a cooperative, and is thus jointly owned by its members.

CSES

CSES is a private non-profit organisation run by a team of four members and with support from a network with counsellors from the business sector. However, the interviewee has a vision of creating a long-term collaboration with partners from both the private and public sectors. The public sector is emphasised as an important actor, as many social innovations affect what is taking place in the public sector. Such a collaboration could include: Law firm, accounting firm, financial institution, management consultancy firm, 'Stockholms Stad' (local government in Stockholm). According to the interviewee, it is important to establish a well-functioning network surrounding social innovation, as this is one of the greatest helps for social startups.

Inkludera Invest

Inkludera Invest is a non-profit organisation. The organisation is run by a board and by a team of full time and half time employees. Inkludera Invest also consists of an advisory board and a reference group within the public sector.

Impact Hub

Impact Hub Stockholm are looking extensively at creating partnership packages and obtaining long-term corporate partners.

Peak Region Science Park

Peak Region Science Park is part of 'Mittuniversitetet', a university in Östersund. The major partnerships include: Mittuniversitetet, ALMI (traditional entrepreneurship supporting

company), and the other players within the social innovation field, such as CSES, Ashoka, Reach for Change, Impact Hub, SE Forum.

Forum for Social Innovation

Forum for Social Innovation is Part of Malmö University. Apart from this, they currently have no constant, stable collaborations. However, project based collaborations with other actors. Forum is not a 'membership organisation', as they want to remain completely autonomous.

Reach for Change

Reach for Change have offices in other countries as well but the head office is in Stockholm, Sweden. Reach for Change has partnerships with external cooperating organisations that support them financially, professionally and support the startups directly with their expertise. The board of Reach for Change consists of different representatives from the different founding companies. In return all the supporting companies gets structure for their own CSR, framework for philanthropic investments and donations, and an HR-aspect: their employees think it is good and can be a part of contributing to society.

SE Forum

SE Forum is a non-profit membership organisation.

Vinnova

Vinnova is part of the Ministry of Enterprises and Innovation, which in turn is an official part of the Government Offices of Sweden, which supports the government in its decision making and work. The government decides how large a budget to be allocated to each department and for what. The departments themselves decide, to some extent, how the budget should be distributed internally and can also influence the government in its decision making.

4.1.6 Performance & Impact

Below it is described how the different supporters measure both their own performance and how they support startups to measure their own performance.

Summary

How to measure impact seems to be a common issue and some actors have developed frameworks, and are publishing reports both about their incubatees' impact as well as their own impact. Others simply do not measure at all. However, everyone seems to agree that measurement of impact and performance is very important, and that it is something that they would either like to improve or start doing altogether.

Ashoka – Sweden

The measurements Ashoka use varies and depends on the company and the entrepreneur. They usually recommend the SRS – Social Reporting Standard, created by Ashoka together with McKinsey and PwC. They also measure impact of many social entrepreneurs' work at a Scandinavian and global level in their report "How to change an industry". For their own organisation they have both visionary goals and more specific goals. They measure how far the field of social entrepreneurship has come, how much they have been able to contribute to this and how they have been able to impact government and policymakers. More specific measurements are: number of fellows they have elected, number of schools they have elected, numbers of entrepreneurs they are supporting and how they are measuring their

impact. They also track how many startups that have succeeded and survived after their incubation programs.

Coompanion
Information not provided.

CSES
The incubatees are mainly measured according to: financial turnover, attracted capital in terms of investments and loans, survival rate. CSES evaluate their own performance much like how the interviewee believes traditional incubators measure their impact: survival rate of startups.

Inkludera Invest
At the beginning when they start working with a new startup they define a couple of goals and indicators, which they later on investigate if they are achieved or not. They believe it is very important to measure output since the return is of the social kind. It is very important in order to sell the product/service! They measure the output in different ways depending on what the company wants to achieve. However, they usually measure how many people they reach out to and that have been included, as well as changes in behaviours and attitudes within the entrepreneurs' target groups. They conduct performance reports, which is possible to take part of at their website. In their work with measurement and frameworks of how to measure they are collaborating with 3S. All the startups that Inkludera Invest has been working with are still running.

Impact Hub
Impact Hub Stockholm does not have established measurements or ways of measuring their, or their startups', impact or how well they are doing. However, they add that within the internal community you tend to keep track of each other whether you want to or not. They do find the absence of concrete measurements to be a problem, and are currently looking into the matter. They would like to be able to communicate measurements, and are debating whether to introduce an external and internal measurement team.

Peak Region Science Park
A problem for attracting funds is that social impact does not come as fast as traditional business impact. More long-term measurement of impact is needed, which makes attraction of financial funds from investors harder.

Forum for Social Innovation
Measurement is important according to the interviewee, however, they do not currently measure their own work.

Reach for Change
Makes impact reports (recently developed system) about their own performance and their own impact on society. They are checking up how the 'alumni startups' that left the program at least 3 years ago, are doing. They are measuring their revenues, if they are continuing to grow (some exponentially, others have stagnated), how many that have stopped their operations. Others continue but have lost their financial support. They decide goals and measurements with the individual entrepreneur in the beginning, which they follow up quarterly. Measurements that are in common for all startups are: how many children are

reached? Are they reached directly or indirectly (education of parents or school environment etc.)? Turnover? Geographical spread? How many employees do they have? They are following up through quantitative methods and by qualitative methods through 'story telling' from the children's perspective. They also want to start measuring "*leadership of organisational structure and marketing*". At the moment they are working with how to measure how the companies are performing: this year many need help with marketing – Reach for Change arranges programs specifically for that (individual programs and programs for many to be a part of).

SE Forum

SE Forum follows up their previous incubatees each year and have been working together with SIDA to develop a model of how to measure the impact and performance (as SIDA finances most of SE Forum's activities). SE Forum wants to develop evaluations that are fun to read and to take part in. Nicklas says that lately there has been increased discussion and activity regarding measurement of impact, which he thinks is exciting and positive for the field.

They measure their own impact mostly by measuring how well their incubatees are doing and what they say they have learnt from the program, but they also try to measure how well known they (SE Forum) are, where (in terms of international geographical locations) they get applications from, etc.

Vinnova

When the financing period is over, the supported project gets direct feedback how they have performed against the targeted goals that were decided upon during the application process. After 2 years Vinnova follows up the project again, and a third time after 5 years. Hence, Vinnova has a lot of information about the projects.
However, they do not yet know how to precisely use and measure the data they collect. They have worked out a monitoring methodology, but have yet not had time to use it.

4.1.7 Policy Support

Solutions for social problems is of interest for the public sector and the society as a whole. The section below summarises what policy support that is available for social innovations, and organisations who support social innovations.

Summary

There are some policy support but not a lot, due to lack of knowledge of the social entrepreneurship and ecosystem. The government slowly pays more attention to it and have started to investigate the field. However, due to a historical strong welfare state, and a reliance on public authorities to solve societal issues, few incentives, policy support as well as financial tools exist for private initiatives to tackle societal issues.

Ashoka – Sweden

Because of global standards for Ashoka, and due to corruption in other countries, Ashoka Sweden is not allowed to accept grants or support from the government. However, Ashoka is trying to affect governments' work within the social field in general.

Coompanion
Mostly two policy tools are used by Coompanion: 1) The European Social Fund, and 2) the Swedish organisation 'Micro Fund' ('Mikrofonden'), which aids social initiatives financially in Sweden. Many partnerships on a European level, one of them being 'REVES' ('European Network of Cities & Regions for the Social Economy'), based in France. Furthermore, Coompanion cooperates with both the local government in the municipality of Göteborg, as well as the regional government in Western Sweden.

CSES
The Swedish Agency for Economic and Regional Growth supported CSES around 2 years ago, but not anymore.

Inkludera Invest
Inkludera Invest is financed only by the private sector. However, they see the public sector as their entrepreneurs' main customer and partner. As the businesses that are incubated by Inkludera Invest grow and perform better and give result, the more the public sector opens up for cooperation.

Impact Hub
A challenge for Impact Hub is to bring "*the whole social thing*" to the agenda in Sweden. They have communicated with the prime minister's office and innovation council. Social innovation is starting to enter the agenda and to receive larger budgets.

Impact Hub Stockholm claims that there is lacking support from government that there is a lacking budget for social innovation. Furthermore, the interviewee experiences a resistance from public sector actors.

Peak Region Science Park
Information not provided.

Forum for Social Innovation
According to the interviewee, Sweden is one of the few European countries that does not allow deductions for donations ("*avdrag på donationer*"). Because of this, Sweden has no large foundations, with the exception for foundations that focus on medical research. This is a major difference from the UK, Germany or France. According to the interviewee, some other countries have large foundations that can to a larger extent "*steer investment flows*" toward certain sectors/industries. In Sweden, this does not exist to the same extent.

Reach for Change
The government is now making investigations and is holding conferences regarding social innovation and the Nordic Council of Ministers is discussing social innovation. This did not happen 6 years ago and can be interpreted as that "*the ecosystem is developing*". Also, a lot of the customers of startups are municipalities and the public service.

SE Forum
SE Forum receives a lot of support from SIDA. However, SE Forum operates fast and the government in general is not as fast in its own decisions, which is why it can be hard to rely

on money from them. SE Forum wants to be able to be quick in its changes and to make their own decisions.

Vinnova

Vinnova's program 'Social Innovation' has not been created due to pressure from above, but from 'the floor'. The interviewees say that they believe that an overall acceptance and understanding for the sector is needed.

4.1.8 Challenges and Future Prospects

What the interviewees perceive as the challenges and future prospects for themselves, as well as the field of social innovation in general, is summarised below.

Summary

Most interviewees highlight the challenge of finding sustainable financial means for the future as well as pointing out that the field/ecosystem of social innovation still is it's early phase and that it needs to be developed in order to facilitate for social innovation. Other commonly commented challenges are to raise awareness and common understanding of social innovation, overlap the current gap between public sector and social innovation, and to be better and more consequent at measuring social impact. Mentioned are also challenges with finding adequate partners and that in the future the actors within the field might have to specialise their activities more and distinguish from each other.

Ashoka – Sweden

The largest problem for the field of social innovation is that it is, according to Ashoka Sweden, in an early stage in terms of how established the field itself is. Measurements of how established a field could be: how many journalists that use the term social innovation, how many organisations that provide social innovation support, how much capital there is available within the field, and how many universities that offer courses on social innovation in their curriculum. Sweden and Norway the term seems fairly established, but still some confusion exists. In some instances, the discussion of the field has led to social entrepreneurs being pitted against a strong welfare state, but Ashoka do not see the two being mutually exclusive. The issue of finance is always a challenge, which has led to the sector having become slightly focused on a project driven mind-set, as opposed to a vision based mind-set, possibly particularly much for Ashoka as they do not receive public funding. A large challenge has therefore, and is still, to find a clear position/distinct offering within the field. Furthermore, a challenge is always to find adequate partners. Ashoka want to see a social innovation field that makes it easier for social entrepreneurs to operate. Ashoka would like to see the social innovation field reach a "late stage" in terms of development. In order for this to occur, obviously basic support in terms of access to finance, access to networks, and scaling support needs to be provided. More specifically, the gap between the current Swedish welfare state and social innovation that exist on the market needs to be bridged. Inspiration could be found in the UK, in which the government more actively than in Sweden seeks out social innovations that are more efficient than current methods. It is important to raise awareness of the social innovation concept among people, and focus on impact as opposed to what legal form the startup should take. The dream is that becoming a social entrepreneur is as normal as becoming a teacher or a doctor. According to the interviewee, there is currently a big gap between the support that is needed, and the support that is available: "*the infrastructure, if you picture it as a road, there are many gaps and holes, before it becomes easier to drive on*" (quote translated).

Coompanion
A large challenge is to become more visible; to communicate their brand more. Furthermore, the cooperative as an organisation form is traditionally not seen as a viable organisation form, which has led to either a lack of interest from other actors, and institutional resistance. Coompanion's vision is that profits that are created in a company are decided upon by the owners, and that the owners are free to decide what to do with the profits.

CSES
The greatest challenge for CSES, without doubt, is to find a sustaining finance model.

Inkludera Invest
Since Inkludera Invest is expanding their challenges are mainly about how to handle and go about that expansion. For example, at the beginning it was not clear that Inkludera Invest was going to work toward the public sector as much as they do today. That was something that evolved over time due to strategical decisions.

Impact Hub
Impact Hub Stockholm highlight 3 main challenges for the future: 1. *Ecosystem* – without a functioning ecosystem of connections for social innovation, "this will not work". 2. *Lack of financial support* – there must be larger financial support for social innovations. 3. *Lack of measuring and communication of the impact and performance* – measuring of impact, as well as the communication of this impact, needs to be improved for actors working with social innovations. For social innovation to really happen, people need to "step it up" and make it more professional. If the existing structures are professionalized in terms of their operations, the link to finance will be clearer; it will be easier to attract investors to the field.

Peak Region Science Park
A challenge for Peak Region Science Park is to achieve a long-term financially sustainable way of financing its operations. A problem for attracting funds is that social impact does not come as fast as 'traditional' business impact. More long-term measurement of impact is needed, which makes attraction of financial funds from investors harder.

The vision of the interviewee at Peak Region Science Park is that incubation contexts should have programs for both social innovation and traditional innovation, and not just as separate parallel entities, but rather where exchange and interaction is promoted. If all 33 science parks in Sweden started working with social innovation issues as well, this would raise the awareness of the issue, and this in turn would make possible to affect the financing structure of the sector. She would also like to see a more developed SVB company form, like the one in the UK, aimed at social ventures. Current SVB form apparently is not adequate, but this concept should be developed further. She further sees the need for more governmental financial support, or the creation of privately operated impact investment firms, such as LSV. Finally, an altered perception of growth and profit in society could be needed. The interviewee expresses the idea that there is currently a paradigm shift regarding what is important and what is less important. She expresses the need to see to human capital to a greater extent than currently within the economic system, and that this still has a bit to go within the private sector.

Forum for Social Innovation
The interviewee mentions the lack of large charities that can affect the flow of funding in society. For instance, in the UK, Big Society Capital was created from money in banks that

had remained untouched for 15 years or more, which freed money for investment in society. A similar initiative in Sweden would greatly increase the awareness of and interest in social innovation in Sweden. In order to do this however, a common definition of social innovation in Sweden is needed. Currently, it is often associated exclusively with social enterprises working with 'work integration' which, according to the interviewee, is too narrow a definition.

Reach for Change

According to Reach for Change, they operate in a young but quickly changing sector and have to make sure that they are still perceived as an interesting actor. What market gaps are there to fill, and what new ones will appear? Reach for Change must see to it that they contribute to the market, and that they listen to their target group. The market and ecosystem is so far underdeveloped. Structures and tools that are available for instance in the UK do not exist here in Sweden. Matching buyers and sellers of social innovations is today tricky in Sweden, as is the act of actually investing in social innovation. More has to be done in order to improve this. When faced with new actors, Reach for Change, and other actors, need to find their specific role. CSES, Impact Hub, Ashoka and SE Forum all collaborate and perform regular check-ups of their status. Some differentiation has taken place, as Reach for Change mainly supports early stage initiatives, and some of the other actors support later stage initiatives. Further, 'traditional incubators' need to investigate how they relate to social innovation. Reach for Change's vision for the future is to create a global movement of smart, brave and passionate agents that create a better world for children.

SE Forum

A challenge for SE Forum is to find sustainable financial support and how to organise its operations after 2018 when financing from SIDA ceases.

Now there exists socially oriented accelerators and incubators, but the networks need to be strengthened and local community support for small initiatives needs to be improved, according to Nicklas. Interesting to find out how larger companies and social entrepreneurs can help each other. Large enterprises are looking for creativity and new colleagues, and SE Forum believes that it is possible to bridge the gap between larger companies and social entrepreneurs.

Vinnova

Vinnova wants to view the situation from a societal level, and not only work toward the individual entrepreneur's level. Vinnova argues that a greater understanding and acceptance of the social sector at large is needed for it to improve. Concretely, finance and legal frameworks are needed. In terms of knowledge and viewpoints of social innovations, sometimes a clash between the public sector and the private sector can be seen. Vinnova highlights that solutions to societal issues often are created by the civil society and by adding business frameworks and methods to the social arena and by pushing the public sector's capability to adopt social innovation, great societal benefits are to be found.

4.2 The United Kingdom

The actors interviewed in the United Kingdom were: Impact Hub Islington, Impact Hub Brixton, Melting Pot Edinburgh, Bethnal Green Ventures, Hunter Centre for Entrepreneurship, NESTA, Greater London Authority, Harrow Council, Camden Unlimited, and The Young Foundation. Interviews were also performed with the directors of the Centre for Social Innovation at the University of Cambridge, and the Skoll Centre for Social Entrepreneurship at the University of Oxford.

Ashoka UK

Ashoka started in Germany 1979 and are now operating in 70 different countries worldwide. Their mission is to support social entrepreneurs, promote group entrepreneurship and to build infrastructure for the social sector.

Bethnal Green Ventures

Bethnal Green Ventures (BGV) is an incubator located in the Somerset House in London. They are an incubator focusing on socially oriented startups. BGV offers incubation programs and support. They also offer working space, but only for the startups that are part of their incubation programs.

Camden Collective

Camden Unlimited is a co-working space that is provided by the Camden Business Improvement District (BID).

Greater London Authority

Entity part of the municipality in London, undertaking various 'regeneration' programmes in London, of which supporting co-working spaces and incubators is included.

Harrow Council

Council in the London borough of Harrow, driving local regeneration programs in the local community, and provide support for entrepreneurs.

Hunter Centre for Entrepreneurship

Centre for innovation and entrepreneurship at the University of Strathclyde in Glasgow, Scotland.

Impact Hub, Brixton & Islington (interview with the founder of both Hubs)

Interview performed with the founder of Impact Hub Brixton and Impact Hub Islington. Impact Hub is a global network of organisations aiming to provide business support and working spaces for social entrepreneurs.

Melting Pot Edinburgh

Melting Pot Edinburgh is a co-working space for businesses with a socially driven focus. It opened in 2005, and has since 2011 run an incubation programme called Social Innovation Award.

NESTA
Historically a governmental entity in the UK, since 2012 NESTA is a charity working to promote and spread innovation UK, primarily through research, programmes and funding. The focus of NESTA has always been on innovations with an underlying social impact.

The Young Foundation
The Young Foundation is a leading organisation within the social innovation field, and has been in existence since it was created by Michael Young in 1954, then named the 'Institute for Community Studies'. It has since been a major driver in terms of research, influencing public debate as well as practically implementing social innovations in the UK. The interview for this study was performed with a Programme Leader at The Young Foundation.

University of Cambridge (Centre for Social Innovation)
Interview was performed with the Executive Director of the Centre for Social Innovation at Cambridge. This centre operates an incubator for socially oriented startups, as well offering a curriculum agenda of social innovation education for students.

University of Oxford (Skoll Centre for Social Entrepreneurship)
Interview performed with the Director of Skoll Centre for Social Entrepreneurship. The Skoll Centre promotes social innovation and social entrepreneurship through research, education and the creation of networks between social entrepreneurs and key stakeholders in private and public sectors.

4.2.1 Specialisation
This section aim to describe what the UK actors, supporting social innovation, focus on and specialize their support on. This in order to see to whom these supporters offer their support to, to what extent social innovation is targeted and what their support consists of.

Summary
In general, the support services offered by the UK actors is similar to that of 'traditional' incubators, consisting of business counselling, legal and financial advice, mentoring, network access, etc. However, a few key aspects related to the field of social innovation were identified. Firstly, social innovation incubators, to a greater extent than 'traditional' incubators, assist social innovators with access to a network regarding social innovation. Secondly, SII:s in the UK provide knowledge tailored to specific sub sectors within the social innovation field, such as healthcare, education, etc. Thirdly, SII:s provide mentoring support tailored to the social impact goals of each venture. Fourthly, SII:s provide support and expertise for how to understand, scale and measure social impact, which is key for each social venture.

The design of the support provided by the SII:s usually differ somewhat depending on the venture its goal. In the UK, the two main approaches to an incubation process adopted by the SII:s are: "learning programmes" (support for a group of ventures, usually in an early stage, and therefore the support tends to focus on idea development. Usually consists of workshops and tools, and occasionally mentoring. Tends to have clear start and end dates) and "Tailored advice and network model" (Tailored support provided on a one-to-one basis, more focus on guidance and connections. Less structured in time.). In summary, the support provided by SII:s tend to include the support provided by a 'traditional' incubator, but additionally consists of support services tailored specifically to social innovations.

Ashoka UK

Ashoka provides support for social entrepreneurs primarily through their accelerator programs as well as access to networks. Participants in Ashoka's programs are called "Fellows". In total, Ashoka UK is supporting around 37 Fellows, and they take in around 4-5 new Fellows each year. These are always individual entrepreneurs and not teams. The major program is called the Venture and Fellowship program, whose participants are called "Fellows". In order to become a Fellow, you must pass 8 months of strict criteria. Upon becoming a Fellow, you gain access to 3 years of stipend support, and lifetime fellowship support, which mainly consists of network support: connection to likeminded entrepreneurs, visibility, media support and network access.

Ashoka supports ideas that generally already have a proof of concept. Programs offered by Ashoka that have a clear social focus are (amongst others): 1) Accelerator program focused on how to scale social impact, and how this is affected by how market forces are different for social initiatives compared to 'traditional' businesses, 2) Hybrid finance program which helps social ventures that have both charity and business sides to them, 3) Program for so called "Change maker" schools, which is a network of educational institutions that are challenging traditional educational systems, and focusing on entrepreneurship, leadership, empathy and collaboration. The participants are primary and secondary schools.

Bethnal Green Ventures

The support provided in SII can, to some extent, be similar to that one provided in 'traditional' incubators. For example, both provide a space and a peer group support. Equally, both incubation approaches need to provide and secure the conditions for investment upfront, regardless of the aim of the ventures, whether it is social or capital. Without that investment upfront the project will very likely fail.

What differentiates the support to social ventures form that one to venture capital is the way certain incubation programme elements are dealt with. For example, the profile required for mentoring is different. It focuses on different design skills (e.g. Service design), the ability of understanding social issues, and measurement skills to evaluate social impact. Moreover, even the way the programme is designed is different. A lot of the programme focuses on impact, legal support, and it is not necessarily shaped around the objective of raising further capital. Finally, the programme is designed with the objective of upskilling ventures to develop business models that can scale up impact. With regard to the selection of social ventures joining the programme, BGV applies specific criteria. These are strongly focused on the extent to which each undertaking clearly define their idea / solution to tackle social issues.

Harrow Council

The policy framework and financial support provided by Harrow council, however, does not consider social innovation and social enterprise features as elements to be taken in consideration while designing the business support tools that are provided. There is no need to specialise the support.

Hunter Centre for Entrepreneurship

The focus of SII:s is on in developing social capital capacity and provide the resources to develop and tailor networks of communities that are relevant and beneficial to the social ventures/undertakings using SII.

Impact Hub – Brixton & Islington

The support provided through Hub Launchpad, which was specifically designed to early stage social enterprises, had to take an organic and responsive approach in order to capture and reflect the needs of social ventures, and at the same time, contextualise it in the local political environment and interests. In the design of the Hub Launchpad incubation programme, we had to learn how to adapt 'silicon valley' model and tailor it to the needs of social ventures. Support for SII specifically, is characterised by the ability to respond to the undertakings needs regarding different elements, namely, skills, interests, network development, community of practice ethos and their mission (e.g. the social issue challenge to be tackled).

The first programme delivered with Hub Launchpad was designed taking in consideration the need of developing the conditions for very early stages ventures and upgrade them ready for investment stage 2. To achieve this objective, the programme was delivered in two main stages. Stage 1, phase 1 (first 2-3 Months) was a process of building communities of interest on public services themes. These communities gave then shape to different teams/groups. These thematic groups were then given the support to define their profile in relation to the service sector (e.g. health, social care, technology). To do so, expert in this business sectors were involved to facilitate the work. This second phase lasted around 3-4 month and supported the group to prepare for the application phase to access to the incubation/accelerator programme. With the latter, stage 2 started. The successful team could attend mentoring sessions and classes focused on improving their skills on, for example, how to set up a business, how to establish a team, how to build a network of expert. If traditional type of incubators were to adapt their support and programmes to support social ventures as well, quite significant adjustments should be made. It is not straightforward. Provider dealing with traditional incubation and those with SII work with different ethos and have different knowledge of practice. Also they work with ventures that have different missions and values. In order to make a shift the provider should carefully consider all these elements.

Melting Pot, Edinburgh

Our users are the third sector. For the nature of their organisational legal status and the type of mission vision they have, the incubation process is longer than those required to help traditional start-up. On the other hand, the difficulties in accessing resources from our side make also the process longer. The support is designed and implemented in two main stages. The first focus on the development of the ideas/values/missions. This is typical of very early stages ventures. In the second stage, the support focuses on the organisational / operational aspects (I.e. Management, finance, skills, etc.). The support designed for very early stages undertakings has to be low cost.

NESTA

The experimental model, the one implemented by traditional incubators who wanted to open their support to SI too, presented some challenges. The specialisation and adaptation process was difficult because it took place through a pipeline of interventions that were from the beginning commercially focused. Traditional providers of incubators had to re-imagine the orientation and ethos of practices and ideas. Last but not least, they had to create a relevant network and community 'from scratch'.

University of Cambridge

Cambridge is a driver of social innovation, both through academics and practice. Within academics, Cambridge highlights social entrepreneurship, social intrapreneurship (entrepreneurship within an existing context such as an organisation) and social

extrapreneurship (defined as the ecosystem surrounding and binding together social innovation actors). The incubator provides practical support in the forms of business counselling, access to networks, access to loans, and access to a shared working space. In order for ventures to become part of the incubator, they must have a clearly defined social impact. The selection process is important, and every venture that is taken on board is evaluated through several meetings to make sure that they in fact are pursuing a social impact. In some cases, the word 'social' is used for endeavours that might not in fact be aiming at having social impact, and in such cases these ventures should not be included in the incubator.

University of Oxford

The educational programmes headed by the interviewee are now integrated into the MBA programs at Oxford University. Thus, social entrepreneurship is not seen as a separate educational path at Oxford, but instead necessary tools for all business students, regardless of if they will actually become entrepreneurs themselves or not.

Young Foundation

The Young Foundation (YF) has existed for about 60 years, founded by Michael Young, a social theorist and social innovator. Originally, the foundation was called the Institute of Community Studies. YF was founded because Michael Young was interested in what constituted local communities, and how the potential of communities could be supported and unlocked. Over the course of 60 years, YF has been at the forefront of developing both theory and practice of social innovation. Apart from the UK, YF has been involved in collaborative social innovation efforts, both in Europe as well as globally. YF can be viewed as an intermediary within the field of social innovation, as they do certain research related tasks, but also practical support for social innovation.

YF works with both research and practice. The tools they use are: 1) Research - both non-applied research, generally contributing to theory on the topic, as well as more applied research. Oftentimes YF performs ethnographic research. 2) In practice - YF has incubators and accelerators for social innovators in different locations within the UK. Their incubation programs usually take on 10-20 participants. YF has run 5-6 accelerator programs during the last 2 years. The 2 main goals of YF are: 1) To connect and build connections between the demand and supply sides, through the knowledge of where demand is coming from, and 2) Running support programs, and developing tools and techniques that supports social innovations.

YF has led a shift in the discourse around social innovation during the last 3 years in order to focus it on tackling inequality, 3 thematic strands of inequalities that are being targeted by YF are: 1) Gender, 2) Health and education (these issues are tightly related) and 3) Place based social transformation (focusing on local communities, by taking practical tools and utilizing in a certain locale).

4.2.2 Support Service Needs

Below will be described what kind of support the interviewees believe that startups within the social sector, are in need of and what needs that are not met at the moment. An overview of what the interviewees seemed to think in general, is first presented followed by a more detailed description of each interview.

Summary

While the needs of social enterprises largely mimic those of 'traditional' start-ups (in terms of access to finance, network access and partnership development, creating relationships with investors, etc.), there are also needs that are very specific to the social innovation field (access to a sector related network, knowledge and understanding of social impact, measurement and communication of social impact). Furthermore, the needs of early stage social enterprises tend to be highly diverse and dependent on the venture. It can be noted that the measurement and monitoring of social impact in general needs to be improved.

Ashoka UK

Social entrepreneurs greatly need to find collaboration with other likeminded entrepreneurs, since social entrepreneurs are usually alone before joining networks like the ones provided by Ashoka. Furthermore, there is no clear best practice within the social innovation field. Social entrepreneurs frequently look to the business sector, but this sector "*follows very different rules*". Social ventures need help how to scale and spread their impact, as opposed to merely scaling a business for the end purpose of making it bigger. The greatest challenge that Ashoka UK is facing is "*cracking the code of measurement of impact*", and creating an environment for collective impact and collaborative entrepreneurship. Furthermore, the interviewee states that to solve the societal problems that we are facing, "*obviously we need more people*". Ashoka's vision is that everyone can be a changemaker. In order for social innovation to have more impact, the interviewee sees 3 main things that are needed in terms of support design: 1) Increased help to foster more collaboration between entrepreneurs, leading to more collective impact, 2) The need for a common standard and greater understanding of impact measurement, 3) Improving the brokerage between those that have money and those that are seeking money.

Bethnal Green Ventures

Information not provided.

Harrow Council

Social innovation initiatives and social enterprise, if they aim to become financially viable and sustainable, they will need the same support as the one provided to conventional business. The innovation dimension mainly refers to the ways resources are used. Moreover, we provide high support for intellectual property right.

Hunter Centre for Entrepreneurship

SI specific requirements relate to the need of building meaningful relationship and networks, set a common vision/mission, scaling impact through change making and influence rather than through commercial growth. In order to accomplish these goals social innovators are interested in developing leadership skills and their capacity to clearly define their mission and their values so that they can be effective in producing impact and accessing resources.

Impact Hub – Brixton & Islington

They are different for each undertakings; they must be taken in consideration in the support design process.

Melting Pot, Edinburgh

Our users are the third sector. For the nature of their organisational legal status and the type of mission vision they have, the incubation process is longer than those required to help traditional start-up. On the other hand, the difficulties in accessing resources from our side make also the process longer.

NESTA

Social ventures needs are heterogeneous, although some similarities can be defined: they are similar to those of SME; they require the support to be tailored to their specifics features (e.g. Product, service). The greatest needs are help in securing funding, develop the relevant network, create a connection with investors.

University of Cambridge

Common for all startups, regardless of their nature, is the frustrating nature of being an entrepreneur. Specific for the case of social entrepreneurs is that there is a layer of additional issues, causing increased frustration. The most important issues specific for social entrepreneurs are being able to identify who is actually the customer, and what impact the social venture aims to create.

University of Cambridge

According to the interviewee, every company, regardless of the goal of the company, is being started on a voluntary basis. It is therefore a mistake if you as an entrepreneur expect to earn a substantial amount of money by creating a startup. The interviewee mentions the ever growing connectedness of the world's population being one reason for socially issues drawing increasing attention. People are more and more starting to realise the situation around the world. Entrepreneurship in essence is about systemic change, which large parts of the business sector currently is not about. The key to entrepreneurship is also understanding the problem, but this understanding is currently lacking within the realm of entrepreneurship, both for startups as well as incubators. In order to succeed, you need to greatly understand the problem, as well as surrounding stakeholders. Furthermore, entrepreneurship is about having a passion for something, and as an entrepreneur you need to be aware of the fact that you will likely not succeed the first time.

Young Foundation

As opposed to "traditional" entrepreneurs, the primary core value of social entrepreneurs is not the profit that they make, or the commercial value, but rather the possibility to sustain the social value that they set out to solve. YF argues that there are a number of gaps in the social innovation discourse for example gender inequalities, and bottom up, collaborative social innovation, responding to locally defined (rather than funder or institution defined) priorities. YF is developing the idea that this latter category of social innovation (social in its means rather than its ends) constitutes a new strand in the theory of social innovation, in which attention is given to fostering local communities and the innovations that might arise within them. YF argues that this is actually more in line with the original view of Michael Young; a more bottom-up approach, as compared to the "traditional", more top-down view of social innovation, in which the issues at hand are generally defined by the government or other top level actors. This "newer", bottom-up view of social innovation is more difficult to define, as it incorporates people and activities that do not consider themselves to be innovators, but more daily, grassroots activities, rather than what is traditionally being supported in incubator programs. This bottom-up view becomes important in order to achieve social innovation that is social in its means.

4.2.3 Locational Factors & Physical Space Configuration

Startups need a place where they can work. This section has the purpose to investigate to what extent support of a physical working space is offered, how important it is and also if the actors find it important where they, as supporting organisations, are located.

Summary

The locational factors seems to be important for actors working within the social innovation field. The majority of the interviewed actors in this study were located in rural areas (the majority being in London; one SII in Edinburgh). The locational factor is important for the entities at the University of Oxford and University of Cambridge as well, as these locations enable them to access the networks surrounding the universities. Locating in rural areas helps the organisations to connect and meet with potential partners and investors. As for physical space configuration, both physical and virtual incubation models are being used. The physical space model is deemed important for establishing relationships with members are the working space, whereas a virtual model could be seen as more flexible, demanding less resources, and more efficient.

Ashoka UK

Ashoka does not provide working space for their Fellows.

Bethnal Green Ventures

On the difference between physical VS. virtual space where to operate incubation programme, BGV's experience tells indicates that incubatees prefer place-based incubation. It makes it easier for them as it enables them to maximise the potential of the peer group support. At BGV they decided to have a permanent and central location. The fact of being centrally located in London (Somerset House) has proved to be beneficial for ventures as in providing them a space where to easily meet supporters and investors.

Harrow Council

The space location has to be strategic i.e. it has to be accessible via public transport.

Impact Hub – Brixton & Islington

The physical configuration of space-based SII has an influence on the extent to which members/ users can trust each other, the way operations are run, the way the special accessibility is perceived. SII tend to be sourced in metropolitan type areas. The location is important as it allows them to be well connected, although, the right location depends on the specific sector in which the social ventures operates; some areas might be better for certain type of sectors related networks. The locational factor are also very important because they improve visibility and attractiveness. Both physical and virtual assets are important. A SII operating just virtually would make the process of building interpersonal trust really slow and difficult. The benefits of a place-bases SII are that the space gives context and contribute developing identity and validation of ventures.

NESTA

Space is not always the primary need for social venture. For example the incubation programme run by YF did also provide a space which was rarely used by incubatees. However, space based incubators seem to be preferred. They allow for a stronger peer to peer network and interaction to develop, which is considered way more useful.

University of Cambridge
Cambridge does provide a physical working place for its incubator practices. However, the interviewee states that the working space is not the key; the most important aspects of the incubator are the professional business advice and access to loans.

University of Oxford
Information not provided.

Young Foundation
Physical working space is viewed as very important, and many of YF's programs have been place based, in some sense. The interviewee highlights the importance of both formal and informal networks related to working in a shared working space, and he states that he has not seen an online-based way of achieving the same goals as through a physical working space.

4.2.4 Finance
An early phase in a business life, especially if it is of the social kind, involves a lot of risk and it might be hard to find financial means to sustain the operations. Financing models for SII:s as well as financial tools for social innovations will be summarised here.

Summary
The financing models of SII:s in the UK vary greatly depending on their context and the ventures that they support. Firstly, the SII:s in the UK rely heavily on public funding, usually in the form of grants. Only Ashoka does not receive funding from public institutions. The reason for reliance on public grants is explained by the nature of social ventures, for which it is generally hard to attract investments in the same manner as 'traditional' ventures. Impact investment funds, although prevalent to a larger degree in the UK compared to Sweden, is still not utilized to any great extent. Secondly, the SII:s in the UK have all adopted a seemingly mixed income model, relying on everything from public grants, membership fees for shared working space areas, equity (Bethnal Green Ventures claims a stake in each of its incubatees), impact investment funds and corporate funds.

Ashoka UK
Ashoka receives funding from 3 sources: 1) From other foundations, 2) Corporate partners, which are usually project specific, 3) The ASN (Ashoka Support Network). Ashoka does not receive any governmental funding, the reason being to remain neutral. However, since many issues that social innovation is tackling relate to governmental activities and may require policy changes, this could potentially be making the situation more difficult

Bethnal Green Ventures
Their financing model is defined by a mixed source of revenues. When BGV were first set-up (2005) they could start operating thanks to large scale public investment (cabinet office and NESTA). They are able to run programmes by securing a mixed public/private investment/funding strategy i.e. charities funds, philanthropies fund and public grants. The terms of our incubation programme states that they have 5% stake in each venture joining the programme. In addition, they get resources through commissioned consultancy / knowledge work. We are quite comfortable in investing in very early stage ventures that do not have a defined business model. Overall we are able to invest in this type of ventures by accessing grants rather than attracting proper direct investment.

Camden Unlimited

CTU financing models is defined by the BID regulatory framework. Although each BID in the UK is different and can adopt different models. In addition to this they work closely with the GLA and have access to their public grants for regeneration of high street/public space. They are able to offer free of charge co-working space by finding available/unused space, and then work together with developers and local authority to find compromises in order to maximise the use and value of spaces. Their final objective is to create and preserve the value that is created locally by successful independent and local business i.e. creation of jobs, added cultural and social value to the area, etc. In order to succeed in all this, we are still heavily dependent on public funding. They are essential to create cash flow.

Harrow Council

The provision of business incubation space is heavily dependent on public grants. The rationale behind the public support to the provision of business incubators, is the impact they produce, e.g. they support ventures which activities has the outcome of reducing demands on services. To quantify this benefit we use cost-benefit indicators.

Hunter Centre for Entrepreneurship

Information not provided.

Impact Hub – Brixton & Islington

Impact Hubs operate through the 'real estate' model. This means that they have to charge membership fees in order to create cash flow necessary to pay for overhead that is required to run the space and manage memberships. This model, often is not enough profitable and doesn't allow providers to invest and to access the resources and overhead that are necessary to run incubation programme. This is why they need public grants and loans in order to operate. SII tend to borrow the 'silicon valley' model, which is the one adopted by traditional incubation programmes for high-tech start-ups. It is based on the assumption that it takes one successful member (e.g. Facebook, Google) to pay for all others. However, this model cannot be fully applied by SII. Social ventures tend to produce outcomes that are not financially viable, therefore it make it hard for SII providers to get a return on that. SII tend to borrow the 'silicon valley' model, which is the one adopted by traditional incubation programmes for high-tech start-ups. It is based on the assumption that it takes one successful member (e.g. Facebook, Google) to pay for all others. However, this model cannot be fully applied by SII. Social ventures tend to produce outcomes that are not financially viable, therefore it make it hard for SII providers to get a return on that.

Most of social ventures that join an incubation programme get access to public grants rather than private investment. Whereas, Social investors take less % return plus the value of the outcome. Differently from central government and banks, they can take less risk. It is hard to develop a financially viable business model for social innovation. SI outcomes are more likely to be a service or a wider outcome rather than a physical and tangible product as it is the case for fin-tech start-up. Therefore, it is difficult to capture and measure the value produced by social ventures, which consequently makes it difficult to associate a return value on the investment made upfront.

Melting Pot

As a SII we initially struggled making our operation self- sustaining. The main difficulties raised from the relationship with the space landowners. In order to face our main expenses

(rent) we have to charge a fee for accessing / using our space and facilities. Our model can be defined fixed-income based model. This allows us to produce cash flow that is then used to resource the incubation activities. In addition to this we apply for grants wanting to support employment and skills development. Moreover, we recently changes our legal status to charity, this allows us to have tax relief and be eligible for more funding opportunities. We are not interested in getting a return from our undertakings. We rely on public funding, corporate sponsorships. We have been struggling in using crowdfunding as it is much more difficult to persuade people to invest on a service that has intangible value and that is not a physical product. We are not interested in getting a return from our undertakings. We rely on public funding, corporate sponsorships. We have been struggling in using crowdfunding as it is much more difficult to persuade people to invest on a service that has intangible value and that is not a physical product. We are not interested in getting a return from our undertakings. We rely on public funding, corporate sponsorships. We have been struggling in using crowdfunding as it is much more difficult to persuade people to invest on a service that has intangible value and that is not a physical product.

NESTA

The struggle of becoming self-sustaining is a common challenge to many social ventures. For example, the TRANSITION project attracted very early stage ventures, which needed support to create the conditions to become ready for investment (e.g. Help in defining the business model, help in scaling impact). They came across different types of financing models, which has the common feature of relying on public money. At NESTA we are committed on further understanding how to make social ventures sustainable, but remains the main challenge.

University of Cambridge

The interviewee states that the social impact bond that originated in the UK is not working as well as initially hoped, and that it is somewhat peculiar for that model to have spread to other countries and contexts.

University of Oxford

According to the interviewee, the UK has indeed been a leading figure in terms of financing in relation to social entrepreneurship, such as the social impact bond. However, she states that the UK has not been equally leading in terms of entrepreneurship.

Young Foundation

The majority (90-95%) of income for YF is generated through the programs that they run. Currently, YF is developing a new set of practical tools. This development process is being funded by grants, but will in the future hopefully be able to generate income through consultancy services using these tools. Furthermore, the building in which YF operates is owned by YF, and rents out space to tenants whom YF have previously incubated or otherwise supported.

There are a whole host of foundations and trusts who focus on funding social initiatives, often with a thematic program, such as education and health. The UK cabinet office has funded several organisations, partially by accessing dormant, untouched bank accounts. Regarding social impact bonds, the interviewee mentions that it works best for ideas that are relatively well developed, and that it is likely not the tool to get social innovation to flourish. However, it does send a positive signal for the economy.

4.2.5 Governance Model & Collaborations

The governance model of social innovation supporters, and what collaborations exist between actors is summarised below.

Summary

SII:s and social ventures in the UK both tend to adopt a wide range of governance models. The model chosen depends highly on the context in which the actors are operating, since social innovation tends to include a large variety of stakeholders, such as public authorities, NGOs, private sector companies and local communities. NESTA emphasises the importance of establishing cross-sector collaborations with different stakeholders. In the UK, the health sector could be seen as the first public sector to approach, and utilize social innovations. The education sector, in contrast, was slower in developing collaborations in terms of social innovation.

Ashoka UK

One of the key resources for Ashoka Fellows is its 'Ashoka Support Network' (ASN). This is a network of business leaders that bring expertise and resources to the Ashoka network, through joining boards, taking part in specific problem solving sessions, or just acting as business counsellors. They do pay a membership fee. Ashoka operate as a broker between expertise and those who need it. The interviewee speaks frequently of the need for 'collaborative entrepreneurship', defined as the network of people working towards a common vision; the possibility of creating greater collective impact if entrepreneurs are working together, instead of feeling that every entrepreneur has to solve everything on their own. Ashoka UK's partnerships are mainly with private sector companies. In terms of international collaboration, firstly, it depends on the Fellows themselves. Ashoka views themselves as country offices of fairly the same thing internationally. However, Ashoka UK is attempting to establish a network of Ashoka Europe, with the UK office being the headquarters.

Bethnal Green Ventures

It is essential to involve wider SI stakeholder in the incubation process. The approach and strategy is different for each sector each venture works within e.g. health, environment, social services, public services, education, etc. For example, the health sector was to first one to 'open up' and to be interested in the social innovation initiatives developing to service the healthcare sector. By contrast, the education sector has been much slower in developing relevant partnerships and network. One reason could be the fact that education organisations are more fragmented. For what regards local authority, it very much depends on whether they are open and available to start a dialogue and partnership leading to projects. In the context of environmental sustainability, i.e. energy and transport, we observe slower progresses due to the way the sector operates. Finally, it has also been challenging engaging with the big charities as they seem to be sceptical towards ventures and initiatives that operates with different business models.

Harrow Council

Information not provided.

Hunter Centre for Entrepreneurship

Information not provided.

Impact Hub – Brixton & Islington
Information not provided.

Melting Pot, Edinburgh
Information not provided.

NESTA
The relationship between supply and demand of SII is an opportunity as it concerns the way in which social innovation needs are defined. SII should play a bigger role in the definition of social needs. In order for this to happen, SII should rely on a wider governance network made of local and public bodies, policy makers and traditional businesses. This would allow a more systematic scaling to be achieved.

University of Cambridge
The Centre for Social Innovation and the incubator are both part of the University of Cambridge. The Centre for Social Innovation and the incubator both collaborate with the business school at the University of Cambridge. The interviewee states that having a social curriculum, as part of a business school is somewhat unusual. They also work closely with a philanthropic funder, which is an important aspect for them. Finally, the interviewee states that Cambridge has a unique position in terms of creating networks for social entrepreneurs, by connecting with fellows of the University and other stakeholders in the vicinity

University of Oxford
The interviewee collaborates with schools from all over the world who are interested in learning how the University of Oxford manages to combine a business sense with "*doing the right thing*." The interviewee states that even if other people in theory understand how this could be done, they need to experience it and see for themselves.

Young Foundation
There are some organisations in other European countries that operate similar to YF. The UK is sometimes looked to for inspiration. The interviewee believes this to be the case since YF has in been working with social innovation for 60 years, before it was called social innovation. Due to this long time, institutions have been set up in the UK to facilitate innovations across a range of sectors; social innovation is now a core part of policy in some sectors rather than others. Other European countries have started to establish similar institutions, but the UK seems to be in a slightly later stage in terms of this.

4.2.6 Performance & Impact
Below it is described how the different supporters measure both their own performance and how they support startups to measure their own performance.

Summary
Monitoring and measuring social impact is a complex matter, due to it being highly contextually dependent, requiring consistent data to be gathered, and is very resource intensive. There is an expressed need from those providing support for social innovations, for social innovators themselves as well as public authorities and those which grant funding for social innovations, to improve the way in which social impact is measured and communicated. However, since social impact is such a contextually based concept, some

people doubt whether it is possible to develop a standard measurement at all. The SII:s in this study mostly use measurements similar to those of 'traditional' incubators, and mostly quantitative measurements, such as annual turnover, number of beneficiaries, and number of jobs created.

Ashoka UK

Ashoka UK is using the Social Reporting Standard which was piloted by the Ashoka Germany branch to measure the social impact of its Fellows. Measurement of impact is published yearly in the Ashoka yearly review. However, the SRS is a relatively new tool, and it does not fit every scenario. Therefore, measurement of impact depends also on each specific case. Measuring the performance of Ashoka UK becomes a little bit harder than measuring each entrepreneur, since the performance of Ashoka is indirectly related to the performance of its Fellows. They look at the funding being provided, the partners that have established connections and the visibility of their fellows. They do not measure survival rate, as the fact that a social venture does not exist anymore could mean that that venture has become redundant, i.e. the societal issue has been solved, and "*that's awesome*".

Bethnal Green Ventures

We measure the progress and success of the ventures joining our programmes by monitoring different aspects, namely: n. job created, access to follow-on funding, capacity in measuring the impact they produce, and the progress in developing a legal structure that allows them to operate. All this information are used to inform a three-monthly report that we develop and use internally. This data and resources are being used to develop an overall and first impact report of BGV.

Camden Unlimited

Information not provided.

Greater London Authority

The GLA still struggle to define social value. Consequently it is difficult for them to measure the impact of those places that they fund. However, they tend to look for the value that is created by knowledge-sharing networks, peer-to-peer support and development, which is normally the added value of SII.

Harrow Council

Information not provided.

Hunter Centre for Entrepreneurship

Information not provided.

Impact Hub – Brixton & Islington

The difficulties in capturing the value associated with social ventures outcomes generate a significant challenge for SII providers in measuring and monitoring their own performance too. For example, Impact Hubs have been struggling in associating a financial value to their impact/outcomes. More effort and work should be done to capture values, regardless their nature (i.e. financial, social). This rationale should then be used to develop a wider and systemic framework that enables to identify, measure and monitor impact. This can then be applied to redefine business models of SII. This would reflect the economic ecosystem around them rather than just account for their activities. We have developed different criteria

to measure our impact. For example these are: created well-being conditions, jobs created, economic and social resilience, cost-benefit analysis.

Melting Pot, Edinburgh

We have attempted to measure or impact – see the SIIA impact report. Our main challenge was to secure the resources to make sure that we had a continuous approach to monitoring and evaluation. We monitor and evaluate mostly through case studies and storytelling.

NESTA

In the context of the transition project we have struggled to monitor the scaling of ventures supported with the projects. The main challenge is how metrics are defined and the extent to which they can applied to all type of social ventures. One element that has to be considered is that social innovation is context specific, which influences the scalability capacity.

University of Cambridge

The interviewee states that this is a complex issue, specifically since it is really hard to quantify social impact. In their incubator, ventures are encouraged to have their own theory of impact, and how it could be measured. However, there are usually no formal requirements on ventures in terms of measurement of impact.

University of Oxford

Measurement of impact is complicated; seemingly impossible even. According to the interview it is possible to measure outcome rather than output. Furthermore, she thinks that companies are currently not good at measuring their own footprint.

Young Foundation

Measurement of social impact is very important. Funders are looking for evidence of impact, and this is what sets social innovators apart from “traditional” innovators. Articulating and measuring impact is one of the first parts of YF’s accelerator programs. YF tends to focus on qualitative aspects of social impact. However, NESTA has a well developed framework for how to connect social impact with financial terms, and this framework is being used. Measurement is always seen as important on a high level, but maybe not always being transmitted in practice to the lower levels, since support providers for instance focus their time and resources on providing support instead of measuring. Some actors do not set aside a budget for measuring, but instead focus on providing the support they set out to provide.

4.2.7 Policy Support

Solutions for social problems is of interest for the public sector and the society as a whole. The section below summarises what policy support that is available for social innovations, and organisations who support social innovations.

Summary

Firstly, the policy support in the UK for social innovations, and SII:s specifically, have increased greatly during the last 5 years. In general, public policy support for social innovations in the UK tends to be quite widespread, as almost all of the SII:s in the UK in this study rely to some extent on public funding; without this funding, they would not be financially viable. Furthermore, public funding has been crucial for the creation of certain incubators, as is the case with Bethnal Green Ventures, in which a large part of the initial funding was

public. Moreover, certain public sectors, such as the health and education sectors (albeit to a varying degree) seem to increasingly understand and utilize social innovations to improve their operations.

Secondly, in some cases, as with the Greater London Authority, the support of social innovations becomes an indirect result of their support of physical working spaces in the London area, which in turn are sometimes used for social innovation incubators. However, they would not directly fund an incubation programme.

Ashoka UK

Information not provided.

Bethnal Green Ventures

Social Innovation Incubation can operate and develop faster in a context where there is a stronger policy support. Indeed, there is a strong link between the chances of SII to develop and the availability of policy support by local / public authorities.

Camden Unlimited

Information not provided.

Greater London Authority

The regeneration team at the GLA seats next to the planning and housing department and the economic & business unit (business & skills policy). The regeneration department strategy endeavours to realise physical, economic and social regeneration (e.g. High streets, public space renewal and development, broadband projects). Within this remit, the GLA regeneration fund has the main objective of promoting economic growth and create jobs. The resource to achieve this goal is the regeneration fund, which, being a capital fund, should be spent on physical assets. This means that the GLA would never invest in an incubation programme, but in the actual working space. Therefore, from the public authority's perspective the provision of social innovation incubators is only considered from a broader perspective. The role of the public sector in this regards is traditional and in line with the market failure rationale i.e. providing business support that would not be otherwise provided by the private sectors. However, within this context, the public sector plays an important role, especially for those ventures that need support at an early stage and need access to cheap working space, like is the case for social enterprises.

According to the approach described above, supporting the development of working space that will accommodate social enterprises and social innovation is not the primary objective of the GLA, but it happens as an indirect effect. In other words, the regeneration fund will be most likely allocated to build working spaces that intend to create jobs and have a positive social impact in the area. For example, the GLA portfolio of co-working spaces in London is located in once or current deprived areas as the objective is to fund those projects that aim to establish a valuable relationship with the local community, through event or by creating jobs.

Harrow Council

Harrow council is committed to provide incubators and coworking spaces. The council has used planning application agreements to secure the delivery of space for business. Thanks to this obligation for development they were able to recover an ex-factory site, which is now been converted in a working space designed to accommodate 150 freelancers. In addition,

Harrow council portfolio of working space includes an enterprise centre part of the local college, an incubator space for 62 start-up, and a 'move-on' space for 50 business.

Impact Hub – Brixton & Islington
Information not provided.

Hunter Centre for Entrepreneurship
Information not provided.

Melting Pot, Edinburgh
Information not provided.

NESTA
Information not provided.

University of Cambridge
The interviewee states that support from the public sector is not lacking, but that public sector institutions are somewhat more bound compared to foundations or private sector organisations when it comes to what they can fund and how, which results in people applying for funding from the public sector having to do more by themselves. However, there is money in the public sector available for social innovations. The interviewee also states that sometimes the social innovation field is critiqued for being heavily dependent on public funding, but that many private sector organisations are also funded by the public sector, albeit indirectly.

University of Oxford
According to the interviewee, the government needs to be very proactive in order to promote investments and funding that leads to social impact.

Young Foundation
The most pressing issues in the UK, according to this interviewee, and identified by the government are: 1) Education (the UK has strong policy supporting innovation within the educational sector), 2) Health (also strong policy support for emphasis on social innovation) and 3) Employment and skills (supporting innovations that create jobs). The UK government is mentioned as having increasingly, partially as a response to the financial crisis, looked to social innovations for possible solutions to societal problems. The reason for these sectors being open to social innovation is that over the last few years, more actors have entered these sectors, making them diverse systems with private sector actors as well as public. Historically, education and health used to be dominated by few programs provided by the public sector.

YF divides these institutions into 3 categories: 1) Organisations that are creating demand and those that have money to invest and shape sectors, such as: governments, foundations, charities, trusts; 2) Supply side organisations that support the impact of social innovations but also contribute to a culture of social innovation; and 3) Intermediary organisations operating in the middle, such as YF (develops research as well as practical social innovation work), NESTA (provides funding but also developing innovations).

4.2.8 Challenges and Future Prospects

What the interviewees perceive as the challenges and future prospects for themselves, as well as the field of social innovation in general, is summarised below.

Summary

All three interviewees discuss and express wonderings about how the field itself will develop in the future. There are many different actors such as universities, public institutions and external institutions that will need to continue to link to each other and that all need to drive the field forward. Curiosity about the public sector's future role regarding social innovation was expressed as well as how the 'traditional' innovation field and the social innovation field will relate to each other; will they merge together? Will they exist as parallel and alternative fields? Or will social innovation replace the 'traditional' innovation field? Thoughts about how the actors within the current social innovation field will relate to each other was also mentioned, with a slight concern that large organisations would grow and stifle the small ones, as there is an emerging trend of increased competition among the actors.

University of Oxford

The interviewee emphasises that it will take a long time for the field of social innovations to develop more fully. Looking at the examples of Silicon Valley or Cambridge, it took well over 40 years, which is usually forgotten in discussion. The development of such a sector tends to involve universities, public institutions as well as external institutions. Currently, links do exist between the actors, but the field is unique and it will take additional time. Essentially, a subset is being created within an already existing network. The interviewee speaks of 3 possible scenarios for the future development of the social innovation sector: 1. Absorption the social innovation field and its practices are absorbed by the existing 'traditional' field 2. Twin institutional pillars the social innovation field develops as a field completely parallel and distinct compared to the 'traditional' business field. They will likely interact somewhat, but seen as distinct fields 3. Alternative the social innovation field is seen as a viable alternative, and influences the 'traditional' field to such an extent that it is ultimately replaced by the new practices associated with social innovation. According to the interviewee, the most probable situation is a mix of 'absorption' and the 'twin pillar' approach. He notices a surging interest among students for social issues, and hypothesizes that in a few years, the then managers of companies are likely to have a larger interest in such issues. He also discusses the possibility of this being a fashion, or temporary trend. Currently there is much focus on social issues, but time will tell if these sentiments are here to stay. Firstly, this development of the field is likely to take a long time, and it is important to have actors that will remain aboard. The concept of social innovation is in fact not new, but is often seen as such. Secondly, there needs to be resources available for actors within the field. It is up to a blend of actors to keep developing the field, not only academia or practitioners. As a final note, the interviewee states that it is positive that leading universities such as Cambridge, Oxford and Stanford all focus on social innovation. However, the focuses seem to differ significantly between the different schools. In Cambridge they focus on combining research and practice.

University of Oxford

According to the interviewee "*we need to dramatically change our models*" to integrate social entrepreneurship into the 'traditional' business field. In order to establish a new way of thinking, it is essential that many actors drive this change. One of the important actors that need to drive this change is academia, an example being the program at Oxford University. Academia can change how we think more broadly and sustainably. The interviewee states that the boundaries between the two sectors need to be erased, and that we must instead focus on how the sectors can take advantage of each other. Currently, entrepreneurship usually concerns the 'tech' sector, as this sector is usually seen as 'cool', and thus attracts

more money. The interviewee's vision is that in 10 years, there is no distinction between 'traditional' and social entrepreneurship.

Young Foundation

There is a potential risk that actors with large pools of resources could stifle those smaller organisations, such as YF. How the social innovation sector develops in the coming years will be of great interest. If the sector becomes too institutionalized, it could be a problem. YF would like to see several different actors come together to fund local grassroots movements and the social innovations that are created by them. This could be achieved through the establishment of a common fund to which organisations and investors can funnel resources, and stand back and let the community funnel the funds to the best social innovations. An inherent problem is the fact that, like in any innovation process, many ideas are likely to fail. However, many investors are not willing to address failure at that level, especially not related to social issues. The interviewee also mentions that the social innovation field in the UK feels increasingly competitive, and that actors have to differentiate more heavily. Furthermore, some larger actors could possibly stifle actors with less funds, but collaborations are a way to mitigate this. It will also be interesting to see how the public sector chooses to approach innovation within other sectors than education and health which are currently open to social innovation, and also what role the public sector should have in relation to bottom-up approaches to social innovation.

5 Analysis

In following chapter the ecosystem of social innovation will be analysed in accordance with the aim of the thesis to bring clarity to the developing field of social innovation. A discussion of whether the field of social innovation is here to stay or simply a temporary trend, will also be provided. Throughout the analysis comparison between Sweden and in the UK as well as what previous literature says will be made.

5.1 Comparison of Entrepreneurial Ecosystems

This section aims to apply Stam's (2015) framework of an entrepreneurial ecosystem on the field of social innovation, based upon the empirical findings in this study. Firstly the framework conditions for the social innovation ecosystem are analysed and thereafter the systemic conditions are analysed.

The conditions in the entrepreneurial framework defined by Stam (2015) together describe an ecosystem. The elements of the framework are not isolated, but interact within the ecosystem (Stam, 2015); they are interdependent. Building upon this logic, an ecosystem depends on the interdependencies and interplay between the conditions within the ecosystem. Stam further states that a well-functioning ecosystem is "a set of interdependent actors and factors coordinated in such a way that they enable productive entrepreneurship within a particular territory" (Spigel & Stam, 2016, p.1). Therefore, in order to grasp how social innovations are supported, it is key to understand the ecosystem in which it exists (Zahra et al., 2014). Caiazza (2014) further argues that the existence of such structures that support innovations influence the diffusion of innovations. Therefore, the analysis will analyse the factors of the social innovation ecosystems in Sweden and the UK and their interdependencies. Such an analysis is arguably of most interest precisely related to social innovation ecosystems, since their elements are more complicated than other ecosystems (Bloom & Dees, 2008).

5.1.1 Framework Conditions

Below, the framework conditions of the entrepreneurial ecosystem will be presented and analysed. These are: Culture, Formal Institutions, Physical Infrastructure and Demand, which provide the fundamental causes of value creation (Stam, 2015) and the context within which the systematic conditions exist.

5.1.1.1 Culture

To start describing the cultures in Sweden and in the UK regarding social innovation and to give a first introduction to the contexts we are analysing, it seems reasonable to briefly outline the social issues that are most commonly discussed in the both countries, according to the findings in the empirical data. As one of the countries that welcomes most refugees per capita, refugee integration is one of the most prominent social issues in Sweden at the moment, where many sub issues follow. In similar to European countries in general, but what seems to be more discussed in Sweden than in the UK, are the issues that follows with an aging population. Mental health is another big issue that continues to grow and that is frequently discussed in Sweden. Segregation and social exclusion are two other issues found most commonly commented in this study. In the UK the social issues in focus are somewhat different. As in Sweden, segregation is well discussed but other than that it is unemployment, health care and education that are the most prominent ones.

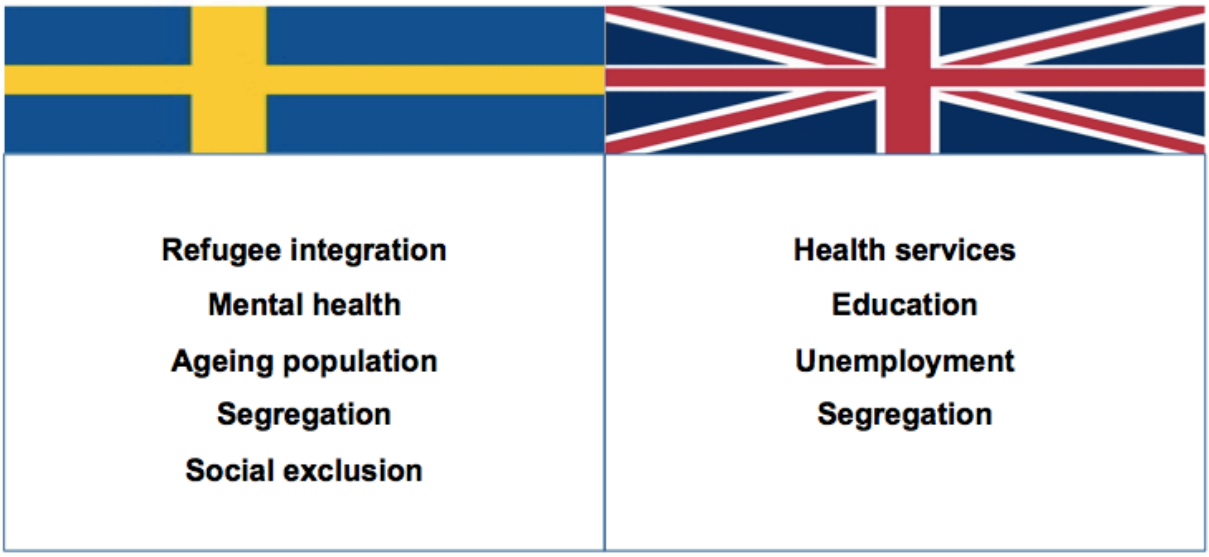


Figure 4 - Current social issues in Sweden and in the UK

While Stam's (2015) framework is the main framework being applied in this analysis, the condition *Culture* correlates with the *cultural attribute*, one of three attributes used by Spigel (2015) to define the an entrepreneurial ecosystem. With a strong tradition of entrepreneurship in Sweden (with success stories such as Spotify, Skype and Klarna), it might seem odd that when it comes to social innovation, Sweden is lagging somewhat behind. In fact, Stockholm has been ranked as one of the most competitive cities in the world, where many startups origin (Coleman, 2014). One might think that with a culture where it is desirable to be an entrepreneur, where the conditions and support for becoming one seem to be excellent, and where the mindset of adopting new ways of thinking seems to be in place, innovation that is socially oriented also should be able to prosper. Further, Sweden has a long tradition of giving development aid and is one of the countries that gives away most development aid in the world (Government Offices of Sweden, 2016), which reinforces the assumption that there are good conditions for social innovation in Sweden. The purpose of this study is not to discuss the effectiveness of development aid, but it suggest that the population in Sweden obviously have a custom of caring for others and those in need. Sweden is further a leading example in Europe when it comes to Corporate Social Responsibility (CSR) (The official site of Sweden, 2014). This in combination with an entrepreneurial culture, leads to the assumption that the Swedish context could be willing to strongly support social innovation.

However, Sweden also has a long history of having a strong welfare state with a strong public sector. This might have influenced the Swedish society and population to think in a socialistic, but also in an individualistic way. There is an ambition to enable everyone to have the same opportunities in life and to support those who, temporarily or permanently, need extra care of various kinds, without being too dependent on family or friends. Everyone should be free to be independent individuals. This might explain why Swedish people are caring and generous, while at the same time also seem to have a rooted custom of relying on the public sector or other external organisations (such as Röda Korset, Rädda Barnen, etc.) to deal with social issues. This probably due to the fact that Sweden has had, and still has, a relatively well functioning and trustworthy public sector that takes care of many social issues in the society. A strong welfare state like the one in Sweden is arguably positive, but it also comes with certain challenges. As SE Forum explains, the public sector is slow in their way of operating and making decisions, why it is hard for them to rely on support from the government as SE Forum themselves need to be able to operate fast and want to be quick in making changes. The public sector seems to be a rigid system with many hierarchy decision levels, why it takes time to respond quickly to changes in societal needs and issues. Further,

the public sector is not constructed to invest in ideas which involves a lot of risk, which makes sense as it is not ideal to gamble with tax money i.e. money of the people. The state therefore decides what the social problems in society are as well as by whom and how it will be tackled and also how much money that will be invested, i.e. decision making and problem solving with a very top down approach. Therefore only ideas that are already rather developed can be approved to be further developed, which reduces the risk but at the same time limits alternative solutions to develop, which could possibly be much better. This is problematic according to Friedrich von Hayek (1944) as, due to dispersed knowledge, no entity whether it is a government or a company, can know for sure what solution or technology that will prevail, but is rather found by a discovery process. Further, traditional investment firms invest in multiple ideas and startups, knowing that many will fail, assuming that the profit of those who succeed will cover the loss of those who fail. Consequently, it seems as though private sector investment firms could more effectively create successful solutions. However, this thesis does not aim to argue nor propose that a free market without public sector intervention would be the best way of solving social issues. However, it is important to point out that the existence of a strong public sector brings about possibilities as well as challenges. This especially in a time where the technology, society and world are evolving faster than ever. With the culture and history in Sweden in mind, the question of whether a strong public sector should exist or not might not be the one to ask, but rather how it can evolve to respond more quickly to societal change. There are some initiatives for solutions to this, as for example social impact bonds which are currently being tried and investigated by Thomas Bokström at SKL (*Sveriges Kommuner och Landsting*). Social impact bonds are a financial tool, originally from the UK, through which the public and private sectors cooperate in order to reduce risk but at the same time allow new ideas to be tested and to emerge.

Similarly to Sweden, the UK has a tradition of being a highly innovative country. Regarding the public sector on the other hand, the UK has another history and tradition, where privatisation has been more present and where the public sector has not been given such a central role as in Sweden. In a way it seems odd that Sweden with a strong public sector puts little investment into social innovation, whereas the government in the UK, which has had a more modest approach, seems to put much effort on investment into the field. A reason might be that due to more privatisation in the UK, the culture and common way of thinking about solutions to social issues is that they do not necessarily need to be provided by the state, why it is easier for every level of society to adopt and for social innovations to flourish. It might also suggest, however, that the social safety net has not been as rigid as for instance in Sweden, implying on more segregation and inequality followed by more intense social problems, which in turn has 'forced' people to come up with solutions of their own, and hence been giving rise to social innovation. This aligns with the argument presented by Nicholls et al. (2015) stating that increased interest in social innovation could partially be because of inadequate welfare systems. However, this thesis does not argue that the welfare systems in place in the UK are inadequate; merely that such a scenario is a hypothetical reason for increased focus on social innovation.

Anyhow, the fact that social innovation has been developing in a culture and context very different from the situation in Sweden, might make it difficult to implement the field in Sweden by copying the way of working in the UK and to expect the field to develop in the same way. Social innovation would need to develop and adapt to the Swedish culture and context in order to be successful.

5.1.1.2 Formal Institutions

The element of formal institutions is, apart from Stam (2015), covered by the *material attributes* of an ecosystem as defined by Spigel (2015). Even though the Swedish

government and public sector are still modest in their approach toward social innovation, it can still be argued that the public sector is a critical actor in the development of social innovation, due to its strong connections to social issues. The public sector in Sweden still seems to offer little support toward social innovation, but there are different initiatives and investigations about how to support social innovation going on, indicating that there is a development toward extended support. More thoughts about this is provided under the section *Support Services*. Other institutions that exist in Sweden, and who are at the moment mainly driving the field forward, are social innovation incubators (SII:s) and other intermediaries, information providers and investment banks targeting social innovation. Some universities can also be claimed to act as institutions for social innovation, and their importance will further be discussed under *Knowledge* and *Leadership*.

In the UK, the same kind of institutions can be found: public sector, social innovation incubators and other intermediaries, universities, and investment banks. However, all of them seems to support social innovation to a greater extent than in Sweden. Perhaps most importantly there are heavy intermediaries such as NESTA and the Young Foundation, which have been driving the agenda for social innovation by their research, programs and influence on the public debate. While some universities in Sweden, primarily in the south of Sweden are offering courses and some support to social innovation, leading universities in the UK offer Master's programs within social innovation, or at least as an important part of the curriculum. Also, the public sector in the UK seems to be more open and curious about social innovation and are providing support and funds to a larger extent than in Sweden. This might however be due to the fact that the government in the UK has less opportunity to provide social support of, for example, health care, why it is more urgent and make more sense to look around for other solutions of the problems.

As is noticeable, many of the solutions produced through social innovations relate in one way or another to the public sector. This reinforces the claim made by Groot and Dankbaar (2014) and Biggs et al. (2010) that the social innovation discourse in Europe now covers social innovations from both the private and public sectors. Based on the importance of the public sector in relation to social innovation, the public sector as a formal institution, needs to reassess its role in relation to social innovations. While constituting great possibilities in terms of a positive development of the field of social innovation, the public sector is also a strong gate-keeper, and due to its strong position, could potentially hamper the development of the field. Possibly, if the public sector in Sweden becomes more open to adopt social innovations, the impact of social innovations in Sweden could be increased.

5.1.1.3 Physical Infrastructure

Like the condition of formal institutions, physical infrastructure within an ecosystem could be said to be part of the *material attributes* of an ecosystem as defined by Stam (2015). In the UK the locational factor seems to be important for actors working within the social innovation field. The majority of the interviewed actors in this study were located in urban areas as being locating in urban areas helps the organisations to connect and meet with potential partners and investors. In Sweden most actors are located in Stockholm, probably since it is close to the financial hub of Sweden and close to the government and major public authorities. Some actors origin and are still located in Malmö, probably due to more pressing issues related to integration in these areas. In conclusion, in Sweden there seems to be the same patterns as in the UK, where the actors prefer to be located in urban areas. Noticeable is that the Swedish actors are all located in strategically located positions (mainly Stockholm and Malmö which enables access to beneficial networks), but the *choosing* of the location seems to not have been a very deliberate choice. It rather seems as though the locations happened to be in urban areas due to natural reasons rather than something they struggled

for. It seems as though the UK actors have given more thought to where to locate their base of operations, possibly due to a more competitive housing situation.

Also, when it comes to physical space configuration, UK seems to put more weight into the importance of providing access to a physical working space. The motivation for the need for a physical working space is the large importance of the informal network of other entrepreneurs that the incubatees gain access to by sharing working space with other entrepreneurs on a daily basis. This will be discussed further under *Networks*. In Sweden, on the other hand, most SII:s do not provide physical working spaces, and do not seem to consider shared physical working space as important nor that it is something the startups usually needs help with. This usually work out anyway, indicating that access to physical working space for social innovators is not as large in Sweden as it is in the UK. Those incubators who do offer physical working spaces argue for the importance of informal networking and knowledge sharing however.

Why the startup community supported by a shared physical working space is considered much more critical in the UK than in Sweden is rather interesting. One answer could be that Sweden simply has not understood the importance of it as argued in the UK, potentially consequently limiting the development of social innovation in Sweden. Another reason might be that it would be very difficult for startups in UK to find or afford a working space if physical working spaces were not offered. In that way, the offered physical working spaces are more likely to be necessary due to limitations to access of working spaces, rather than due to provision of networks. However, even though the housing and rent situation in London (where the majority of SII:s reside in the UK) is very strained, so is the situation in Stockholm (where some of the Swedish SII:s reside); to argue that this is the sole reason for the UK SII:s focusing on a shared working space might be insufficient. On the other hand, due to a more limited governmental support in Sweden, it may in fact be that Swedish SII:s do not provide physical working space due to an already strained financial situation; paying rent for office space might be too costly. Another possibility might be that there is more segregation in the UK in general and that the ones working with social innovation in the UK do not have access to other incomes to the same extent as those in Sweden. Hence, the more critical situation regarding physical infrastructure in the UK would be a result of less personal income rather than more expensive rents. Furthermore, the Swedish context seems slightly more in line with recent research within the incubation field, in which the traditional focus on shared office space has shifted to a heavier focus on the actual business counselling and support services (Peters et al., 2004; Karatas-Ozkan et al., 2005; Bruneel et al., 2012).

In conclusion, in the UK, physical infrastructure is considered as very important and also problematic to solve, and therefore something that possibly limits many social innovations, whereas in Sweden physical infrastructure is not considered as much of a problem.

5.1.1.4 Demand

The demand of social innovation seems to be larger in the UK than in Sweden. Key sectors that actively seek out social innovation in the UK are the health and education sectors, in which issues are trying to be solved in collaboration with public service and social ventures. For instance, there are examples where social ventures which are trying to solve healthcare problems are located next to hospitals, in order to more easily collaborate with the hospital and to understand the actual needs. The public sector has to a greater extent accepted social innovation as a concept and as a solution to social issues, as they allocate more budget and support to the field, and hence are open for solutions emerging from it.

In Sweden there is still some resistance to external social innovation as solutions for social issues, and investigations about how and to what extent the government should support social innovations are currently being made. There is still confusion of what social innovation is and relatively little fundings are allocated to the field. Inkludera Invest, which are working with the public sector as their primary customer, explain that they still need to work actively with convincing local municipalities to see the usefulness of these kinds of solutions. As the businesses that are incubated by Inkludera Invest grow, perform better and deliver results, the more the public sector seems to open up for collaborations. Assuming that the social innovation field will continue to develop in Sweden, it can be concluded that without doubt the demand of social innovation is still in an earlier phase in Sweden than in the UK.

5.1.2 Systemic Conditions

Here the systemic conditions of Finance, Networks, Leadership, Knowledge, Talent and Support Services will be discussed, which according to Stam (2015) are the core of an entrepreneurial ecosystem and the ones which lead to entrepreneurial activities.

5.1.2.1 Finance

As echoed by the empirical findings, access to finance is one of the major problems for social innovations. Since social innovation can be created not only by social entrepreneurs, but also by the public sector, this discussion will cover issues of financing both relating to social entrepreneurs, as well as how other actors within the social innovation ecosystem (such as incubators) tackle financing issues.

While access to capital is an issue for both social entrepreneurs and 'traditional' entrepreneurs, it seems that for social entrepreneurs, the matter is more difficult. Due to the complex nature of social innovations, and more specifically measurement and communication of the impact of social endeavours, it becomes additionally complicated for social innovations to attract venture capital. The main goal of social innovations is not profit maximization, but instead on a 'double bottom line' (Groot & Dankbaar, 2014) consisting of business related goals *and* social goals (Nicolopoulou et al., 2015). This makes it more difficult to attract investors whose main focus traditionally tend to be profit maximization. Based on the empirical data, it seems as though both social innovators and venture capital actors are frustrated; for social innovators it seems as though there is no money available for them, whereas venture capitalists state that there is in fact money available, but that there is a lack of ventures that are deemed at a viable stage for investment. It seems as though venture capital is more readily available for later stage ventures with a 'proof of concept', whereas many of the social innovations, at least in this study, are at an early stage. It is noticeable that a few incubators have chosen to focus primarily on early stage ideas in order to improve the situation. In summary, there seems to be a major gap of understanding between social innovators and venture capital. In Sweden, many of the interviewees indicate that there is little financial support from the government, which according to Forum for Social Innovation mainly is due to the fact that Sweden does not allow deductions for donations, unlike many other countries in Europe. In other countries, this has led to the creation of several large foundations, which are more free to funnel capital to certain sectors than the government.

In an attempt to bridge this gap, there is an increasing prevalence of so called *impact investment firms*. These investment firms choose to invest in projects with clear social goals. There are a number of impact investment firms in the UK (such as Big Society Capital, ClearlySo Impact Investing, Global Impact Investment, among others), but according to the interviews, they are still fairly underutilized, and there seems to remain a gap between supply and demand in terms of finance. In Sweden impact investment firms are even fewer (Leksell

Social Ventures, Impact Invest, Hjärna Hjärta Cash are identified in this study), and their success remains to be seen. A more thorough discussion of impact investment firms and their operations is needed to gain a more holistic understanding of their usefulness in supporting social innovations. However, based on this brief discussion it can be concluded that impact investment firms are currently not a large contributor of finance to social innovations.

Instead, a few SII:s both in Sweden and the UK actually provide financial means for its incubatees (Bethnal Green Ventures in the UK invests £15000 in each venture that they incubate, Ashoka UK & Sweden provide financing during the time that the incubatee is part of their program, and Reach for Change provides financing for up to 5 years). However, this is not something that all SII:s do provide. The reasons for this may be varied: it is quite plausible that, due to strained financial situations, most SII:s can in fact not provide financial support to their incubatees, and therefore focus on business counselling. Furthermore, it may be the certain SII:s deem the existing financial tools to be adequate, and instead focus their financial means on providing more in-depth support.

Since incubators provide the majority of advice regarding funding of social innovations, it therefore becomes of utmost interest to understand how SII:s finance their own operations. There are similarities between Sweden and the UK in terms of financial support for SII:s, as well as there are differences. Firstly, in terms of similarities, most SII:s in both countries seem to be mainly dependent on public funding. In most cases, this funding is in the form of grants; sometimes from local municipal governments, and sometimes on a national level. As a clear example of this, all of the incubators in the UK, except for Ashoka UK rely heavily on public funding. Sometimes this takes the form of grants, whereas sometimes the UK government wholeheartedly supports certain endeavours, as were the cases with NESTA, which used to be a governmental entity, and Bethnal Green Ventures, which was launched by major governmental financial support.

As explained in the section *Culture* above, due to historical differences, it seems as though there is larger potential for government funding for social innovation in the UK than in Sweden. While governmental support does to an extent exist in Sweden, most of it is in the form of grants, and not to the same extent as in the UK. While government funding in one way or another seems to be the largest financial contributor to SII:s, the SII:s in this study do receive income from other sources as well. The remaining funds are sometimes based on consultancy projects towards the private sector (as in the case of Inkludera Invest, Reach for Change, CSES, and Bethnal Green Ventures); an 'equity based model' in which the incubator has the right to a share in each created venture (as is the case with Bethnal Green Ventures); membership fees (as is the case with Impact Hub and The Melting Pot).

An interesting point to note is that, at least in this study, Sweden exhibits more SII:s than the UK which are not reliant on public funding at all; Ashoka UK is the only UK actor not reliant on public funding, whereas in Sweden, Reach for Change, Inkludera Invest, as well as Ashoka Sweden are financed completely by private sector funds. Furthermore, Reach for Change and Inkludera Invest do not speak of the same difficulties in achieving a financially sustainable business model as the other actors who rely mainly on public funding. At least within the Swedish context, it seems as though establishing corporate partnerships and relying on private sector funding does provide a 'recipe for success' for SII:s. By having established a more stable financial situation, these actors seem to be to a greater extent able to focus on their key operations of providing incubation support to its incubatees and are also the ones to provide the most structured ways of measuring social impact. Moreover, a curious coincidence for Reach for Change and Inkludera Invest, is that these are the only two

actors within the Swedish context who have a clear niche focus on a certain sector; Reach for Change work exclusively with projects related to the wellbeing of children, and Inkludera Invest target social exclusion and view the public sector as their primary customers. Potentially, close corporate relationships, coupled with a clear focus on a certain set of social issues, seems to lead to more effective social innovation support. Furthermore, a private sector reliance seems to provide a completely different leverage in terms of establishing further collaborations, as the board of Reach for Change and Inkludera Invest are high profile people within the 'traditional' business sphere in Sweden.

However, not all incubators in this study provide access to finance to its incubatees. In these cases, the main source of financing is undoubtedly in the form of grants. One of the larger suppliers of such grants in Sweden is Vinnova, the governmental agency focusing on innovation funding. While they do provide a large sum of money for innovation in Sweden, and some 'traditional' innovations could actually contain social aspects, the socially oriented dedicated program by Vinnova is small in comparison to its remaining funding budget.

An interesting aspect to highlight, is the fact that it seems as though there is somewhat of a gap between what is being preached by several of the SII:s interviewed, and what they actually do. To exemplify, both CSES and Impact Hub Stockholm in Sweden want their incubatees to become profit based, financially stable ventures, whereas they themselves (CSES and Impact Hub Stockholm) express difficulties in establishing a long-term financially stable situation. This is echoed primarily by Melting Pot in Edinburgh, who expressed an initial problem in gaining financial sustainability, which has somewhat improved after becoming a charity, as well as the Impact Hubs in the UK who also state that their operations are not usually profitable by themselves, and thus rely on public funding to cover the gaps. This is interesting, since the incubators seem to proclaim the need for financial stability within a field that they themselves have difficulties in staying afloat in. CSES does not want its incubatees to rely on grants, whereas they themselves in CSES rely mainly on this type of funding. It seems as though the incubators are envisioning a situation that is not possible, at least not for the majority of actors in the current state of the field of social innovation. Several of the Swedish SII:s interviewed in this study mention a lacking ecosystem of social innovation in general as a reason for difficulties in terms of finance. However, the current government is currently investigating how innovation funds should be allocated in Sweden, and to what extent social innovation should receive funds.

It could be that an altered perception of what financial sustainability means, is needed. For instance, since many actors heavily rely on public funding in the form of grants, and that it seems difficult to evade the need for public funding, it could be that new social ventures could approach the public sector as a main customer. This strategy, mimicking that of Inkludera Invest, could theoretically establish a situation in which public funding is indeed the main source of income, but probably more long-term sustainable than relying on public grants. Public funding need not necessarily be a negative thing that social ventures should avoid, but rather aim to find a long-term way of engaging with public authorities. It should be mentioned that the public sector can act both as a funder through providing grants, but also as a customer where the solutions or services are bought by the public sector. Based on the empirical findings in this study, the second option seems more sustainable than the first (as in the case with Inkludera Invest). As discussed above under *Formal Institutions,* such a reassessment of the role of the public sector in relation to social innovations seems necessary in Sweden. However, in relying on public funding as the majority of SII:s currently do, it is important to realize what such dependency entails; in essence that the organisation is possibly subject to the influence of political interests (Phan et al., 2005). It may be argued in contrast, that since Reach for Change and Inkludera Invest rely *solely* on private sector funding, it *is* indeed possible, but that another strategy might be needed. A more in-depth

internal benchmarking between incubators in terms of goals and strategies might be needed to reach a conclusion.

Overall, financing tools for social innovations currently seem to be lacking in both contexts, but it seems as though the UK exhibits more funding options for social innovations, both in terms of impact investment firms, as well as governmental support. However, does this really mean that it is easier to access to finance in the UK? One thing does seem relatively certain however, as discussed above under *Culture*: the UK government is more prone to fund social innovation initiatives than the Swedish government, probably due to Sweden's history of societal issues being something for the state to take care of. On a final note however, the empirical data does point to a slight improving situation over the last few years, which is positive for the future.

Financing tools for social innovations is mentioned by the vast majority of interviewees in this study as one of the major hindrances for social innovations. Therefore, the condition of finance is deemed vital in the Swedish context, if support for social innovations is to be improved.

5.1.2.2 Leadership

In order to achieve an ecosystem where more funds are available for social innovations, several interviewees seem to point to the need for a more well-functioning ecosystem. As stated by Stam (2015, p.1766), "[l]eadership provides direction and role models for the entrepreneurial ecosystem". One could therefore argue that leading actors are essential if the support for social innovations is to improve.

In terms of leadership, a key difference between the Swedish and UK contexts can be identified. The UK itself is often seen as a leader within the social innovation field, and theory and practice related to social innovation in other countries is often based on what has been done in the UK. Already here, we see a clear tendency that the UK context indeed has clear leading actors, the most prominent being The Young Foundation. This organisation, founded by Michael Young in the 50's, has essentially pioneered social innovation, both in theory and in practice. Originally known as the Institute for Community Studies, The Young Foundation has worked within the field of social innovation for decades, although in the beginning it was not known as 'social innovation' per se. They are continuing to develop theory and practical models to be used, and are well known both within the social innovation field, as well as amongst other areas of UK society. Another actor that has a strong presence and arguably acts as a leader in the UK is NESTA, which used to be a governmental institution. NESTA also works with both theory and practice related to social innovation issues, and is widely known and associated with such issues.

Furthermore, as explained under *Formal Institutions*, both the entities within the University of Oxford and the University of Cambridge work with social innovation issues. In both cases, social innovation is included in the curriculum of the business schools at the universities. Moreover, the Centre for Social Innovation at the University of Cambridge operates a social innovation incubator on campus, thereby combining theory and practice. Both of these universities are leading global educational institutions, and the fact that they have embraced the issue of social innovation, and both chosen to include it in their curriculum, does give more credibility to the field itself. Since their efforts are focused on educating future generations, it could be argued that the societal effects of business school curriculum containing social innovation aspects might not be noticeable until in a few years when the alumni are part of the work force in the UK. Nonetheless, it is herein argued that these two

educational institutions can be seen as leaders within the field, both nationally as well as globally.

In comparison, the Swedish context seems to lack clear leading figures such as The Young Foundation and NESTA. Arguably comparable to these organisations is the Swedish organisation Forum for Social Innovation, in terms of focusing on theory and dissemination of information. Forum for Social Innovation is the only organisation of its kind in Sweden, and work heavily to promote social innovation as an issue, both within the field, as well to external actors. Hence, Forum for social innovation could be seen as a leading figure to some extent. The 'Social Innovation Summit' organized every fall is an attempt to highlight social innovation and to create increased discussion and awareness of the issue. In this sense, it can be said that this is a leading actor. However, and quite possibly due to the relatively short existence of the social innovation field in Sweden, they are currently not very well known outside of the sector. Apart from Forum for Social Innovation, there are certainly a few actors that, due to the limited number of actors within the field, could be thought of as leaders; CSES is certainly aiming to be a hub for social initiatives; Impact Hub Stockholm has acquired a certain position within the field; Ashoka has been around the longest of the Swedish actors and could therefore be seen as a historical leader of the discourse; Reach for Change and Inkludera Invest could be argued to be leaders in terms of the seeming success of their operations. In conclusion, it seems as though, while there are indeed a few actors in Sweden that could be thought of as leaders, there does not exist as *strong* leaders as within the UK context. Stronger leadership roles among the Swedish actors could arguably help to establish a better ecosystem. However, important to note is that one reason for this lack of clear leaders might be due to the novelty of the field; the fact that The Young Foundation is seen as a leader in the UK is partially due to its long history of being in, and shaping, the field. Important to note is that, due to the long history of British actors such as The Young Foundation, the UK in general is viewed as a leader within the field of social innovation. Several interviewees in Sweden mention the UK as a role model for social innovation. Ashoka Sweden expresses that the UK government seems more apt to accept social innovations as viable solutions to pressing social issues, and Peak Region Science Park looks to the UK for inspiration in terms of legal entities best suited for social ventures.

In terms of educational institutions, southern Sweden seems to harbour the most social innovation initiatives, and this region, both in relation to universities and in general, could be seen as a leader within the social innovation field in Sweden. Lund University has a designated social innovation center and incubator based at the school (LU Open). Lund University, being one of the major leading educational institutions in Sweden, is certainly a possible source of strong leadership in terms of spreading social innovations to other educational institutions in Sweden, and thus establishing a similar position to that of the universities of Cambridge and Oxford. Furthermore, Lund as a university contains several different disciplines (such as engineering, medicine, education, economics), which could further heighten the influence on these disciplines at other universities. However, a stronger leading figure within the academic world in Sweden is undoubtedly Malmö University. This, somewhat smaller, university has in many senses pioneered social innovation as part of academia; Forum for Social Innovation is part of Malmö University. Malmö University is definitely a key leader within academia in Sweden.

In conclusion, the UK context seems to contain more clear leading actors within the field of social innovation. This could partially be due to the fact that the field has existed for a longer time in the UK. Nonetheless, the UK does exhibit actors whom the Swedish counterparts could look to when aiming to establish a stronger Swedish ecosystem of social innovation.

5.1.2.3 Networks

Correlating with the work of Stam (2015), Spigel (2015) defines networks within the ecosystem as the ecosystem's *social attributes*. Based on the empirical findings, basically all actors in both Sweden and the UK comment on the need to develop the networks surrounding social innovation; Impact Hub in the UK speaks of network development, Ashoka UK highlights the need for informal networks; in Sweden, CSES speaks of the need for a better network, Impact Hub Stockholm inquire for more developed networks in relation to financing, and Vinnova highlight the need to connect people in order to reach greater efficiencies. In summary, improved networks, formal as well as informal, seem to be sought for by both UK and Swedish actors. If compared to the UK, Sweden seems to have *some* key actors in place, but where some are hesitant to further open up to the field and where many still are searching to find their role within the ecosystem.

Focusing on Sweden, it seems as though the incubators are operating somewhat isolated; they all independently aim to improve the discourse of social innovation, and hope for greater funding opportunities from the government. They all speak of the need for a better network consisting of more supporting actors than what currently exists. On the other hand, due to the relatively small number of actors within the social innovation field in Sweden, it could be argued that the network of actors is actually quite tight knit. It is apparent, from the interviews, that the actors in Sweden are all aware of each other. Nonetheless, all Swedish interviewees highlight time and again the need for improved networks. Since the internal network in Sweden seems rather small and well-functioning, it rather seems as though the networks that are needed are primarily with *external* actors. To establish such networks, connections with external actors such as companies and academia is something usually provided by incubators and science parks (Thursby & Kemp, 2002). A clear example from the empirical data signalling the need for external relationships can be seen in CSES', hitherto unsuccessful, attempts to establish cross-sectoral collaborations with consultancy firms, financial institutions, law firms, accounting firms, and local government agencies. Furthermore, Inkludera Invest and Reach for Change have strong relationships with private sector actors, and Impact Hub work extensively with creating long-term partnerships with corporate actors. However, it seems as though establishing these external relationships, i.e. building the external network, is difficult, and something that requires time and resources. The implications of this are discussed further under *Knowledge*.

Based on this argumentation, it seems as though if all the actors jointly worked for an increased common understanding of social innovation, possibly through pushing the government towards additional policy support, they could have more leverage. Another possible way of achieving improved networks, increased leverage, and extended social impact, could be to incentivize 'traditional' incubators to include social innovation as part of their focus. Reach for Change mention that 'traditional' incubators need to investigate how they should relate to social innovation, and Peak Region Science Park states that if it were possible for all science parks in Sweden to work with social innovation, than most certainly an improved network would be achieved, and that it would be possible to affect the financing structure, as well as achieve a greater understanding of the concept of social innovation outside of the immediate field. However, as mentioned by Ashoka UK, for 'traditional' incubators to make such a shift, significant adjustments would have to be made to their operations. While their support services would likely be similar (as the support offered by 'traditional' incubators and social innovation incubators are largely similar), the underlying mentality would shift towards achieving social impact; such a change would possibly be difficult to bring about. Regardless of if science parks will embrace social innovation or not, the last few years in Sweden have seen an increase in actors, as well as improved networks. With the influx of new actors, it becomes increasingly important for each actor finding their

specific role within the networks, and some differentiation has indeed taken place, which will be discussed further under *Support Services.*

Regarding networks between individual social innovators themselves, it seems as though informal networks are possibly of more interest in the UK than compared to in Sweden. As previously mentioned, the number of SII:s that provide a physical working space is much higher in the UK than in Sweden; it could be that providing a physical working space where individual social innovators can meet and interact is seen as more important in the UK. However, this need not necessarily mean Swedish actors view informal networks as less important, but rather that other factors implicate the possibility, and necessity, of providing a physical working space. Possibly, Swedish SII:s view the access to informal networks enabled through networking events, course meetups, workshops as being sufficient. Furthermore, there are two actors (Impact Hub Stockholm and Peak Region Science Park) in Sweden that do provide access to physical working space, both with the argument that such a working space enable and strengthens informal networks. The interviewee at Peak Region Science Park stated that "*a lot of things happen during a coffee break*" (quote translated).

Shifting focus instead to the UK, the formal networks of actors within social innovation do seem more established. This seems plausible, due to the history of the field originating in the UK. For instance, Impact Hub exists in four different locations in the city, pointing to a wider network of support services available for social innovations. Furthermore, the UK government seems to, to a greater extent than in Sweden, be part of networks regarding social innovation. An interesting note stated by The Young Foundation is that there are almost *too many* actors within the field; increasing competition between different actors, while initially good in terms of specialisation, may after a while be detrimental to the overall impact of the sector, if actors are forced to shut down due to an increased competition. In the UK the actors have been established to the degree that they now tend to compete with each other and where some are taking a dominant role, which could potentially be problematic.

In conclusion, the Swedish ecosystem can be said to currently exhibit lacking networks, especially in terms of relationships with *external* actors outside of the immediate social innovation field. Therefore, the condition of networks is seen as key in order for a more developed Swedish ecosystem.

5.1.2.4 Knowledge

If an ecosystem is to successfully promote and support social innovations, as argued by Stam (2015) it is important that there is knowledge regarding the issues at hand, both within the ecosystem, as well as in relation to external actors. The empirical findings support the claim by Groot and Dankbaar (2014), Nicholls et al., (2015), and Alamaa (2014) that the concept of social innovation is all but clear. The findings in this study suggest that the knowledge of social innovation is very limited outside of the field itself. This is echoed by Vinnova, who argue that a greater understanding and acceptance of the social sector outside of the sector itself is essential in order for it to improve; a greater knowledge of what social innovation means, in all parts of society, is needed. As mentioned above under *Networks*, if 'traditional' incubators were to include social innovation, this could potentially increase the overall awareness of social innovation. However, as Alamaa (2014) also claims, there seems to be a common understanding of social innovation for the actors within the existing ecosystem, as being innovative, scalable solutions to pressing social issues.

As defined by Nicholls et al. (2015, p.2), social innovations are "new ideas that address unmet social needs"; thus social innovations need to include at least an element of novelty.

For a few actors in Sweden, the aspect of novelty has not necessarily always been present in their definition of social innovation. Such a definition could be thought to greater correlate with *social enterprise*, which means a company with a social undertaking, regardless of innovativeness. Primarily the Swedish incubator Coompanion has historically, possibly implicitly, used this definition, as their goal is to help people start companies with an underlying social goal, which has in some cases resulted in endeavours that are not necessarily innovative.

In conclusion for the Swedish concept, it can be said that while the concepts of social entrepreneurship and social enterprise are fairly known and understood, but the concept of social innovation is less commonly understood. However, also based on the empirical findings, this is changing as the discourse is gaining ground, and currently there is less confusion in Sweden than there has been historically. Furthermore, an actual definition of what social innovation means does certainly aid in communication and mutual understanding among actors, internally as well externally in relation to the ecosystem.

The practical implications of a societal lack of understanding of the concept of social innovation is that the majority of actors interviewed in Sweden put heavy emphasis, time and resources on influencing actors both within and outside of the immediate ecosystem, in order to raise awareness; all actors invest time in building the networks, as mentioned above. This means that resources that should ideally go to practical support and promotion of social innovation is being used for more indirectly valuable activities. It seems as though if a greater understanding of the issues at hand were to be developed, more focus could be given to practical support. It seems as though, due to the current state of the ecosystem, many actors are undertaking similar tasks which could more effectively be divided amongst them. Such a division of tasks can be viewed in the existence of Forum for Social Innovation, whose main purpose is to spread awareness and discussion of social innovation. In the UK, such specialisation in terms of different organisations becomes more apparent, as The Young Foundation and NESTA both operate somewhere in between theory and practice. However, a potential way to increase outside awareness of social innovation could be through the creation of focused programs (e.g. from the government) on certain issues, could potentially increase understanding of social innovations outside of the sector, which in turn could benefit the movement, potentially in the form of increased attracted capital. For instance, programs targeting the pressing issue of integration of refugees in society (such programs have already been launched by Vinnova), to harness social innovation, could be a way for people outside of the sector to better understand what social innovation is about. On the one hand, such specific focus on certain social issues has in the past led to the Swedish context suffering from misconceptions of the concept of social innovation, according to some interviewees; such specific focus has led to wider aspects of social innovation being disregarded. However, one could also argue, that a focus on one specific social issue, (for instance refugee integration) could potentially make the concept more clear, and legitimize the sector in the eyes of external stakeholders. On the other hand, The Young Foundation mention that too much 'top-down' focus on social innovation, as has been done historically through such governmental programs, could hamper the innovative capacity of bottom-up, grassroots movements. A final note regarding knowledge must be given to educational institutions, in which the UK seem to be greatly ahead of Sweden (despite leading figures such as Lund University and Malmö University). Educational institutions, such as universities, should be seen as key drivers of increasing awareness and knowledge of social innovation, as described under *Leadership*.

Mainly in the Swedish context, there is a large gap between the understandings of the field of social innovation amongst external actors; the awareness and understanding of social innovation outside of the field in Sweden is very low. Therefore, the systemic condition of

knowledge is viewed as a key factor to improve in terms of the development of the ecosystem.

5.1.2.5 Talent

The systemic condition *Talent*, is defined by Stam (2015) as those people working within an entrepreneurial ecosystem that are not necessarily the entrepreneurs themselves. Firstly seeing as Sweden has recently established a strong entrepreneurial climate, makes it plausible that Sweden would in fact be able to supply a large group of talented individuals that want to work in the vicinity of social innovation, provided that the concept of solving social issues as compared to 'traditional' venture creation is of interest for them. As is supported by the empirical data however, this shift in interest does indeed seem to be the case, both in Sweden and to an even greater extent in the UK. As stated by the director of the Social Innovation program at the University of Cambridge, today lectures concerning social entrepreneurship will draw the attention of several hundreds of students. Thus, it seems as though the future of the sector is likely to provide a larger base of talent than currently, in Sweden as well as the UK. An interesting example of how talent is being attracted to social issues is a program that Inkludera Invest has, called 'Inkludera Flera' (transl. 'Include More'), through which unemployed youths are hired to work with the social entrepreneurs that are being incubated. This seems to be a successful way of attracting potential future talent to the sector.

However, regardless of whether more people in the future will work with social innovation, already currently there seem to be a high availability of people working with these issues. Drawing upon traditional incubator support and venture capital, both Sweden and the UK arguably have well developed institutions whose competencies and experiences are being utilized to support social innovations. As a concrete example, almost all of founders and people working at the SII:s in Sweden have some form of background in the 'traditional' business sphere. Thus, the talent that already exists is being shifted to support social innovations. In the UK, similar situations are noticeable, for instance as both the Director of the Skoll Centre for Entrepreneurship at the University of Oxford and the Executive Director at the Centre for Social Innovation at the University of Cambridge respectively have backgrounds in business. However, due to the longer history of the social innovation field in the UK, it can be argued that there exists an even larger pool of talent from which the UK actors can access talented individuals.

5.1.2.6 Support Services

As mentioned under *Culture*, due to a historically strong welfare state, and a reliance on public authorities to solve societal issues, policy support for private initiatives to tackle societal issues in Sweden is limited. The current main form of support for social innovations are in the form of the intermediaries known as SII:s; this seems true even for the UK context. Like traditional business incubators are usually an important component of entrepreneurial ecosystems (Spigel, 2015), the SII:s in this study seem to be key actors within their respective ecosystems. However, the support services available and the design of the support varies between each incubator, depending on the context and the focus of each incubator. In general, SII:s seem to draw heavily upon traditional business incubators; all SII:s offer, to some extent, business counselling, professional advice, and access to networks that might be of use for the incubatee. Comparing this with the support offered by 'traditional' business incubators (defined by Bergek and Norman (2008) as being: shared office space, shared administrative support services, professional business counselling, and internal and external network access), the support available for social innovators through SII:s seem very similar to that of 'traditional' incubators. However, as discussed under

Physical Infrastructure, the UK context seems to provide more physical working spaces than in Sweden.

Even more important, as outlined in the empirical section, apart from 'traditional' needs, social innovators need additional support, first and foremost related to obtaining funding which seems to be exceptionally difficult for social ventures, and secondly measuring, monitoring and communicating impact. All SII:s, in one way or another, provide specific support tailored to these distinct needs of social innovators. The aspect of measurement of social impact is of specific importance, since social impact usually differs greatly from that of 'traditional' startups. Furthermore, since the main goal of a social venture is usually not profit maximization, impact measurement becomes essential in communicating with financing actors. Therefore, SII:s focus heavily on supporting social entrepreneurs to understand how to best measure their specific impact; the actual measurement of impact tends to very heavily from case to case, depending on the goals of the venture and the context within which the venture exists. Thus, even though the SII:s all express the importance of measurement, and do discuss the issue frequently with their incubatees, it seems as though only a few of the SII:s are actually able to measure and follow up the social impact.

Herein lies another interesting paradox: the SII:s state that measurement of social impact is key for each social endeavour, but they themselves barely measure *their own* performance. Much like the situation in which most SII:s highlight the need for social ventures to achieve financial sustainability while the SII:s themselves have trouble in doing so, this means that what is actually being carried out by the SII:s differs from what they teach. One potential reason could be that the SII:s do not have the time and resources necessary to adequately measure and follow up their own operations. Another reason could be that their own operations are viewed as secondary compared to that of their incubatees. Nonetheless, it is interesting to note that something that is promoted as being so important for incubatees, is not always followed up by the SII:s themselves.

Another interesting point to note is that actors in both the UK and Sweden, in unison, express the need to develop better, more useful frameworks for measuring impact. While there are some standards in existence, most notably the SROI (Social Return on Investment), and the SRS (Social Reporting Standard, developed and used by Ashoka globally), the SII:s in this study express that, since the social ventures differ so much in terms of goals and operations, impact measurement becomes heavily individual. This, in turn, leads to it becoming increasingly complex. However, there are a few actors that seem to routinely and adequately measure and follow up their own operations. Among these are Reach for Change and Inkludera Invest, coincidentally being the two main actors that rely only on private funding, and with a clear niche focus in terms of their operations. In the UK, Bethnal Green Ventures is one of the actors that routinely follow up and measure performance. However, in general, the measurements tend to be quantitative in nature, and it seems as though SII:s in general strive towards using quantitative measurements. However, as stated by the interviewee at the Centre for Social Innovation at the University of Cambridge, "it is really hard to quantify social impact", and echoed by the interviewee at the Skoll Centre for Social Entrepreneurship at the University of Oxford, who states that it is complicated, seemingly impossible, to measure social impact. It could therefore be argued that measurement of social impact might instead benefit from a more qualitative approach. This sentiment is echoed by the SII:s that state that they want to measure more qualitatively, and indeed in some cases such as Reach for Change, this is increasingly being approached.

As mentioned above under *Networks*, the last few years in Sweden have seen a slight differentiation in terms of what ventures to target: CSES and Reach for Change focus on

early stage ventures, whereas Ashoka and Inkludera Invest prefer supporting ventures with a proven concept that have some existing funding already available. In the UK, the Impact Hub (specifically the Launchpad incubation program led by Impact Hub), targets early stage ventures, as does The Melting Pot in Edinburgh. Some actors, such as SE Forum have not defined what stage a venture should be in in order to be eligible for their programs, but in general there seems to be at least some differentiation in terms of what ventures to support. It seems that as the ecosystem grows, more actors emerge leading to increased competition, which necessitates incubators to differentiate their offerings. Due to growing ecosystems, both in Sweden and the UK, this differentiation is likely to continue during the coming years. On a final note, while incubators are widely accepted as a means to support innovation (Caiazza, 2014; Aerts et al., 2007; Bergek & Norrman, 2008; Nicolopoulou et al., 2015), their effectiveness are increasingly questioned (Tamasy, 2007; Chan & Lau, 2005). Since, based on the findings in this study, the majority of SII:s have troubles establishing financial sustainability, the effectiveness of SII:s as the main provider of support for social innovation could be questioned. However, in order to reach a satisfactory answer to this question, a more in-depth scrutinizing study of SII:s and their performance would be needed.

5.2 Thoughts on the Future Development of the Social Innovation Field

As already mentioned, social innovation per se is not new, but rather the concept that has come to be called 'social innovation' is. Both in the UK and in Sweden, there is an increasing amount of organisations, entrepreneurs, and investment companies claiming to work to promote social innovations in society. Increasing interest is being given to social innovations also within academic contexts, most prominently seen through the programs at the University of Oxford and the University of Cambridge. It is claimed that students of business schools are showing increased interest to the issues of social innovation and social entrepreneurship. In general, it seems as though the concept of social innovation is gaining momentum, which could possibly lead to greater potential impact in the future. However, a question raised in several interviews could potentially cast doubt on this theory: is the growing interest for social innovation potentially only a fashion, or is it here to stay?

This sentiment is echoed by several interviewees, and is indeed an interesting one. One potential outcome of the increased interest that is being witnessed currently could be the evolution of a completely new academic paradigm in the business world, overthrowing the existing institutional frameworks. If this 'social' business paradigm becomes widely accepted across the business sector, then true, large-scale impact could possibly be achieved. However, it is also possible that interest for social innovations could wane out, and in a decade from now, social innovation is not being discussed at all anymore. This could theoretically mean that the 'hype' for social innovations could have been a reaction to, for instance, the financial crisis and the underlying problems related to corporate exploitation of the financial system. In the light of this crisis, it might be that for a limited time, businesses tend to gear towards solving social issues as opposed to profit maximization, due to a dissatisfaction with the current financial system. However, a future scenario in which the term 'social innovation' is not used does not necessarily need to mean the demise of socially oriented businesses, but could actually theoretically mean that the term 'social' has become obsolete, and its core values have merged with that of the traditional business sector. In such a situation, it could be argued that the 'social' paradigm has become institutionalized; it is now the norm instead of an alternative.

Precisely these sentiments are summarized by the interviewee at the Centre for Social Innovation at the University of Cambridge. He mentions three potential scenarios for the future development of the social innovation field: *absorption*, *parallel pillars*, or *substitution*. Absorption, according to the Centre for Social Innovation at the University of Cambridge,

constitutes a future scenario in which the ideas and practices of the current, alternative social track have been completely absorbed by the 'traditional', mainstream track within business practices. Essentially, this would mean that socially oriented practices do affect the current practices, but are subordinate in nature, and after a while have been absorbed by the traditional practices, without causing a complete change. The 'parallel pillar' approach would mean that the social track develops as a completely separate, parallel, ideology. The two would be somewhat connected, but in essence divided. According to the Centre for Social Innovation at the University of Cambridge, the most likely situation is a combination of both 'absorption' and the 'twin pillar' scenario. However, in order for this to happen, he states the need for different actors to keep developing the field; it is not only up to academia to push the issue of social innovation. Almost more important however, according to the interviewee at the Centre for Social Innovation at the University of Cambridge, is the fact that it will take a long time for the field to develop properly, and it is key that many actors remain on board to see it through. If the 'social' aspect is merely a fad, then important actors are likely to abandon the concept and its values in a few years. The interviewee at the Centre for Social Innovation at the University of Cambridge touches upon the interesting sentiment that social innovation is in fact not a novel concept, but merely that the interest for it has recently increased dramatically. This idea is echoed in several other interviews in this study, and is also supported by Nicholls et al., (2015). This could point to the field of social innovation finally being able to gain enough momentum to establish itself as a key alternatives to 'traditional' innovations, thereby possibly achieving larger social impact. On the other hand, the fact that social innovations have in fact been around for a long time without achieving precisely this could mean the outlook for this to happen is bleak to say the least.

Instead of discussing how the social field relates to the 'traditional' field, the final scenario laid forth by the Centre for Social Innovation at the University of Cambridge, 'substitution', presents a scenario in which the practices of the social track would completely overthrow the current business practices, leading to an entirely new ideology within the business world. This could theoretically lead to the term of social innovation becoming obsolete; if every business in essence contains some form of social aspect, a separate label becomes unnecessary. This scenario, is what is promoted as necessary by the Director of Skoll Centre for Social Entrepreneurship at the University of Oxford, both in the interviewed performed in this study as well as in other publications. The interviewee has previously (as mentioned in the empirical section) argued that the label of social innovation currently hampers the development of social innovations, since the label creates a barrier between socially oriented businesses and 'traditional' businesses; in order to create meaningful impact, the Director of Skoll Centre for Social Entrepreneurship at the University of Oxford argues, these two must merge. This view is supported by Groot and Dankbaar (2014) who argue that some entrepreneurs should be viewed as social, and some not, but rather that social impact is a result of any entrepreneurial action. This idea is further echoed somewhat by the interviewee of Peak Region Science Park. Her vision is that incubation contexts should include programs for both social entrepreneurs and 'traditional' entrepreneurs, where they can coexist and where interaction between them is encouraged. Further, after having had a social innovation program, but which is currently no longer around, the interviewee states that "now people understand that they [traditional and social entrepreneurs] can exist in the same context" (quote translated).

Regardless of how it turns out, an increased interest for socially oriented businesses *can* be witnessed; whether this will lead to an institutional change in terms of the whole business sector, or if it will remain a separate track, remains to be seen. Social innovations with social impact already do exist. Understanding their impact and how to harness social innovation to provide even greater impact lies in the interest of both the 'traditional' business world as well as the 'new' strand of actors defining themselves as social innovators.

6 Conclusions

The purpose of this thesis was to bring clarity to the developing field of social innovation, through a comparative analysis of the contexts of Sweden and the UK, thereby investigating how a more supportive ecosystem for social innovations in Sweden could be developed. The conclusions presented below are based on a comparative study of the social innovation ecosystems in Sweden and the UK. In total, 22 interviews were performed with actors in the two country contexts.

6.1 Answers to Research Questions

Here the conclusions will be presented as answers to the three research questions of this study.

1. What constitutes a social innovation ecosystem?

In order to describe a social innovation ecosystem, the entrepreneurial ecosystem framework by Stam (2015) has been applied to the context of social innovation. The components of such an ecosystem is presented in the figure below. Each component is herein compared between Sweden and the UK.

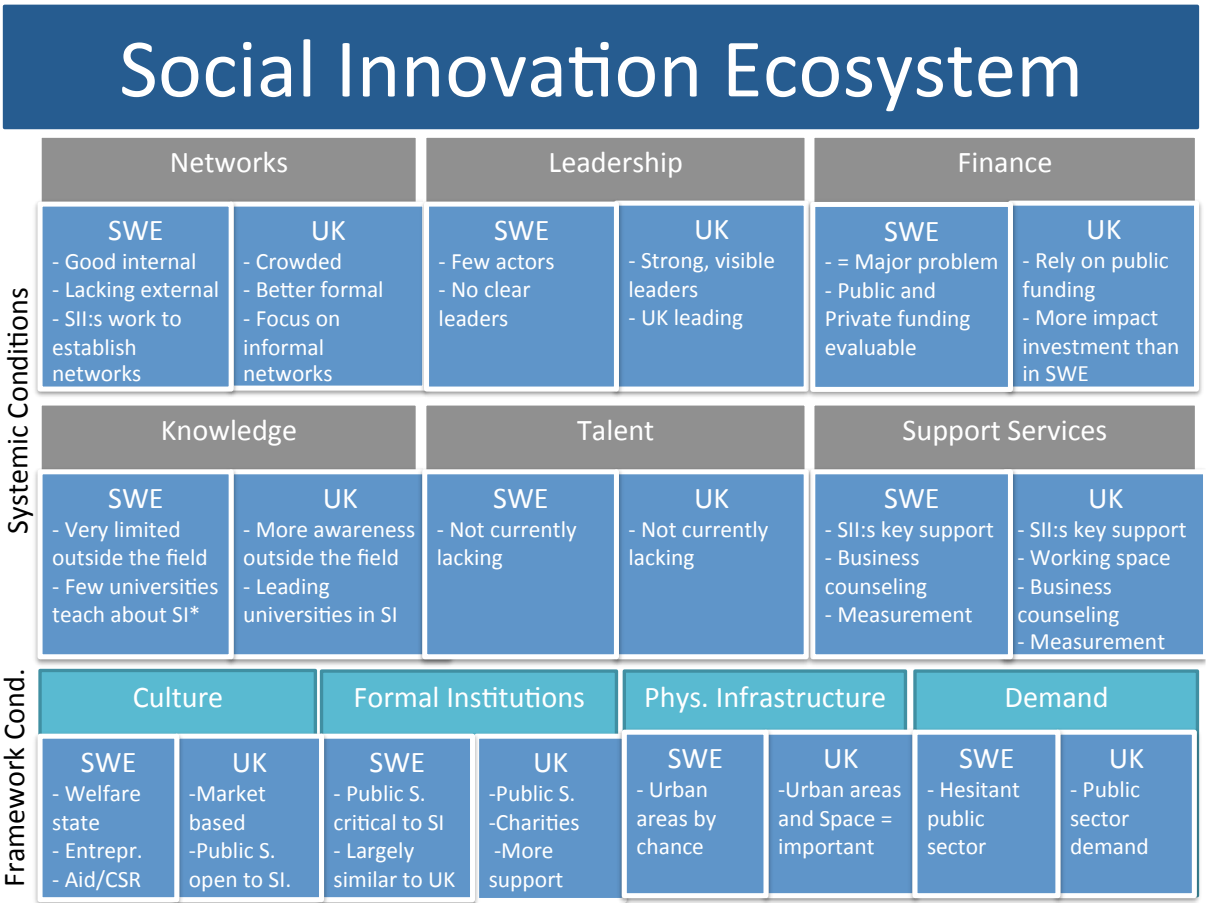


*Figure 5 – A summarising depiction of a social innovation ecosystem based on Stam's (2015) framework (*SI = Social innovation)*

The ***culture*** in Sweden and in the UK are similar in the way that they are both highly innovative countries and are both high ranking countries when it comes to giving development aid, which implies there are good prospects for social innovation to emerge. However, while the UK has a tradition of being strongly driven by capital markets and

privatisation Sweden has long been a welfare state with a strong public sector, which seems to affect the underlying assumptions of how social issues should be tackled. Compared to the UK, there is some resistance of adopting social innovation due to the strong public sector. Without saying that one context is better than the other, it can be concluded that the different cultures lead to different possibilities and challenges regarding social innovation and for its emergence in the different contexts.

Regarding ***formal institutions*** in Sweden and in the UK the same kind of institutions seem to be involved; government and the public sector, investment banks, social innovation incubators and other intermediaries, information providers and universities. However, most of the institutions in the UK support social innovation to a greater extent than those in Sweden. Both countries, and Sweden in particular, are facing the challenges of what role the public sector should take in the field. The ***physical infrastructure*** differs somewhat between the UK and Sweden. In the UK, the actors within the ecosystem seem to heavily emphasise the importance of being located in urban areas. Further, access to physical working spaces for social entrepreneurs is very important in the UK. In Sweden, on the other hand, access to a physical working space is not offered to the same extent, and does not seem to be as much of a problem; it usually works out somehow. Hence, physical infrastructure seems to be more limited in the UK. Overall there is currently a greater ***demand*** of social innovation in the UK than in Sweden as they are more open to alternative and external solutions to social problems, where governments and startups can collaborate together. There are examples of this in Sweden too, but external solutions still faces some resistance from the government.

A major issue for both social innovations in both countries is that of ***financing***. The financing options within the social innovation ecosystems in the UK and Sweden consist mainly of public funding, primarily through grants. The concept of impact investment firms (investment banks focusing on socially oriented initiatives) originates from the UK, and has seen similar initiatives in Sweden, although currently without major breakthroughs in either context. The private sector seems somewhat more willing to finance social innovations in Sweden as compared to the UK. In general, there seems to be a major gap of understanding between social innovators and those who provide venture capital. In terms of ***leadership***, Sweden seems to lack clear leading figures like in the UK, and the UK itself is often viewed as a leader in terms of social innovations. This due to the fact that the UK hosts several leading actors that has over the course of many years shaped the discourse of social innovation; the prime example being The Young Foundation. The ***knowledge*** of social innovation is, due to the reason mentioned above, higher in the UK context; more external actors, most importantly the public sector, show an awareness of social innovation in the UK compared to Sweden.

The ability to attract ***talented professionals*** does not seem to be a problem in either context, especially in Sweden, having a strong 'traditional' entrepreneurial culture. Much ***support services*** for social innovations mimic that for 'traditional' entrepreneurs: business counselling, access to networks, and financial advice. However, additional tailored support is given regarding measurement of social impact, how to access finance devoted to social initiatives, as well as access to networks related to social innovations. Finally, the interviewees in Sweden mention frequently the need for improved ***networks***. All actors seem aware of each other, and do collaborate on occasion. However, the Swedish actors express a need for more established networks with external actors; the Swedish actors devote time and resources in establishing such networks. In the UK, informal networks between social innovators are seen as slightly more important than in Sweden.

2. Within a social innovation ecosystem, what role do social innovation incubators play, and how do they tailor their support specifically for social innovations?

SII:s seem to be an integral part of the social innovation ecosystems both in the UK and in Sweden. An important note is that the SII:s in Sweden, to a greater extent than the ones in the UK, work actively with, and dedicate resources to, improving the networks surrounding social innovation, in an effort to gain increased understanding and legitimacy of the sector in relation to external actors.

In terms of support, SII:s both in the UK and Sweden tend to base their support services on what 'traditional' incubators provide; business advice and counselling. In terms of specific focus on social innovations, SII:s assist entrepreneurs with how to measure and communicate the social impact that each innovation aims to deliver. The measurement of impact is crucial in order to gain access to funding, which is one of the main issues for social innovators, and also one of the main aspects that SII:s assist with. In some cases, SII:s themselves provide funding for a period of time, whereas other assist innovators in how to receive funding from other sources. A difference between the Swedish and UK contexts seems to be the provision of a physical working space for incubatees to operate in; in the UK this is seen as important, whereas this issue is not as important in Sweden. Those who do provide physical working space motivate it with the importance of informal networks that arise from such a situation; all SII:s speak highly of the need for networks, both formal and informal, and that they work to improve the current ones.

Most SII:s are heavily reliant on public funding in the form of grants, which signals a gap between what is preached and what is practically happening; all SII:s speak of the need for their incubatees to achieve financial sustainability, whereas they themselves have great difficulties in establishing such financial sustainability. In Sweden, 3 SII:s do not receive any public funding. Coincidentally, two of these SII:s are the only ones with a clear niche in terms of what social innovations to support. Such differentiation is starting to appear in the Swedish context, and is likely to be needed in the future development of the sector, if more actors are to enter the ecosystem.

3. What factors within the social innovation ecosystem in Sweden seem to be most critical in order to improve the support for social innovations?

It is hard to point out single conditions in an ecosystem for it to evolve, as all conditions are interdependent of each other. In what seems to be still an early phase of the development of an ecosystem of social innovation, it is fair to say that for one condition to evolve another needs to evolve. This suggests that all conditions needs to be tackled systematically and almost at the same time. However, due to the context in Sweden and judging by the interviews, three conditions seem be in extra need of reinforcement, at this point in time. These conditions are: Knowledge, Network and Finance.

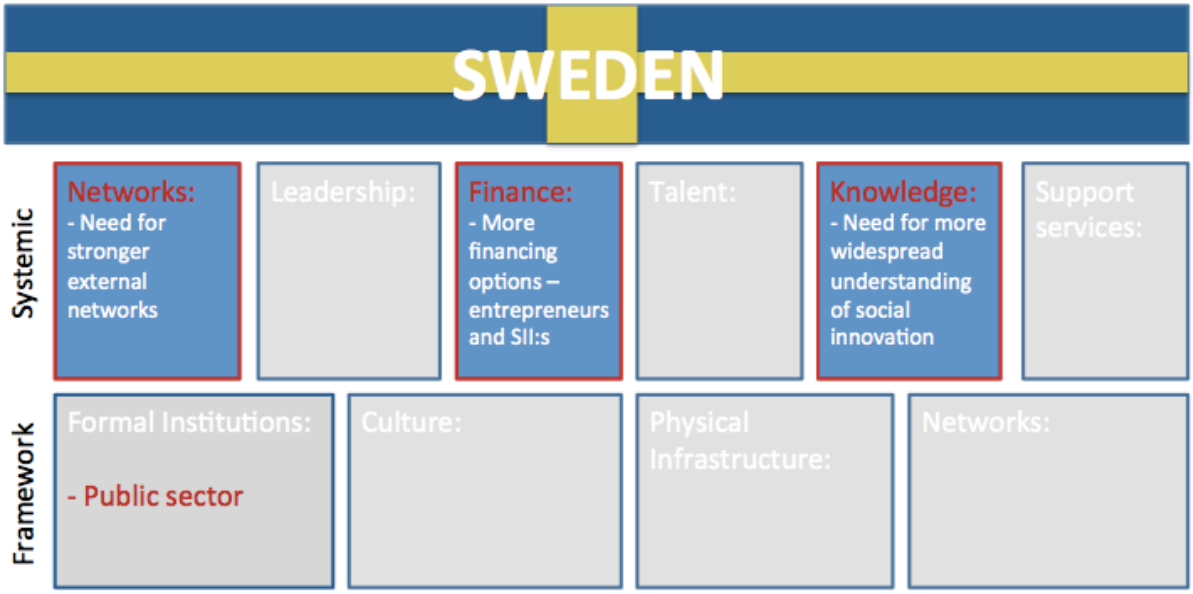


Figure 6 – Main conditions in the Swedish ecosystem to be developed

Almost all interviewees spend time, effort and resources into raising awareness of the social innovation field, creating networks and finding financial means. Due to the majority of interviewees stressing the importance of these three conditions, they are deemed as the most critical in the Swedish ecosystem. It currently seems as though these three conditions being underdeveloped is hindering the ecosystem to become more well-functioning, and for social innovations to take off and flourish. Additionally, due to the important role of the public sector as a formal institution related to social innovations, the public sector might need to become more open to adopting social innovations; inspiration could be drawn from the UK context. On a final note concerning the future development of the field of social innovations, on several occasions the topic of whether the 'social' field will eventually become part of the 'traditional' business world, or if they will remain separate entities.

6.2 Suggestions for Further Research

This study was a first attempt in applying an entrepreneurial ecosystem framework to the case of social innovation, and through a comparative analysis between Sweden and the UK reach conclusions on how social innovations are supported, and what could be done in order to improve such support in the Swedish context. While a comparative analysis does provide a better understanding than if the Swedish context were to be analyzed in isolation, a larger sample size would be desirable; possibly a comparative study between several European countries. Furthermore, even though there are differences present, it could be thought that Sweden and the UK are in fact rather similar, in terms of cultural and historical background. A comparison between countries with a greater divide in terms of cultural and historic background could prove interesting. Furthermore, more in-depth interviews with certain actors who were not part of this study would indeed be useful; of most interest being *impact investment firms*. This would yield even more interesting insights into the financing tools for social innovations, which are clearly an essential component for the whole field. Further related to financing, it would be of interest to compare SII:s who rely mainly on public funding to sustain their operations, with SII:s who rely only on private sector funding, and benchmark in terms of their performance. In this way, greater understanding of the effect of public support in terms support for social innovations could be reached. As the field of social innovation is still relatively un-researched, and the fact that more attention is being given to the field, the possibilities for future research are certainly large.

7 References

Aernoudt, R. (2004) Incubators: tool for entrepreneurship? *Small Business Economics*, vol. 23, iss. 2, pp. 127-135.

Aerts, K.; Matthyssens, P. & Vandenbempt, K. (2007) Critical role and screening practices of European business incubators. *Technovation*, vol. 27, iss. 5, pp. 254-267.

Alamaa, C. (2014) The State of Social Entrepreneurship in Sweden. *SEFORIS Country Report*. SITE, Stockholm School of Economics.

ALLEN, D. Y. M. R.(1990). Structure, policy, services, and performance in the business incubator industry. *Entrepreneurship: Theory and Practice*, vol. 15, iss. 2, pp. 61-78.

Bell, S. J.; Tracey, P. & Heide, J. B. (2009) The organization of regional clusters. *Academy of Management Review*, vol. 34, iss. 4, pp. 623-642.

Bergek, A. & Norrman, C. (2008) Incubator best practice: A framework. *Technovation*, vol. 28, iss. 1, pp. 20-28.

Biggs, R.; Westley, F. R. & Carpenter, S. R. (2010) Navigating the back loop: fostering social innovation and transformation in ecosystem management. *Ecology and society*, vol. 15, iss. 2, p. 9.

Bloom, P. N. & Dees, G. (2008) Cultivate your ecosystem. *Stanford social innovation review*, vol. 6, iss. 1, pp. 47-53.

Bøllingtoft, A. & Ulhøi, J. P. (2005) The networked business incubator—leveraging entrepreneurial agency? *Journal of business venturing*, vol. 20, iss. 2, pp. 265-290.

Bornstein, D. & Davis, S. (2010). *Social entrepreneurship:What everyone needs to know.* Oxford University Press.

Bruneel, J.; Ratinho, T.; Clarysse, B. & Groen, A. (2012) The Evolution of Business Incubators: Comparing demand and supply of business incubation services across different incubator generations. *Technovation*, vol. 32, iss. 2, pp. 110-121.

Bryman, A. (2003) *Quantity and quality in social research*. Routledge.

Caiazza, R. (2014) Benchmarking of business incubators. *Benchmarking: An International Journal*, vol. 21, iss. 6, pp. 1062-1069.

Carayannis, E. G. & Von Zedtwitz, M. (2005) Architecting gloCal (global–local), real-virtual incubator networks (G-RVINs) as catalysts and accelerators of entrepreneurship in transitioning and developing economies: lessons learned and best practices from current development and business incubation practices. *Technovation*, vol. 25, iss. 2, pp. 95-110.

Chan, K. & Lau, T. (2005) Assessing technology incubator programs in the science park: the good, the bad and the ugly. *Technovation*, vol. 25, iss. 10, pp. 1215-1228.

Cohen, D. & Crabtree, B. (2006) Qualitative research guidelines project.

Coleman, A. (2014) The world's best start-up hubs: Stockholm, Sweden. *Virgin.* https://www.virgin.com/entrepreneur/the-worlds-best-start-up-hubs-stockholm-sweden (2016-05-10).

DiCicco-Bloom, B. & Crabtree, B. F. (2006) The qualitative research interview. *Medical education*, vol. 40, iss. 4, pp. 314-321.

Dodd, S. D. & Anderson, A. R. (2007) Mumpsimus and the mything of the individualistic entrepreneur. *International Small Business Journal*, vol. 25, iss. 4, pp. 341-360.

Easterby-Smith, M.; Thorpe, R. & Jackson, P. R. (2012) *Management research*. Sage.

Freel, M. S. (2003) Sectoral patterns of small firm innovation, networking and proximity. *Research policy*, vol. 32, iss. 5, pp. 751-770.

Groot, A. & Dankbaar, B. (2014) Does Social Innovation Require Social Entrepreneurship? *Technology Innovation Management Review*, vol. 4, iss. 12.

Government Offices of Sweden (2016) *Sweden's development assistance is of world class according to new OECD review.* http://www.government.se/press-releases/2016/02/swedens-development-assistance-is-of-world-class-according-to-new-oecd-review/ (2016-05-10).

Hahn, J. & Andor, L. (2013) Guide to Social Innovation. *European Commission*.

Hall, P. & Castells, M. (1994) Technopoles of the world: the making of twenty-first-century industrial complexes. London: Routledge.

Hansen, M. T.; Berger, J. & Nohria, N. (2000) The State of the Incubator Marketspace.

Hansson, J.; Björk, F.; Lundborg, D.; Olofsson, L-E. (2014) An Ecosystem for Social Innovation in Sweden. *Strategic Innovation Area Programme.*

Hartigan, P. (2014) Why social entrepreneurship has become a distraction: it's mainstream capitalism that needs to change. *Oxfamblogs*, August 5. https://oxfamblogs.org/fp2p/why-social-entrepreneurship-has-become-a-distraction-its-mainstream-capitalism-that-needs-to-change. (2016-04-18)

Karatas-Ozkan, M.; Murphy, W. D. & Rae, D. (2005) University incubators in the UK. *The International Journal of Entrepreneurship and Innovation*, vol. 6, iss. 1, pp. 41-51.

Kickul, J. & Lyons, T. (2012) *Understanding social entrepreneurship: The relentless pursuit of mission in an ever changing world*. Routledge.

Klofsten, M. & Lindholm Dahlstrand, Å. (2002) Growth and innovation support in Swedish science parks and incubators.

Leadbeater, C. (2007) Social enterprise and social innovation: Strategies for the next ten years. *A social enterprise think piece for the Cabinet Office of the Third Sector*.

Lendner, C. & Dowling, M. University business incubators and the impact of their networks on the success of start-ups: an international study. International Conference on Science Parks and Incubators. Rensselaer Polytechnic Institute, Troy, NY. Lewin, 2003.

Lettice, F. & Parekh, M. (2010) The social innovation process: themes, challenges and implications for practice. *International Journal of Technology Management*, vol. 51, iss. 1, pp. 139-158.

Lyons, T. S.; Li, S. & Zhao, B. (2003) The state of the Wisconsin incubation industry in 2002: an analysis of the results of the survey of membership. *Report prepared for The Wisconsin Business Incubator Association*.

Macdonald, S. (1987) British science parks: reflections on the politics of high technology. *R&D Management*, vol. 17, iss. 1, pp. 25-37.

Maxwell, J. A. (2012) *Qualitative research design: An interactive approach: An interactive approach*. Sage.

Mays, N. & Pope, C. (2000) Assessing quality in qualitative research. *British medical journal*, vol. 320, iss. 7226, p. 50.

Mian, S. A. (1997) Assessing and managing the university technology business incubator: an integrative framework. *Journal of business venturing*, vol. 12, iss. 4, pp. 251-285.

Moulaert, F. (2013) *The international handbook on social innovation: collective action, social learning and transdisciplinary research*. Edward Elgar Publishing.

Mulgan, G.; Tucker, S.; Ali, R.; Sanders, B. (2007) Social Innovation – What it is, why it matters and how it can be accelerated. *Oxford Said Business School.*

Murray, R.; Caulier-Grice, J. & Mulgan, G. (2010) *The open book of social innovation*. National endowment for science, technology and the art London.

Murray, R.; Mulgan, G. & Caulier-Grice, J. (2008) How to Innovate: The tools for social innovation. *Work in progress–circulated for comment. Download from: The Young Foundation (*http://www.*youngfoundation. org/files/images/publications/Generating_Social_Innovation_0. pdf, 01/12/2009)*.

Nicholls, A. & Murdock, A. (2011) *Social innovation: Blurring boundaries to reconfigure markets*. Palgrave Macmillan.

Nicholls, A.; Simon, J. & Gabriel, M. (2015) Introduction: Dimensions of Social Innovation. In: *New Frontiers in Social Innovation Research*, eds. Nicholls, A.; Simon, J. & Gabriel, M., pp. 1-26. London: Palgrave Macmillan UK.

Nicolopoulou, K.; Karatas-Ozkan, M.; Nummann, M. & Vas, C. (2015) An incubation perspective on social innovation: the London Hub as a social. *R&D Management*.

Peters, L.; Rice, M. & Sundararajan, M. (2004) The role of incubators in the entrepreneurial process. *The Journal of Technology Transfer*, vol. 29, iss. 1, pp. 83-91.

Phan, P. H.; Siegel, D. S. & Wright, M. (2005) Science parks and incubators: observations, synthesis and future research. *Journal of business venturing*, vol. 20, iss. 2, pp. 165-182.

Phills, J. A.; Deiglmeier, K. & Miller, D. T. (2008) Rediscovering social innovation. *Stanford Social Innovation Review*, vol. 6, iss. 4, pp. 34-43.

Pitelis, C. (2012) Clusters, entrepreneurial ecosystem co-creation, and appropriability: a conceptual framework. *Industrial and Corporate Change*, p. dts008.

Porter, M. E. (2000) Location, competition, and economic development: Local clusters in a global economy. *Economic development quarterly*, vol. 14, iss. 1, pp. 15-34.

Puttick, R; & Ludlow, J. (2013) Standards of Evidence: An Approach That Balances The Need For Evidence With Innovation. *NESTA*. London.

Quintas, P.; Wield, D. & Massey, D. (1992) Academic-industry links and innovation: questioning the science park model. *Technovation*, vol. 12, iss. 3, pp. 161-175.

Regeringskansliet och Sveriges Kommuner och Landsting (2016), Stöd till riktade insatser inom området psykisk hälsa 2016 - Överrenskommelse mellan staten och Sveriges Kommuner och Landsting 2016.

Rogers, E. M. (2010) *Diffusion of innovations*. Simon and Schuster.

Roulson, M. L. K. (2014) *Social Innovation Labs: The Practice Ground for Connection and Collaboration, A Systems Re-design for Social Change.* PRESCOTT COLLEGE. at.

Schumpeter, J. A. (2013) *Capitalism, socialism and democracy*. Routledge.

Spigel, B. (2015) The Relational Organization of Entrepreneurial Ecosystems. *Entrepreneurship Theory and Practice*.

Spigel, B. & Stam, E. (2016) Entrepreneurial Ecosystems. *Handbook for Entrepreneurship and Small Business.* London: SAGE.

Stam, E. (2015) Entrepreneurial ecosystems and regional policy: a sympathetic critique. *European Planning Studies*, vol. 23, iss. 9, pp. 1759-1769.

Strauss, A. & Corbin, J. (1990) *Basics of qualitative research*. Newbury Park, CA: Sage.

The official site of Sweden (2014) *Sweden leads by example in corporate social responsibility*. https://sweden.se/business/csr-in-sweden/ (2016-05-10).

Tamasy, C. (2007) Rethinking Technology-Oriented Business Incubators: Developing a Robust Policy Instrument for Entrepreneurship, Innovation, and Regional Development? *Growth and Change*, vol. 38, iss. 3, pp. 460-473.

Taylor, J. B. (1970) Introducing social innovation. *The Journal of Applied Behavioral Science*, vol. 6, iss. 1, pp. 69-77.

Thursby, J. G. & Kemp, S. (2002) Growth and productive efficiency of university intellectual property licensing. *Research policy*, vol. 31, iss. 1, pp. 109-124.

Tracy, S. J. (2010) Qualitative quality: Eight “big-tent” criteria for excellent qualitative research. *Qualitative inquiry*, vol. 16, iss. 10, pp. 837-851.

Welter, F. (2011) Contextualizing entrepreneurship—conceptual challenges and ways forward. *Entrepreneurship Theory and Practice*, vol. 35, iss. 1, pp. 165-184.

Winter, G. (2000) A comparative discussion of the notion of'validity'in qualitative and quantitative research. *The qualitative report*, vol. 4, iss. 3, pp. 1-14.

Yunus, M. (2007) *Creating a world without poverty: Social business and the future of capitalism*. PublicAffairs.

Zahra, S. A.; Wright, M. & Abdelgawad, S. G. (2014) Contextualization and the advancement of entrepreneurship research. *International Small Business Journal*, p. 0266242613519807.

Appendices

Appendix I - List of interviews

Interviewed Organisation	Country	Interviewee(s)	Interviewer(s)	Means of Interviewing	Date (in 2016)
Ashoka Sweden	Sweden	Director of Ashoka Sweden	Simon Wessberg & Alexandra Säterberg	Skype	4th April
Coompanion	Sweden	Information Manager in Göteborg	Simon W & Alexandra Säterberg	In person	17th Feb
CSES (Center for Social Entrepreneurship in Sweden)	Sweden	Founder and Chairman	Simon Wessberg & Alexandra Säterberg	In person	26th Feb
Forum for Social Innovation (Möteplats Social Innovation)	Sweden	Manager focus area: finance and impact measurement	Simon Wessberg & Alexandra Säterberg	In person	23rd Feb
Impact Hub Stockholm	Sweden	Program Manager	Simon Wessberg & Alexandra Säterberg	In person	22nd Feb
Inkludera Invest	Sweden	Head of Impact Measurement and Strategic Development	Simon Wessberg & Alexandra Säterberg	Skype	25th April
Peak Region Science Park	Sweden	Communicator	Simon Wessberg & Alexandra Säterberg	Skype	2nd March
Reach for Change	Sweden	Head of the Swedish office, and one intern	Simon Wessberg & Alexandra Säterberg	Skype	29th March
SE Forum	Sweden	Executive Director	Simon Wessberg & Alexandra Säterberg	Skype	11th April
Vinnova	Sweden	Program manager, and one Administrator	Simon Wessberg & Alexandra Säterberg	In person	22nd Feb
Ashoka UK	UK	Associate at Ashoka Globalizer	Simon Wessberg & Alexandra Säterberg	In person	6th April
Bethnal Green Ventures	UK	Partner	Elena Guidorzi,	In person	7th March

			Simon Wessberg & Alexandra Säterberg		
Camden Unlimited	UK	CEO	Elena Guidorzi, Simon Wessberg & Alexandra Säterberg	In person	8th March
Centre for Social Innovation, at the University of Cambridge	UK	Executive Director	Simon Wessberg & Alexandra Säterberg	Skype	20th April
Greater London Authority	UK	Principal Regeneration Officer	Elena Guidorzi, Simon Wessberg & Alexandra Säterberg	In person	11th March
Harrow Council	UK	Head of Regeneration & Design, and one Head of Economic Development and Enterprise	Elena Guidorzi	In person	9th March
Hunter Centre for Social Entrepreneurship	UK	Senior Lecturer	Elena Guidorzi	Skype	2nd March
Impact Hub Brixton & Islington	UK	Co-Founder	Elena Guidorzi	In person	19th Feb
NESTA	UK	Senior Researcher in NESTA's Policy and Research unit	Elena Guidorzi, Simon Wessberg & Alexandra Säterberg	Skype	17th March
Skoll Centre for Social Entrepreneurship, at the University of Oxford	UK	Director	Simon Wessberg & Alexandra Säterberg	Skype	18th April
The Melting Pot Edinburgh	UK	Founder & Managing Director	Elena Guidorzi	Skype	3rd March
The Young Foundation	UK	Programme Leader	Simon Wessberg & Alexandra Säterberg	Skype	27th May

Appendix II – Interview templates

Below the interview questions that were used as guidelines during the interviews performed for this thesis are presented. Firstly the questions are outlined in Swedish, as the interviews in Sweden mostly were performed in Swedish. Thereafter, the questions are presented in English, which were used for the interviews in the UK and partly in Sweden.

Template for the interviews held in Sweden

Allmänt om verksamheten

- Kan ni beskriva kortfattat hur er verksamhet fungerar?
- Vad är er vision med er verksamhet?
- På vilket sätt hjälper ni projekt/företag?
- Hur ser er arbetsprocess ut?
- Hur finansierar ni er verksamhet?
- Vilka är de största utmaningarna er verksamhet står inför?

Allmänt om sociala innovationsrörelsen

- Vad innebär "social innovation" för er?
- Vad innebär en social innovationsinkubator för er?
- Vilka är de största utmaningarna ett socialt start-up möts av?
- Vad finns det för statlig hjälp att få gällande arbete med sociala innovationer?
- Förutom det ni gör för att underlätta för sociala innovationer, vad ser ni skulle behövas för att ytterligare förstärka deras genomslagskraft?
- Vad skulle ni vilja att vår rapport handlar om? Dvs, vad skulle ni vilja ha mer information/kunskap om?

Bedömning av verksamheten

- Hur bedömmer ni er verksamhets framgång?
- Hur många projekt/företag/organisationer har ni haft i er verksamhet?
- Hur stor andel av dessa företag/innovationer/projekt har kommersialiserats/blivit företag?

Lyckade projekt

- Hur bedömer ni de startade företagens framgång?
- Vad är ert mest lyckade exempel på en innovation som har lyckats?
- Hur väljer ni projekt/initiativ/företag att inkludera i er verksamhet?

Samarbeten

- Vad har ni för samarbetspartners?
- Vad har ni för samarbeten med andra inkubatorer/länder?

Template for the interviews held in the UK

General concerning your organization

- Could you briefly explain what your organization does?
- In what way does your organization help and assist projects/companies?
- What is your organization's vision?
- How does your work process look?
- How do you finance your operations?
- What are the largest challenges that your organization is facing?
- Are there any other actors that do exactly what you do? Who?
- Incubation programmes - for the individual startups or jointly courses?
- Are you only working with startups?
- How do you choose projects/initiatives/companies to assist/work with in your organization?

General about social innovation

- What does "Social Innovation" mean to you?
- What does a "Social Innovation Incubator" mean to you?
- What are the largest challenges that a social start-up faces?
- Is there governmental assistance to be found concerning social innovation? If so, what kind?
- Apart from what you in your organization do to empower social innovations, what else do you think would be needed on a societal level in order to improve their success rate?
- What would you want our report to be about? I.e. what would you need to/want to know more about?

Measurement of operations

- How do you measure the success of your organization?
- How many projects/companies/organizations have you included in your organization?
- How large a share of these projects/companies/organisations have been commercialized/become start-ups?
- How do you measure the success of your generated start-ups?
- What is your most successful social innovation?

Collaborations

- What collaboration partners do you have?
- What, if any, collaborations do you have with other incubators? With other countries?