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# MASTER THESIS

## Topic: ‘’Strategies for accelerated social innovation ‘’


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# Declaration

*I hereby declare that this Master's thesis is own work and It does contain other people's work whithout this being stated and that the bibliography contains all the literature that I have used in writing the thesis, and that all references refer to this bibliography I understand that any collation of these rules will be considered cheating and will have legal consequences.*

# Acknowledgment

Writing a master thesis is like going on a long journey. During this journey, I have discovered many new and inspiring things, and sometimes I have also faced challenges to overcome. **All gratitude goes to GOD for giving me the strength and willingness to work in my research.**

It is worth mentioning here that it would not have been possible to finish or even undertake this journey without the strong support of several people .

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# Abstract

There is growing interest in social innovation. The reason for choosing the thesis "**'Strategies for accelerated social innovation** " is that recently social innovation has a widespread scope in the business world but also contribute to society. Social innovations aside from providing material benefits, they provide greater social benefits than material benefits.

The aim of this thesis is to identify how social innovations make things easier , how we can tackle them and improve them. Economies in developed or emerging economies are obviously dominated by social innovations that raise GDP such as education, health care. The economy of a country is more affected by the provision of services than from the production of products, which in itself entails the fact that social innovations have a very important role in a country's economy. Although this field is not well-known in our country, I hope that the final results presented will be a motive for understanding the importance that social innovations have. Although social innovation happens all around us, many promising ideas are still born, blocked by vested interests or otherwise marginalized..

Based on research result from 130 respondent divided with 100 people and 30 respondents with organization (owner, director, manager) from private and public institution. Based on our first questionnaire results , we concluded that also in Macedonia most of the respondents have been member of any social activity also most of them are aware of social activities in places where they buy even if the form of accompanying wasn't as good as it should be. In our second research which was for organization from the results we concluded that more than 93% of the respondents contribute in social innovation, they also contribute in different sectors as education, energy, training.

# Abstrakt

Ekziston rritje në interes për inovacionin social. Arsyeja për zgjedhjen e tezës "**Strategjitë për përshpejtimin e inovacioneve sociale**" është se kohët e fundit inovacioni social shtrihet në një fushë të gjerë në botën e biznesit por gjithashtu kontribuon në shoqëri. Inovacionet sociale përveç ofrimit të përfitimeve materiale, ato ofrojnë përfitime më të mëdha sociale sesa përfitime materiale. Qëllimi i kësaj teze është identifikimi se si inovacionet sociale i bëjnë gjërat më të lehta, si mund t'i trajtojmë dhe t'i përmirësojmë ato. Në ekonomitë e zhvilluara ose ato në zhvillim mbizotërojnë risitë sociale që rrisin GDP-në, siç janë arsimi, kujdesi shëndetësor. Ekonomia e një vendi është më e prekur nga ofrimi i shërbimeve sesa nga prodhimi i produkteve, gjë që në vetvete përfshin faktin se risitë sociale kanë një rol shumë të rëndësishëm në ekonominë e një vendi. Edhe pse kjo fushë nuk është e mirënjohur në vendin tonë, shpresoj që rezultatet përfundimtare të paraqitura do të jenë një motiv për të kuptuar rëndësinë që kanë risitë sociale.

Megjithëse inovacioni social ndodh përreth nesh, shumë ide premtuese janë ende të lindura, të bllokuara nga interesa të caktuara ose të margjinalizuara.

Bazuar në rezultatet e hulumtimit të 130 të anketuarve të ndarë me 100 persona dhe 30 organizata të anketuar me (pronar, drejtor, menaxher) nga institucionet private dhe publike. Bazuar në rezultatet e pyetësorit tonë të parë, arritim në përfundim se edhe në Republkiën e Maqedonis shumica e të anketuarve kanë qenë anëtarë të ndonjë aktiviteti shoqëror, gjithashtu shumica e tyre janë të vetëdijshëm për aktivitetet sociale në vendet ku ata blejnë edhe nëse forma e shoqërimit nuk ishte aq e mirë sa ajo duhet të jetë. Në hulumtimin tonë të dytë që u organizua nga rezultatet, ne arritëim në përfundimin se më shumë se 93% e të anketuarve kontribuojnë në inovacionin social, ato gjithashtu kontribuojnë në sektorë të ndryshëm si arsim, energji, trajnim.

# Абстракт

Постои растечки интерес за социјални иновации. Причината за изборот на тезата "Стратегии за забрза на општествена иновација" е дека неодамна социјалните иновации имаат широк опфат во светот на бизнисот, но исто така придонесуваат и за општеството. Социјалните иновации, покрај материјалните придобивки, обезбедуваат поголеми социјални придобивки од материјалните придобивки. Целта на оваа теза е да се идентификува како социјалните иновации ги олеснуваат работите, како можеме да ги решиме и да ги подобриме.

здравствената заштита. Економијата на една земја е повеќе погодена од обезбедувањето на услуги отколку од производството на производи, што само по себе подразбира фактот дека социјалните иновации имаат многу важна улога во економијата на една земја. Иако ова поле не е добро познато во нашата земја, се надевам дека финалните резултати ќе бидат мотив за разбирање на важноста што ја имаат социјалните иновации. Иако социјалните иновации се случуваат насекаде околу нас, многу нови ветувачки идеи сè уште се раѓаат, блокирани од сопствени интереси или на друг начин маргинализирани.

Врз основа на резултатите од истражувањето од 130 испитаници поделени со 100 луѓе и 30 испитаници со организации (сопственик, директор, менаџер) од приватна и јавна институција. Врз основа на нашите први резултати од прашалникот, заклучивме дека и во Македонија најголемиот дел од испитаниците се членови на некоја социјална активност, а повеќето од нив се свесни за општествени активности на места каде што купуваат, дури и ако формата на придружба не е добра како што треба да биде. Во нашето второ истражување кое беше за организација од резултатите заклучивме дека повеќе од 93% од испитаниците придонесуваат во социјалните иновации, тие исто така придонесуваат во различни сектори како образование, енергија и обука.

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# FIRST CHAPTER: Study Frame Work

## 1.1 Introduction

"***Innovation is a part of the overall business process in bringing better operational efficiencies to our clients" CEO, North America.***

Long-standing issues such as unemployment, child poverty and growing inequalities remain challenges for governments and communities across Europe. New challenges have also emerged over the past few decades. Migration and highly diverse communities have put pressure on community cohesion and, in some cases, placed additional demands on already pressed local services; a rapidly ageing population has dramatically increased demands on health and care services as well as public and personal budgets; and new lifestyles have brought with them problems of obesity and an increase in chronic disease such as diabetes (***European Commission , Research, p.*8**)

The results of social innovation are all around us. We see the development of social innovation as an urgent task – one of the most urgent there is. There is a wide, and probably growing, gap between the scale of the problems we face and the scale of the solutions on offer. New methods for advancing social innovation are relevant in every sector but they are likely to offer most in fields where problems are intensifying (from diversity and conflict, to climate change and mental illness), in fields where existing models are failing or stagnant (from traditional electoral democracy to criminal justice), and in fields where new possibilities (such as mobile technologies and open source methods) are not being adequately exploited ***(European Commission, 2013, p.6).***

Although social innovation happens all around us, many promising ideas are still born, blocked by vested interests or otherwise marginalized. The competitive pressures that drive innovation in commercial markets are blunted or absent in the social field and the absence of institutions and funds devoted to social innovation means that too often it is a matter of luck whether ideas come to fruition, or displace less effective alternatives. As a result, many social problems remain more acute than they need to be. We advocate a much more concerted approach to social innovation, and have coined the phrase 'Social

Silicon Valleys' to describe the future places and institutions that will mobilize resources and energies to tackle social problems in ways that are comparable to the investments in technology made in the first silicon valley and its equivalents around the world. This is likely to require major changes amongst governments, foundations, civil organizations and businesses, and strategies that priorities creative connections, and institutions that can cut across boundaries ***( Mulgan, 2006, p.6).*** Today, societal trends are increasingly perceived as opportunities for innovation. What's more, trends in demography, community and social media, poverty and the environment, health and wellbeing, or ethical goods and services are more and more understood as growth markets. Just think of the growing shelf space that green (organic) and fair trade products have conquered. In addition there is a real excitement around new entrepreneurial answers and solutions to the rapidly changing challenges that these trends raise. Moreover, we already see a lot of business model experimentation – the emergence of hybrid organizational models, horizontal business models designed to create at once economic and social value ***(European Commission, 2013, p.6).*** The results of social innovation are all around us. Self-help health groups and self-build housing; telephone help lines and telethon fundraising; neighborhood nurseries and neighborhood wardens; Wikipedia and the Open University; complementary medicine, holistic health and hospices; microcredit and consumer cooperatives; charity shops and the fair trade movement; zero carbon housing schemes and community wind farms; restorative justice and community courts. All are examples of social innovation – new ideas that work to meet pressing unmet needs and improve peoples' lives ***(Mulgan, 2006, p.7).***

Social theory generally addresses 'social forces' and ignores individual action to explain reality; it is essentially deterministic. Economic developers, as well as other individual actors, exercise free will in trying to influence the development process. Together, the concepts of power, theory, interests and mediation resolve the apparent contradiction between deterministic theory and voluntaristic practice***( M. Busler, 2013, p2).***

## 1.2 Research goals and objective

The goal of this research is to identify how social innovation improve doing things in better or new ways, in which way we can meet new social need and can improve them. Economies in developed or less developed countries are dominated by social inventions, the one who deeply increase the GDP like education, health care.

Also economies are more dominated by services than manufacturing products . The objectives of our research is to confirm the role of social innovation in company, how social innovations effects employees in company, how much are successful social innovation in meaning changes.

## 1.3 Research question

The aim of this thesis is to identify how social innovations make things easier , how we can tackle them and improve them.

The economy of a country is more affected by the provision of services than from the production of products, which in itself entails the fact that social innovations have a very important role in a country's economy. Although this field is not well-known in our country.I hope that the final results presented will be a motive for understanding the importance that social innovations have.

## Hypothesis

***H1: Customers tend to buy more products and services from companies that use social innovations.***

***H2: In countries that have strategies and programs for social finance, social entrepreneurs, have a greater number of social innovations.***

***H3: Creating the right infrastructure affects the acceleration of social innovations, the number and quality of social innovations***

Nothing in business is static, things are changing rapidly and everything is moving fast. The reason why we are going to analyze above *first hypothesis* is their important role which they play in business life and private life also. Even its obvious based on some analyzes it is obvious that Social innovation pose additional opportunities for revenue growth for businesses also consumers tend to buy more products and services from companies which use social innovation.

*Second hypothesis* is focused in creating appropriate strategies which accelerates the number and quality of social innovations also the how can the countries which have strategies and programs for social finance and entrepreneurs can have a greater number of social innovations.

*The last hypothesis* also is linked with acceleration of social innovations the number and dhe quality of social innovation.

# SECOND CHAPTER- literature review

## 2.1 Innovation

### 2.1.1 Introduction to Innovation

‘*’Supporting innovation means embarking on a journey of experimentation together, in which rewards and also risks are shared. The final destination may be uncertain. This requires a level of flexibility, openness and trust from both parties and a focus not on the interests of one organization but on progress towards a shared goal..’’* ***(Jeronimo & T. Leit, 2014).***

Innovation became one of the most important sources of the national and regional economy in the past decades. Subsequently, the unveiling of innovation processes, the recognition of entities involved in renovation, as well as the research of relations and influencing factors is becoming more and more important way ***(Bikner at al, 2016, p2).*** Innovation is, according to literature, the ability to do things in another way ***(Schumpeter, 1939***).

“Innovation is the introduction of new or largely improved products (goods or services), new marketing methods, or new organizational-structural models into business practice, workplace organizations, or external relations” ***(O. Manual, 2005, p.30).*** The term innovation has become ever more widespread in disciplines other than economics, therefore it is often used in the interpretation of social, educational, environmental and social changes ***(Bikner at al, 2016, p.2).***

Innovation is defined as an “exercise in the management and reduction of uncertainty” ***(Kline and Rosenberg, 1986, p.275-276).***

The economist who theorized on innovation was J. Schumpeter. He designed a theoretic system which explained economic cycles and economic development, the key to the process of economic change being the introduction of innovations by entrepreneurs. These innovations come about when the product provision methods change, creating new products or new production methods, opening up new markets, conquering new sources

for the obtaining of raw materials or half-finished products or starting up a new industrial organization. In short, innovation is more than an invention and, in 1.- Innovation in economic thought turn, an invention does not necessarily mean innovation, as has been the case on more than one occasion throughout history **( *Azurmendi at al, 2008, p.4).***

***Why do we need standards?...***

*I really shouldn't say this, but in so, e ways it leads, in an individual product category, to a natural monopoly: where somebody properly documents, properly trains, properly promotes a particular package and through momentum, user loyalty, reputation, sales forces and prices builds a very strong position with that product* ***(Cusumano and Shelby 1996, p.157).*** For the dominant Classic tradition, a strong 'market orientation' is essential for successful innovation. In this view , effective innovation comes from seeking out customer needs and matching them with appropriate product or services offering. The importance of 'market-pull' in successful innovation is now well established. The old ideal of the boffin in an in ivory tower awaiting inspiration is an anachronism. Yet innovation as simply a matter of satisfying customer needs is a little incomplete, even from Classic concerns with profit maximization. Innovation can be put to other uses than simply making customers happy **(*Whittington, 2001, p.85).***

In line with the Schumpeterian concept, innovation is related to changes (large-scale (radical) or small (incremental) that have a significant impact on the structural changes in individual industries and market segments. In this approach, new production methods are not necessarily based on new scientific discoveries. The first use of technologies that have already been used in other industries can also be attributed to new methods. Since innovation is associated with the processes of manufacturing of the product and its use, the contents of this concept in international literature is based on different principles and each cluster of definitions has its specific characteristics ***( Linton, 2002).***

Many conceptual definitions of innovation were developed in the late 1960-s. For example Robertson (1967) defines innovation as "a process by which a new idea, behavior, or thing, which is qualitatively different from existing forms, is implemented

and applied in practice" ***(Robertson, 1967, p.14-19).***

Rogers` definition of innovation is also important for understanding the links between innovation and the newness [Rogers, 2003]. In his understanding innovation is "an idea, practice, or object that is perceived as new by an individual or other unit of adoption***"*** ***(Rogers, 2003, p12)*** .

The innovation as process or as value driver as concept is very important for assessing the efficiency of innovation. In this concept, innovation is defined as a source of competitive advantage and is seen as a decisive factor for economic growth and the basic condition of company development in a competitive environment ***(Johannessen, 2009).*** Innovation is not just about technology development rather it includes the way of financing, the way of marketing and marketing relationships, the way of creating strategic partnerships, the way of dealing with governments. The innovative nature of doing business has to be pervasive in the company, and had to look at more than just technology development ***(Rasul, 2003). As Hargadon (2003)*** argues convincingly, there is an inherent paradox in the innovation process: on the one hand, innovators need wide-ranging ties from distant environments to generate the sketchy innovative ideas, while, on the other hand, they also need the backing of solid and determined partners and mobilize support for their emerging innovations.

Innovation helps to uncover the future social and economic possibilities. Subsequently familiarizing with innovation processes, mapping those involved in innovation and researching the relations and influencing factors is becoming more and more valuable. Interpreting innovation –in another way ***(Bikner et al, 2016, p.1).***

The term innovation has developed several overlapping meanings invoking concepts such as institutional change, social purposes and public good. By and large, the existing definitions revolve around new ideas conducive to human welfare enhancement. We use this defining characteristic to suggest the following working definition: an innovation is termed a social innovation if the implied new idea has the potential to improve either the quality or the quantity of life. Examples of innovations that fit nicely with this working definition abound: innovations conducive to better education, better environmental quality and longer life expectancy are a few ***( Po & Ville, 2008, p.5).*** Many of the most successful innovators have learned to operate across the boundaries

between these sectors and innovation thrives best when there are effective alliances between small organizations and entrepreneurs (the 'bees' who are mobile, fast, and cross-pollinate) and big organizations (the 'trees' with roots, resilience and size) which can grow ideas to scale. Innovations then scale up along a continuum from diffusion of ideas to organic growth of organizations, with the patterns of growth dependent on the mix of environmental conditions (including effective demand to pay for the innovation) and capacities (managerial, financial etc.) ***(Mulgan, 2006, p.5).***

### 2.1.2 The cycle of innovations

The old cycle is not really a cycle: it moves from novel combinations to dominant design and then stalls at the mystery of the next innovation. It can not explain the fact that dominant designs precede innovations as much as they follow them ***(Nooteboom, 2000, p.180).*** Learning and innovation at different levels can be conceived of as a nesting of cycle. Discovery by people in organizations contributes to organizational cycles which contribute to industrial cycles. At any level, the cycle is contingent upon its institutional environment. Within the firm movement along the cycle depends on the institutional arrangements of the firm: organizational structure, process and culture yield forms of co-ordination that determine the conditions for exploitation and exploration in the firm ***(R. L. Draft, 2010, p.123).***

### 2.1.3 Innovation system

According to the innovation systems model, the business sector, the science sector, and policy actors are involved in this process ***( Tödtlinga et al, 2008, p.5).***

We can reconstruct innovation systems by piecing together consistent configurations of institutions, the forms of co-ordination that they allow for and the

implications for innovative performance and see to what extent these configurations fit empirical, observe systems. Clearly, this is in principle quite complex. The good thing about that is it may accommodate the rich variety of systems that we in fact observe. Complexity is reduced by the fact that there is considerable systemic coherence between institutions themselves and in configurations of compatible forms of co-ordination (***Nooteboom, 2000, p.180)***.

It yields a cycle of innovation that extends the existing life-cycle theory of innovation and industrial transformation. The approach taken builds on the view that innovation arises in particular in interaction between firms. That n tails that forms of co-ordination between firms matter for innovative performance. There fire, an important part of the effects of institutions on innovative performance is bound up with their effects on problems of governance and with the enabling conditions and constraints that they offer forms of coordination. Different system of innovation have influenced form of coordination, often it depends on government decision. This leads to a comparison between different categorical systems of innovations, which reproduce perceived differences between, for example the German and the US system of innovation ***(Draft,2010).***

### 2.1.4 Process Innovations

Process innovations involve the introduction of new methods of production, including new ways of handling a good or a service commercially. A primary goal for process innovations are the reduction of the unit costs of the products produced, which is achieved not least by introducing new machinery containing embodied knowledge. Other important goals are to preserve or increase the quality of the products produced. We must observe that, in particular, product innovations that involve the launching of completely new products may demand associated process innovations (***Karlsson & Tavssoli , 2015, p.11).***

The process innovation will likely have a negative direct effect on employment, as improved production processes reduce the need for labor. The indirect effect of the process innovation may lead to an increase in employment, for example, if lower production costs are passed through to consumers, which, in turn, increase the demand for the product ***(Pianta, 2004, p.22).*** It is not clear-cut how one should distinguish process innovations from organizational innovations. However, we prefer to think that process innovations are associated with investments in new physical equipment embodying new knowledge, i.e. investments generating embodied technical change within the firm (***Ch.Karlsson &S.Tavssoli, 2015, p.12).***

It is important to be mentioned that the process of innovation can be driven by the producers (producer-driven innovations) or by other actors (***Sandee, 1995, p.25).***

Innovation process refers to the changes in the production process that lead to increase productivity of labor and/or capital. This innovation does not always have an impact on the quality of output, but it reduces production costs so that competitiveness will increase. Investment for equipment repair, working capital, and raw materials are usually required in the innovation process ***( A.Gunadi & Brata, 2011, p.3).***

### 2.1.5 Innovation roles

The third aspect of product and technology innovation is creating structural mechanisms to make sure that new ideas are carried forward, accepted and implemented. One important factor is fostering idea champions. The formal definition of an idea champion is a person who sees the need for and champions productive change within the organization. Another way to facilitate entrepreneurship is through a new venture team. It gives a free rein to members creativity because their separate facilities and location unleash people from the restrictions imposed by organizational rules and procedures. A related idea is the new venture fund, which provides resources from which individuals and groups can draw to develop new ideas, product or businesses ***( Draft, 2014, p.378).***

### 2.1.6 Types of innovations

Another part of selection environment is the industry(supply chain) script into which the product also has to fit, such as supply channels, distribution channels and procedures for installation, maintenances and repair. Acceptance of a new product is risky to the extent that it entails an architectural change in consumer or supply-chain scripts, such as material input, or an instrument. But it can also constitute a node for the user to substitute actions into, such as a machine that he needs to operate. Thus we might see a car as an input into a consumer script for travelling (with different forms for holiday and work), but we might also see the car as imposing a driving script on the consumer ***(Nooteboom, 2002, p.185).***

A physical product is the output of a process of physical transformation. We can distinguish between a process innovation, which entails a change of producer script, and a product innovation, which entails a change of consumer script. What complicates matters further is that many products have aspects of both goods and services, as the car example showed. Even for goods the consumer may be involved in the production process, such as the specification of the configuration of the product that he wants. One of the important implications of information and communications technology is that it allows for such moves. Conversely, it allows services to become more like goods ***(Nooteboom,, 2002, p.185).*** There are three main types of innovation (process, product/service, and strategy), each of which can vary in the degree of newness (incremental to radical) and impact (sustaining versus discontinuous) ***( Baker ,2002, p.3).***

In line with ***Schumpeter (1934),*** we distinguish four main types innovation, namely, product, process, organizational and market innovation. A 10 critical question here is if we shall expect equal persistence in all four types of innovation or not? Actually, the four types of innovation are not equal. However, all types of innovation demands organizational capabilities, even if the type of capabilities varies for the different types of innovation. Such capabilities are difficult to create and costly to adjust ***(Hannan & Freeman, 1984).***

- *Process innovation* became an important topic with the rise of the quality and continuous improvement movements and, then again, with the more recent attention directed at change management, organizational learning and knowledge management. Corporations today, at least in the developed world, are reaching the limits of incremental process improvement)***( Baker, 2002, p3). Hammer and Champy (1994)*** introduced the concept of radical reengineering based on their assertion that for companies to achieve maximum efficiency and effectiveness requires radical process reengineering of the organization and its processes. Because processes lag far behind what is possible given technological advancement, it is not possible to achieve the necessary transformation through incrementalism ***( Baker , 2002, p.3).***
- Incremental product/service innovation - Although product/service innovation and process innovation are not the same thing, they are often interconnected. For example, process innovation may be required to support product or Incremental product/service innovation service innovations ***( Baker , 2002, p.4).***

  Incremental product/service innovation is oriented toward improving the features and functionality of existing products and services. Radical product/service innovation is oriented toward creating wholly new products and/or services. Product life cycles, in particular, have become shorter and shorter, causing business survival to depend on new product development and, increasingly, on the speed of innovation in order to develop and bring new products to market faster than the competition ***(Jonash and Sommerlatte, 1999)***. Organizations must direct greater attention to new product development, while maintaining and improving their existing products. Discontinuous products and services are increasingly likely with ever-faster new product/service development. Organizations must be constantly on the lookout for discontinuous new products and/or services ***( Baker ,2002, p.4).***

  - Strategy- It is, of course, possible to incrementally improve one's business strategy but ***Hamel (1996, 2000)*** contends that radical business concept innovation is now paramount. He claims that the current environment is hostile to industry incumbents and hospitable to industry revolutionaries. The fortifications

that protected the industrial oligarchy have crumbled under the weight of deregulation, technological upheaval, globalization, and social change. What is now required to ensure organizational success is to continually revolutionize the basic organizational strategy, which progressively typically requires:

♦ Radically reconceived products and services, not just developing new products and services

♦ Redefining market space

♦ Redrawing industry boundaries

### 2.1.6.1 Radical innovations

As the term broadened, innovations were seen as ranging from incremental to radical. This distinction primarily focused on the extent of newness. An innovation can be new within a particular context or new in terms of the overall marketplace of ideas. Similarly, it can be a new twist on an old theme or a radically novel idea. This distinction did not, however, clearly differentiate between newness and impact. In terms of impact, the effect of an innovation can range from: (1) contributing to fairly small improvements to products or to the way things are done, (2) causing a fundamental transformation the resulting products or services and/or the process technology of an entire industry, or (3) transforming the market place and/or the economy as a whole ***( Baker, 2002, p.3)***

Radical innovations involve entirely new product and service categories and production and delivery systems (example, wireless connection).

Architectural innovations refer to reconfigurations of the system of components that constitute the product (example the effects of miniaturization of key radio components) (***Draft, 2010, p.279).***

Another problem is associated with the measurement of radical innovation. Which means completely new product. For example, in Schumpeterian theory there is no clear distinction between radical and other types of innovations. According to Schumpeter

“creative destruction” replaces the old technology and expands new business opportunities that may be 11 subject to quantitative measurement. Authors such as Dahlin and Behrens, associate the degree of radical of inventions to the nature of ideas, on which innovation activity is based, as well as to content of new knowledge or systematic data in innovation ***[Dahlin and Behrens, 2005*, p.717-737].** Recombination of elements from different practices can lead to accommodation in the form of novel combinations (Schumpeter), yielding ‘’radical’’ or ‘’large’’ or ‘’macro innovations’’, which produce ‘punctuation’. For Schumpeter such innovations were exogenous and random. The great challenge is to specify a process by which they arise. But we need the further development of conceptual tools. Small incremental or micro inventions which might be called improvements because they are more proximate, can have larger economic consequences than radical ones. Generally, more radical distant novel combinations encounter greater problems in turning ideas into realities, box use they are more likely to require instrumental technologies that are not available, or changes in the system of use, production or distributions in which they are embedded.

Innovation does not necessarily have to follow problem solving and may precede it, or may even precede generalization. But it is usually inspired by change of context (generalization), in an accumulation of perceived failure and hints for improvement through comparison with and transfer from other practices. Reciprocation between distant practices requires a leap of imagination. The role of chance increases: we are in the field or serendipity, but it is the serendipity of the prepared mind. The role of principles of imperialism appears again: In exploring new directions one may hit upon opportunities for transfer that one was looking for.

A radically novel combination is not easy to identify as an opportunity, since it literally does not make sense, it can not be interpreted in terms of existing practices, and there for extends beyond established meanings and corresponding categories. How we can novel combinations arise? As the area of applications of an exiting practice is expanded, problems accumulate in the ongoing process of differentiation and reciprocation. Ad hoc additions and modifications mess up the clarity and efficiency of the practice and increase complexity, resulting in loss of efficiency and diminishing returns: it becomes increasingly difficult to make further additions or modifications while maintaining

coherence. Experience has accumulated as to which novel combinations of elements, gathered in reciprocation from a variety of old practices, might be successfully combined and by which architectural principles. There is a basis for reasonable hunches, there is proposed the process of abduction ***(Nooteboom, 2002 , p. 183).***

### 2.1.6.2 Technological innovation

Technology and innovation must be managed. That much is generally agreed upon by thoughtful management scholars and practitioners. But can management of technology and innovation be caught and is so how? What techniques tools and management processes facilitate successful technological innovations?

These answers to these and several related questions are of great interest to those academics and practitioners who concern themselves with organizations in which technology and innovation are vitally important. In the United States, these concerns were heightened during the late 1970s and 1980s when it became clear that America no longer enjoyed supremacy as the world's technological superpower. Japan, Korea, Germany and other European and Asian countries had made major inroads in industries once considered unassailable U.S strongholds.

First it seemed that the challenge was mainly in the traditional, capital-intensive, heavy-manufacturing industries such as steel and automobiles. But during the 1980s and early 1990s the challenge broadened to include machine tools, consumer electronics, many aspects of semiconductors, computers the telecommunications, aerospace and some aspects of biotechnology. During the 1980s and early 1990s the importance of technological innovation for competitive advantage at the level of both the firm and the country, spurred research and the development of related teaching materials. In the background of these anxiety-provoking industrial developments and calls-to-arms, however , a new revolution was already in the making: the digital revolution. The first step of the digital revolution was the radical impact of microprocessor-based personal computers, created two new technological giants during the mid 1980s-Microsoft and

Intel-that spawned entirely new ecosystems comprising thousands of new high-technology companies providing complementary products.

The second step was the growing importance during the 1990s of digital networks for enterprise data communications, which created yet another new giant-Cisco- and also spawned a new ecosystem of new high-technology companies. These developments, in turn, enabled the emergence and fast growth of still other major information-processing companies such as enterprise software giants Oracle, SAP, Siebel Systems, and BEA Systems among many others.

The third step in the digital revolution was the enormous growth since the mid-1990s of the internet, which also created new ecosystems and literally thousands of new companies including new types of players such as Netscape, e-Bay and Amazon.com. It is no exaggeration to say that the internet has affected all industrial and commercials activity and is a mega-change rivaling the magnitude of the impacts of the introductions of the automobile, electricity and the telephone.

The digital revolution once again put the United States at the center of technological innovation. But it also increased the strategic importance of technology and innovation for just about every company. Around the time of the publication of the third edition of Strategic Management of technology and innovation, Intel's Chairman Andy Grove predicted that by 2005 only companies that had adopted the internet as mission-critical technology would survive. Another revolution in biotechnology is upon us. Building on the first gene-splicing techniques developed in 1973, practical applications of cloning technologies have dramatically gained in power during the late 1990s.

Some inventions are technology based (e.g. disposable diapers, oversized tennis racquets, electronic fuel injection, and personal computers). Other innovation, such as new products or services in retailing and financial services, are facilitated by new technology (e.g. electronic data processing). The criteria for success of technological innovation are commercial rather than technical: A successful innovation is one that returns the original investments in its development plus some additional returns. This requires that a sufficiently large market for the innovation can be developed. Innovations are the outcome of the innovation process, which can be defined as the combined

activities leading to new , marketable products and services or new production and delivery systems ***(Elgar, 2000).***

### 2.1.6.3 Desirable Social Innovations

We want now to answer the following question: are all social innovations desirable? As will become apparent in a moment, the history of innovation suggests that sometimes the answer should be in the negative (e.g. cotton and cigarettes), and at other times, is ambiguous (e.g. automobile ). The consequent cheap and wide availability of cotton clothing, that was easy to clean and design into fashionable products, constituted a major social innovation. However, for the hand loom weavers who were displaced by power loom machinery, the social consequences were unambiguously disastrous. Their response, to attack and destroy machines, coined the term Luddites which has entered common parlance as opposition to innovation. The cigarette became a mass consumer product as a result of the invention and diffusion of the Bonsack cigarette machine. The cost-reducing and, for initial patent holder James Duke, profit-enhancing impact was enormous. Initially, opinion was in favor of a new consumer product, which in its wake generated new social opportunities and infrastructures.

Retrospectively, as we now know, the cigarette has been one of the greatest health disasters of the twentieth century contributing to many major causes of illness and death including heart disease and lung cancer . In the light of the preceding examples, a desirable social innovation is one that in fact ('in fact' meaning 'there is convincing evidence') improves the macro quality of life or extends life expectancy. From now on, we confine attention to desirable social innovations ***( Po & Ville, 2008, p.8).***

### 2.1.6.4 Assessing innovative capabilities

General managers are responsible for managing the innovation process. They must make difficult decisions about which innovations will receive managerial attention and resources. Insights into the firm's innovative potential and into the barriers to innovation are necessary to make effective proactive strategic choices. But how can general managers assess the innovation potential of their organization?

An audit must address at least three questions:

1. How has the firm been innovative in the areas of product and services offerings and production and delivery system>
2. How good is the fit between the firm's current business and corporate strategies and its innovative capabilities?
3. What are the firm's needs in terms of innovative capabilities to support its long-term business and corporate competitive strategies?

### 2.1.6.4 Innovative capabilities audit framework

Innovation persistence is here the result of the serial correlation in unobservable that generate different innovation competencies and capabilities of firms, i.e. dynamic capabilities ***(Teece & Pisano, 1994)*** in line with the resource-based theory of the firm (**Penrose, 1959; Langlois & Foss, 1999).** Innovative depends on technological as well as other critical capabilities in areas such as manufacturing, marketing and distribution and human resources management. For example, a technology strategy designed to achieve superior product performance must be complemented by technically trained sales forces that can educate the customer regarding the product's performance advantages and by high quality manufacturing system. Innovative capabilities can be defined as the comprehensive set of characteristics of an organization the facilitate and support innovation strategies. Innovative capabilities exist at the business unit and corporate (multi business) levels. Business unit- a unit for which a particular strategy and resource commitment posture can be defined because it has a distinct set of product markets, competitors and resources is a business unit. An innovative capabilities audit

identifies the critical variables that influence the innovation strategies at this level. Corporate- an audit at this level identifies the critical variables that influence both the relationships between corporate and business unit levels in terms of innovative capabilities and the formulation and implementation of an overall corporate innovation strategy ***( Elgar,2000, p. 277-278).***

### 2.1.6.5 Proactively managing innovations

Innovations and uncertainty go hand in hand; many a new product is due to chance. But this does not imply that innovation is unmanageable. Far from it. For example, conditions can be created in which innovations can flourish. And despite the many uncertainties and risks, the innovation process itself is to a certain degree also manageable. However, it requires a different management style and organization than is used in steady-state processes. Companies have to recognize this and adapt their routines. Organizations learn when solutions based on experience can be applied to manage problems more effectively. This learning behavior assumes a relationship between solutions and problems or, to put it differently, between cause and effect. Such a relationship seems self-evident, but it is not always so obvious in practice. For instance, those concerned with solutions (product and process design staff, for example) may be working at to a great distance from those who are actually facing the problems (production, sales and service staff). Innovation affords the greatest opportunity for learning when designers and decision makers involved with the initial stages of the process (upstream) are rapidly confronted with the (possible) effects of their choices later in the process (downstream). It is also a true with respect to innovation that the control cycle must be secured with effective feedback and advance co-ordination. An important condition for this is to have a strong, horizontal, flow-oriented organization which can tackle innovation with a holistic approach. Along with the integration of technological, marketing and organizational competencies this holistic

approach also finds expression in the integration of internal and external knowledge development and acquisition ; in a horizontal, process-based manner of organizing innovation; and in the integration of products and services into total customer added value. It emerges, as well in the integration of internal and external knowledge; the awareness that success is primarily the result of strengths in at least two competencies; emphasis on total customer added value and horizontal flow-orientated organization ***(Elgar, 2000 , p.277-278).***

### 2.1.7 Innovation and the changing workplace

Why do people resist change?

Managers and other involved in promoting new ideas have noticed that many people tend to prefer the status quo, which is one reason why change is so difficult. Understanding why people resist change is a good start toward knowing how to help lead needed change in organization. ***(Daft, 2014, p.365-367).*** Workplace Innovation focuses on how to improve aspects of work organization and introduce modern management techniques that involve workers. Workplaces with flatter hierarchies and possibility for workers to contribute are more creative and ultimately more productive and open to addressing both social and technological challenges (**European Commission, 2013, p.44).** Self interest - People typically resist a change they believe conflicts with their self-interests. A proposed change in job design, structure, or technology may increase employees' workload, for example, or cause a real or perceived loss of power, prestige, pay or benefits. Many people will do whatever they can to avoid loss.

*Lack of understanding and trust* -Employees often distrust the intentions behind a change or do not understand the intended purpose of a change. If previous working relationships with a manager or promoter of an idea have been negative, resistance may occur. *Uncertainty* - Uncertainty is lack of information about future

events. It represents a fear of the unknown. It is especially threatening for employees who have a low tolerance for change and fear anything out of the ordinary. *Different Assessments and goals* - Another reason for resistance to change is that people who will be affected by a change or innovation may assess the situation differently from managers or promoters of a new idea. Critics frequently voice legitimate disagreements over the proposed benefits of a change. *Disruptive innovation* - Disruptive innovation is becoming a goal for companies that want to remain competitive on a global basis. It refers to innovations in product or services that typically start small and end up completely replacing an existing product or services technology for producers and consumers. Companies that initiate a disruptive innovation typically win big; companies affected by disruptive technology may be put out of business. Technological advances in smart phones have paved the way for mobile credit card readers from providers such as square, Intuit Go Payment, and Merchant Anywhere. This disruptive innovation has been a major step forward for small business owners, allowing them to accept credit card payments on the fly and with minimal transaction fees. The mobile readers are especially useful for merchants who sell their wares in outdoor environments, such as flea markets, arts and crafts fairs and farmer's markets. This is connected to the trend called reverse innovation. Rathers than innovating in affluent countries and transferring products to emerging markets, companies such as Lenovo, General Electric ***(Daft, 2014, p.365-367).***

### 2.1.8 Predicting innovative success: crystal gazing?

The multiple regression comparisons were made with the constant variable 'innovative success' as dependent and will have to prove their value in further scientific research. As far as the business relevance of this study is concerned, there was still the

question from the sponsor as to weather a diagnostic instrument could be developed which, on the basis of a number of company characteristics, could indicate whether or not the company was a front-runner. As discriminant analyses allows us to distinguish between several mutually exclusive 'natural' groups which cannot be manipulated experimentally (as if the case for front-runners and pack members), it is especially suitable as a tool to answer this question. We there for used discriminant analyses to derive the (linear) combination of predictor variables which best discriminate between front-runners and pack members. This technique selects predictor variables on the basis of their contribution to the correct classification of cases into the two predefined groups. A linear discriminant function is optimal if it minimizes the probability of misclassification. The technique takes account of the interrelationships between the predictor variables. If the company classifications in the simple appear to correspond reasonably well to the actual classification (as provided by the expert***) ( Elgar,2000,p.245).***

### 2.1.9 Innovation is risky and expensive

Innovation bears not only the seeds of success but also those of destruction. It is a way to survive, but it can also be an easy way to get into financial trouble, for opportunities are created by taking risks. Companies can readily overstrain themselves in achieving their innovative ambitions. The adventures, ten years ago, of Philips in the area of mega chips and those of Gist-brocades and Shell in biotechnology are clear illustrations of this. Developing new products swallows funds and energy, especially when the developing new products funds and energy, especially when the firm moves outside its core activities. But even when new products and processes lead to immediate success on the market, innovations can still show their destructive side: new processes and products may cannibalize existing ones. This not only costs money but may lead to the loss of knowledge as well. And technological renewal is not necessarily without negative side effects. For one thing, the

company runs the risk of being taken to task by society with respect to ecological, safety and health risks and its responsibilities as a provider of jobs. Increasing globalization is constantly redefining market shares and competitive relations. Managers are thus faced with the task of innovating in an ever-changing environment. This makes it hard to establish realistic goals. Innovation can therefore not be managed as if it were steady-state process ***( Elgar, 2000, p.8-9).***

*Innovation is not a steady-state process*

But although innovation is very much on the way to becoming a permanent activity of all firms (the only constant factor we have around here is change, as one manager expressed it), it is not a steady-state process in the classical sense. Rather, it is a complex, non-routine process that confronts the organization with dilemmas and uncertainties which are mostly unknown to production processes ***( Elgar,2000, p.14 ).*** In managing innovations, organizations face a completely different control problem than in managing steady-state processes like production or logistic. The difference between controlling an innovation process and controlling a steady-state production process reveals itself with respect to:

-The time dimension – like a production process, an innovation process has a beginning and an end, but the transitory nature of the innovation process makes it impossible to build in permanent facilities. Innovation processes generally run much longer and are more stochastic than production processes.

-The system boundaries – in a production process, people work in groups whose composition of the group people working on the innovation projects or involved from the outside changes both during the process and from innovation to innovation as well.

-The amount of routinization – contrary to the case in steady-state processes when knowledge and skills learnt in a particular process are reapplied to the same process. This 'gliding down the learning curve' which occurs in steady-state processes is difficult to achieve in innovation processes, since such processes all differ from each other. In production processes, one learns from the process with the aim of mastering the same process more effectively, whereas in innovation processes one must learn from the process in order to master future, similar or related processes more effectively.

-The amount of uncertainty – the degree of freedom in an innovation process is usually much higher than in a production process, especially at the start, when there is often only a vague idea about the characteristics and appearance of the new product or simply a list of specifications. During the process, the degree of freedom will decrease ***(Elgar, 2000, p.15-16).***

### 2.1.10 Innovation killers

Three financial-analysis tools as an accomplice in the conspiracy against successful innovation. We allege crimes against these suspects:

- The use of discounted cash flows (DCF) and net present value (NPV) to evaluate investment opportunities causes managers to underestimate the real returns and benefits of proceeding with investments in innovation.
- The way that fixed and sunk costs are considered when evaluating future investments confers an unfair advantage on challengers and shackles incumbent firms that attempt to respond to an attack.
- The emphasis on earnings per share as the primarily driver of share price and hence of shareholder value creation, to the exclusion of almost everything else, diverts resources away from investments whose payoff lies beyond the immediate horizon ***(Burgeleman et al, 2009, p.846).***

### 2.1.11 Processes that support (or sabotage) innovation

As we have seen, managers in established corporations use analytical methods that make innovation investments extremely difficult to justify. As it happens, the most common system for green-lighting investment projects only reinforces the flaws inherent in the tolls and dogmas discussed earlier. Stage- gate innovation. Most established companies start by considering a broad range of possible innovations; they winnow out the less viable ideas, step by step until only the most promising ones remains. Most such processes include three stages: feasibility, development and launch. The stages are separated by stage gates: review meetings at which project teams report to senior managers what they've accomplished. On the basis of this progress and the next project 's potential the gatekeepers approve the passage of the initiative into the next phase, return it to the previous stage for more work, or kill it. Many marketers and engineers regard the stage-gate development process with disdain. Why ? because the key decision criteria at each gate are the size of projected revenues and profits from the product and the associated risks. Revenues from products that incrementally improve upon those the company is currently selling can be credibly quantified. But proposals to create growth by exploiting potentially disruptive technologies, products or business models can't be molested by hard numbers. Their markets are initially small and substantial are pitted against incremental sustaining innovations in the battle for funding, the incremental ones sail through while the seemingly riskier ones get delayed or die. The process itself has two serious drawbacks.

First, project teams generally know how good the projections (such as NPV) need to look in order to win funding, and It takes only nanoseconds to tweak an assumption and run another full scenario to get a faltering project over the hurdle rate. It, as is often the case, there are eight to 10 assumption underpinning the financial model, changing only a few of them by a mere 2% or 3% each may do the trick. It is then difficult for the senior managers who sit as gatekeepers to even discern which are the salient assumptions, let alone judge whether they are realistic. The second drawback is that the stage-gate system assumes that the proposed strategy is the right strategy. Once an innovation has been approved, developed and launched all that remains is skillful execution. If , after launch a product falls seriously short of the projections (and 75% of them do), it is canceled. The problem is that, except in the case of incremental

innovations, the right strategy-especially which job the customer wants done- can not be completely known in advance. It must emerge and then be refined. The stage-gate system ic not suited to the task of assessing innovations whose purpose is to build new growth businesses, but most companies continue to follow it simply because they see no alternative ***(Burgeleman et al, 2009, p.853).***

## 2.2 Social innovation

‘’*What can governments do to support social innovation? Policy matters! It’s a fundamental driver to help blossom social innovation and get them to scale ‘’*- ***Kriss Deiglmeier at SI LIVE, 2004*** .

As such, before and beyond the economic crisis, there are a broad range of social, economic, environmental and demographic pressures which are intensifying at a time when public budgets across Europe are being dramatically reduced. Social innovation can be a means for addressing these challenges and to modernise the public institutions which are responsible for them ***(European Commission, 2013, p.8).*** “Social innovations are innovations that are social both in their ends and in their means. Specifically, we define social innovation as new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations ***(Grice et al, 2012, p.10).*** Social innovation is an umbrella term that covers a broad range of activity ***(European Commission, 2013, p.34).***

One of the tasks of social innovation is to solve the new social and environmental problems created by social-economic changes by means of social tools **(Szörényiné, 2015).** Social innovation can be defined as the development and implementation of new ideas (products, services and models) to meet social needs and create new social relationships or collaborations. It represents new responses to pressing social demands, which affect the process of social

interactions. It is aimed at improving human well-being. They are innovations that are not only good for society but also enhance individuals' capacity to act ***(European Commission, 2013, p.6).*** The term "social" not only refers to the non-material nature of innovation and its social process that modifies social practices, behavior and relationships, but also relates to the achievement of socially desirable ends ***( Ulinski & Susanna, 2015, p.5).***

The term social entrepreneurship is used to describe the behaviors and attitudes of individuals involved in creating new ventures for social purposes, including the willingness to take risks and find creative ways of using underused assets ***( European Commission, 2013, p.16).*** To the question ''how we define innovation?'' - many people would reply by saying that ''innovation is something new, an invention, a new idea'. However, in reality innovation is not just the generation of a fresh idea for new product or process, but also includes all the stages from design and efficiency evaluation to the idea's implemented ***( Bakouros, et al, pg.42 ).***

Social Innovation refers to new ideas, institutions and innovation processes that meet societal needs through new forms of civic participation and collaboration. The challenge of Social Innovation is to involve society itself in finding alternative and novel ways to face current societal challenges such as climate change, epidemics, increasing inequality, and poverty. Social Innovation exploits Internet network effects and Internet collaborative power to harness the collective intelligence of communities in order to tackle these social challenges ***(Gibson & Pesola, 2014, p.21).*** Social innovation is booming. Around the world, leaders in politics and civil society believe social innovations solve social challenges and foster welfare through innovative practices. However, social innovations must prove that they are more than a buzzword. As a recently established field, the concept of social innovations and its research could not be more heterogeneous. It has been developed bottom-up by people such as social entrepreneurs who, after finishing their projects, have reflected on their work and its impact. Because of this bottom-up approach, academia has yet to achieve the difficult task of finding a common epistemology or any "common trends" for the research in this field, and most importantly, it has not yet established a clear-cut definition of social innovation ***(Ulinski & Susanna, 2015, p.7). Mulgan et al. (2017)***

regard social innovation as a series of innovative activities and services, which are meant to fulfill certain social needs and which are developed and spread by organizations whose primary goal is the well-being of the society.

Moreover, social innovations could be part of a new innovation paradigm, a new era of doing business, and thus provide a competitive advantage for companies and industrial locations **(Ulinski & Susanna, 2015, p.14).** Social innovation is not unique to the non-profit sector. It can be driven by politics and government (for example, new models of public health), markets (for example, open source software or organic food), movements (for example, fair trade), and academia (for example, pedagogical models of childcare), as well as by social enterprises (microcredit and magazines for the homeless***) (Mulgan, 2006, p.5).***

Social innovations as an independent form of innovation and as a field of research have become prominent only recently, most likely within the last 15 years. They are still only sparsely discussed in academics and have not yet arrived in the "mainstream". Historically, social innovations were regarded as accompanying or subordinate to technical innovations ***(Ulinski & Susanna, 2015, p.17).***

Social innovation is a tool which is capable to integrate various stakeholders to address social needs and societal challenges. Similarly, growing social problems more often have to be solved with fewer funding: and social innovation is a tool which can provide us with new, more efficient answers, able to deliver with fewer resources. Finally, complex social and societal challenges call for specific answers that have to be found locally, and social innovation is able to mobilize local actors and create localized responses ***(Eurpean Commission, 2013, p.48).***

The companies estimated the influence of the social innovation on their turnover differently. Some believed that there was no effect, or rather that it was a zero-sum game, whereas others saw a strong influence on company performance ***(Ulinski & Susanna,2015, p.*21).** Normative Understanding of Social Innovation One of the defining characteristics of social innovation, separating it from other forms of innovation such as Oslo innovations, is the claim to be "good for society", "enhance society's capacity to act" or to solve "pressing social demands". Although many definitions and literature convey a normative understanding of social innovations, the relevance and

implications of these assumptions are rarely discussed. The claim of a societal advancement of social innovation is especially necessary for actors who want to advance their projects of social innovation and attract funding. It gives their cause and project a legitimate . Value-neutrality of the concept is sometimes found in sociological literature addressing the changes in social practices ***(Ulinski & Susanna, 2015,*** **p.38).**

Social innovations should be defined in two steps, similar to Oslo innovations. First, a general definition should be made to encompass all areas of social innovation. Second, more specific and contextual definitions of social innovations should be introduced based on the particular field, such as health care, government or the workplace. This offers the advantage that first, by the general definition, the concept of social innovation can be discussed in a way that includes all possible social innovations. Furthermore a contextual definition can account for the specific characteristics of the area in which the social innovation takes place, making the definition more precise and limiting the scope for misuse of a nonspecific definition.

Common key characteristics of social innovations have emerged in the review of existing ***(Ulinski & Susanna,2015,*** **p.40-41).** Social innovation refers to new ideas that work in meeting social goals ***(Mulgan, 2006, p.8).***

On the one hand, social innovations are good for society ("category one"), and on the other hand, they change social practices and structures ("category two"). In order to introduce a more clear-cut definition based on the theoretical normative underpinning outlined in chapter two, the thesis suggests combining these two defining characteristics. Social innovations are determined by their social means and social ends. The means of social innovations change human behavior and create new social relationships, structures or collaborations, thereby enhancing individuals' capabilities. The normative claim of social innovation sets it apart from social change and all other types of innovations. The social ends of social innovations attempt to improve collective welfare, in some way are better than existing solutions, e.g. more effective, efficient, sustainable or just **(Ulinski &Susanna, 2015, p.41 ).**

It is believed that social innovation is especially difficult to implement since the uncertainty of its parameters and results allow the simulation of the required changes without its actual implementation, which is often the case in Russia. What determines the

reluctance towards social innovations and resistance to them? First of all, the subjects of these innovations are people themselves, their status, habits, attitudes, behavior, values and beliefs. The second factor is the traditional lifestyle of society, its social institutions, current economic and political systems and models of human relations. Behind all these is culture as a meaning generating construct (values and implicit theories) and features of social psychology ***( Lebedeva et al, 2012, p.4-5).*** Social innovations contribute to a dynamic society by overcoming social constraints and by increasing the opportunities for citizens, whether it be in terms of democratic participation, the way of conducting business, working habits, etc. While other innovations might be primarily designed to be labor-saving, social innovations seem to have comparably less negative consequences on unemployment ***(Ulinski & Susanna, 2015,*****p.83).** The study of innovation has evolved drastically over the last forty years. At present, innovation s viewed as a process, the success of which rests upon interactions and exchanges of knowledge. This understanding of innovation has generated the following consequences: firstly, innovation is no longer conceived as a discrete event involving only the development of a technical solution, but as a process also involving social interactions. Secondly, innovation is no longer explained by the sole combinations of tangible forms of capital (physical, financial and etc.), but also by combinations of intangible forms of capital, especially social capital ***(Lebedeva et al, 2012, p.4-5).*** Social innovation s often appointed as an essential part of agricultural and rural innovation. Everybody seems to agree that social innovation is important but what exactly is meant by the term remains often unclear ***(B. Bock, 2012, p. 1).***

A social system should be understood as a group of independent units engaged in a common process. This theory defines innovation as an idea or object that is perceived as new by an adopter. The process of emergence and implementation of new ideas and technologies is not always smooth. In order for them to function freely in society, the system of relationships and values of the society must be in compliance with the conditions of introducing and spreading innovations. Therefore, it is necessary to examine the social and cultural determinants of innovation and innovativeness ***(Lebedeva***

***et al, 2012, p.7).***

As already mentioned social innovations in Poland are considered mainly in the context of the social economy and social entrepreneurship. Thus, their development and implementation primarily relate to social work and solving social problems such as unemployment, poverty, integration and employment of people with disabilities, the reduction of the social exclusion, homelessness, and the fight against addiction ***(Klimczuk & Andrzej, 2015, p.5).*** Innovations should be 'social' in the sense of socially acceptable, relevant and ethically appropriate. This may be achieved by socializing innovation methods and reorganizing innovation as a social and collective learning process with the purpose of the common definition of problems and common design and implementation of solutions. Finally, social innovation refers to the inducement of reorganizing and improving society. In the latter case, the concept of social innovation is not only an analytical and academic concept, but also used in a normative way, stressing the need for social and political change, with clear differences, however, in the scope of change envisioned. It is, hence, important to be aware of the political element of (social) innovation and to analyze which kind of (social) the 'social innovation-jumble' we make again use of the three-folded categorization of the concept introduced above ***( Bock, 2012, p3).*** The ultimate end of social innovation is to help create better futures. Society as a whole would like to enjoy the benefits emerging from pure social innovations (new ideas improving quality or quantity of life not showing potential profits), but no individual has a sufficient incentive to pursue them. Consequently, the free market economy will not produce the socially optimal amount of pure social innovations. Government has a role to play in correcting this market failure *few* ***( Po & Ville, 2008, p.11).*** Many social innovations have to do with service innovation. This includes innovation in services and in service products, new or improved ways of designing and producing services, and Innovation in service firms, organizations and industries – organizational innovations and the management of innovation processes, within service organizations. Social design is also used as a term to describe particular approaches to social innovation. Social design is also meant to empower people at local level to invent together solutions to economic and social problems ***(European Commission, 2013, p.7 ).***

We describe a 'connected difference' theory of social innovation which emphasizes three key dimensions of most important social innovations ***( Mulgan, 2006, p.5):***

- ✓ they are usually new combinations or hybrids of existing elements, rather than being wholly new in themselves
- ✓ putting them into practice involves cutting across organizational, sectoral or disciplinary boundaries
- ✓ they leave behind compelling new social relationships between previously separate individuals and groups which matter greatly to the people involved, contribute to the diffusion and embedding of the innovation, and fuel a cumulative dynamic whereby each innovation opens up the possibility of further innovations

-This approach highlights the critical role played by the 'connectors' in any innovation system – the brokers, entrepreneurs and institutions that link together people, ideas, money and power – who contribute as much to lasting change as thinkers, creators, designers, activists and community groups ***(Mulgan, 2006, p.5).***

### 2.2.1 Social enterprise vs entrepreneur

Social entrepreneurship is not new, but it is getting momentum. Social innovation that could be delivered by social enterprises should be seen as a way to improve the welfare of communities and to foster sustainable growth. This is becoming more important with the financial and economic crisis dramatically affecting our world. Even if it is not new, the concept of social entrepreneurship is still searching for the proper

definition and boundaries. Going deeper, if we look at the issue of financing opportunities for social enterprises we realize that there is a lack of literature regarding it. Some of the financing routes that are traditionally available to businesses are also available for social entrepreneurs, with extra challenges for the latest. What is interesting is that there are some advantages for social entrepreneurs, as they could use new ways of financing that might not be available for other businesses ***(Sebea, 2013, p.1).*** The early work of ***Schumpeter (1934)*** discussed how the behavior of entrepreneurs affects the business cycle. According to Schumpeter business cycles can be attributed to different group of forces; as savings and accumulation, and innovations by entrepreneurs who develop new ways of production ***(Kuznets , 1940).***

It is widely accepted that entrepreneurship represents a core factor for economic development. What are social entrepreneurs bringing more, is that their initiatives are focused on creating social values, addressing the issue of profit as a secondary goal. It is interesting to acknowledge that running business can overlap with a passionate way to address a social problem ***(Sebea, 2013, p.1).***

This differentiates social innovation from business innovations which are generally motivated by profit maximization and diffused through organizations that are primarily motivated by profit maximization. There are of course many borderline cases, for example models of distance learning that were pioneered in social organizations but then adopted by businesses, or for profit businesses innovating new approaches to helping disabled people into work. But these definitions provide a reasonable starting point (and overly precise definitions tend to limit understanding rather than helping it) ***(Mulgan, 2006, p.8).***

#### 2.2.1.1 Removing barriers to social innovation

Many factors and barriers currently prevent social innovation in Europe from reaching its full potential. As social innovation is a complex field cutting across multiple levels and sectors, understanding the full range of barriers and their interconnections is

almost an impossible task. While some barriers are specific to a particular sector, type of organisation or geographical region, others are cross-cutting and apply to most social innovations regardless of their context. It is the latter category of barriers that we have focused on in our research **( *European Commission, p.*8 ) .**

#### 2.2.1.2 Engaging the public

Public and civil engagement activities are critical in building trust in public institutions, social capital and social cohesion in local communities, greater legitimacy in public decision making processes and more effective use of resources, as well as community and individual empowerment. These assumed benefits are so widely believed in that government and civil society activities are often seen as illegitimate if they do not include some form of citizen engagement. Citizen engagement and public participation are two terms which are often used interchangeably. They refer to a broad range of activities which involve people in the structures and institutions of democracy or in activities which are related to civil society – such as community groups, nonprofits and informal associations. We define citizen engagement in social innovation as the many ways in which more diverse actors can be brought into the process of developing and then sustaining new solutions to social challenges – essentially how citizens can be involved in developing social innovations and in social projects which are innovative. In our research, we outline three main functions of citizen engagement in social innovation – 1) providing information and resources (e.g., crowd sourcing), problem solving (e.g., co design), and taking and influencing decisions (e.g., participatory budgeting). Our research further identified four important dimensions of citizen engagement with reference to social innovation **( *European Commission, p.*8 ) .**

### 2.2.1.3 Bringing specific knowledge

**First, citizens have specific knowledge** of their own lives which no other actors can claim. Particularly in early stages of an intervention and developing an innovation, involving citizens in numerous ways may help to get a better understanding of the needs they are currently experiencing. In some cases, where it is citizens themselves who develop an innovation, needs and challenges will already be well understood. Often though, those driving an innovation process are civil servants, public policy makers and non-profit leaders who do not experience these problems in their own lives. Citizens themselves are best placed to articulate these challenges, as they are experts of their own lives. This tacit knowledge that citizens hold is often critical to the innovation process. Engaging citizens gives a first hand and more profound understanding of the social problems that an innovation might address and also of the feasibility of potential solutions **( *European Commission, p.* 24) .**

**Second Divergent thinking**, citizens' divergent thinking can be the source of innovative ideas which helps to find novel solutions to complex problems. Diverse perspectives may add particular value when we are trying to solve tough problems. This is because people with different perspectives usually have different heuristics or methods and tools for finding solutions. Diversity is especially important where the problem at hand is complex: if we only look to experts with similar perspectives and heuristics, then they are likely to 'get stuck in the same places', while a diverse group of solvers might not. Research also suggests that problem solvers who are 'marginal' in some sense – e.g. they have expertise in a very different field of study, or are in some sense distant from the 'establishment' in their own professional community – are often not bound by conventional thinking which means that they are often able to approach a problem with novel insights **( *European Commission, p.* 24) .**

**Management of complex problems**

Third, we find that citizen engagement is necessary because of the complex nature of the social challenges we face. Many social problems defy linear, top-down policy responses, because complex problems, by definition, do not have a single 'end' or a 'solution'. Consequently, it is more important to continuously manage complex problems than trying to resolve them per se. In particular, addressing many of these complex challenges requires behaviour change. Solutions to these complex problems therefore cannot be delivered in the way that commercial products are delivered – they require the participation, co-operation and 'buy in' of users **( *European Commission, p.* 24) .**

**Legitimacy of projects**

Fourth, citizen engagement can have the critical effect of increasing the legitimacy of projects and decisions. Where citizens have been involved in the design, co-production, development and implementation of a social innovation or in a decision making process relating to that innovation, the innovation is more likely to be deemed legitimate than if it had been developed without such a process. Thus, if we take into account the complex nature of social problems and social innovations addressing them and the resulting need for ongoing "management" and involvement, the need for citizen engagement in these process must not be underestimated **( *European Commission, p.* 24)** **.**

**Challenges**

However, there are also some caveats to be taken into account concerning citizen engagement, and we must acknowledge that citizen engagement is not a 'silver bullet' solution, rather there are associated risks and challenges. For instance, the value of engagement tends to be contingent on the form and practice of that activity, the context in which it is performed, and the supporting structures around it. And it is also important to make sure the right people are being engaged, and that self-exclusion or co-option by vested interests and elite groups is prevented. And finally, even where engagement does

lead to positive outcomes it may be that these are not necessarily the outcomes that policymakers, funders, practitioners and participants are expecting. This suggests that stakeholders need to be comfortable with a certain amount of uncertainty and need to be open to the possibility of unanticipated outcomes **( *European Commission, p.* 24) .**

### 2.2.2 What is social enterprise?

The concepts of social entrepreneurship and social enterprise are getting increased popularity. American (and not only) universities are teaching courses about the subject, journalist and philanthropist are frequently referring to them. But how can we define the concepts? It seems there is no universally accepted definition and sometimes confusion, misunderstanding or uncertainty occurs ***(Sebea, 2013, p.2)*.**

Discussion about social innovation is still dominated by issues about social enterprise and social entrepreneurship. However, while the terms 'social enterprise', 'social entrepreneurship' and 'social entrepreneur' are all closely connected to the concept of social innovation,59 they are distinct. We argue that the relationship between social innovation and social enterprise needs to be better examined, not least since 'the social innovation produced by social enterprise has largely been presumed rather than empirically demonstrated60. Although social enterprises (and social entrepreneurship) do require special attention and research, a problem arises when social enterprises generally, and the activities they undertake become synonymous with social innovation **( *European Commission, p.* 8).**

There are many definitions in use worldwide, with different features emphasized in different context. We use the term to refer to for-profit, 'inclusive' enterprises that aim to create a positive social impact for poor communities. These businesses are often described as having a double bottom line : creating both financial and social value ***(Gabriel et al, 2016, p.4-5).*** There are frequent confusions between the

terms social enterprise and social economy. Social enterprises are part of the social economy, which also includes foundations, charities and cooperatives. Social enterprises are businesses trading for social purposes, within the (social) economy ***(European Commission, 2013, p.16).***

Social innovation that could be delivered by social enterprises should be seen as a way to improve the welfare of communities and to foster sustainable growth. This is becoming more important with the financial and economic crisis dramatically affecting our world. Even if it is not new, the concept of social entrepreneurship is still searching for the proper definition and boundaries. Going deeper, if we look at the issue of financing opportunities for social enterprises we realize that there is a lack of literature regarding it. Some of the financing routes that are traditionally available to businesses are also available for social entrepreneurs, with extra challenges for the latest. What is interesting is that there are some advantages for social entrepreneurs, as they could use new ways of financing that might not be available for other businesses. This paper is addressing few innovative ways to finance social enterprises, taking account of new trends and developments that can shape social entrepreneurship (***Sebea & Mihai, 2013, p.2).*** Entrepreneurship can be viewed as either opportunity seeking, as money seeking, as a value creating or proactive activity and so on. The definitions included in the present discussion are concerned with the results of the activity which, based on its outcome, is fitted into the entrepreneurial category or not. They do not take a process view of what academic entrepreneurship means, they simply look at the final result of some activity considered mostly a black-box in which institutional and personal inputs go in and an entrepreneurial result comes out ***(Cantatragiu & Ramona, 2012, p.2).*** Social entrepreneurship is increasingly challenging the traditional way of doing business, and social enterprises are developing around the world, even if in statistical term they are still a niche form of business (***European Commission/OECD, 2013***).

" A person who has both a powerful idea to cause a positive social change and the creativity, skills, determination and drive to transform that idea into reality. Social entrepreneurs combine the savvy, opportunism, optimism and resourcefulness of business entrepreneurs, but they devote themselves to pursuing social change or "social profit,"

rather than financial profit. Behind all innovative business, there are entrepreneurs – Individuals who possess the foresight, belief and boldness to build something new. The same holds for social change. Behind almost all important social innovations are social entrepreneurs – people with new ideas for solving problems, who build new kinds of organizations to implement those ideas, who will not take 'no' for an answer, and who will not give up until they have spread their ideas as far as they possibly can" (***Bornstein, 2004***). ***Schumpeter (1947)*** already points out that entrepreneurship is an important mechanism creating value added within an economy: 'the inventor creates ideas, the entrepreneur "gets things done". Academic entrepreneurship can be defined as "the involvement of academic scientists and organizations in commercially relevant activities in different forms, including industry-university collaborations, university-based venture funds, university-based incubator firms, start-ups by academics, and double appointments of faculty members in firms and academic departments" ***( Pilegaard et al., 2010, p. 47).***

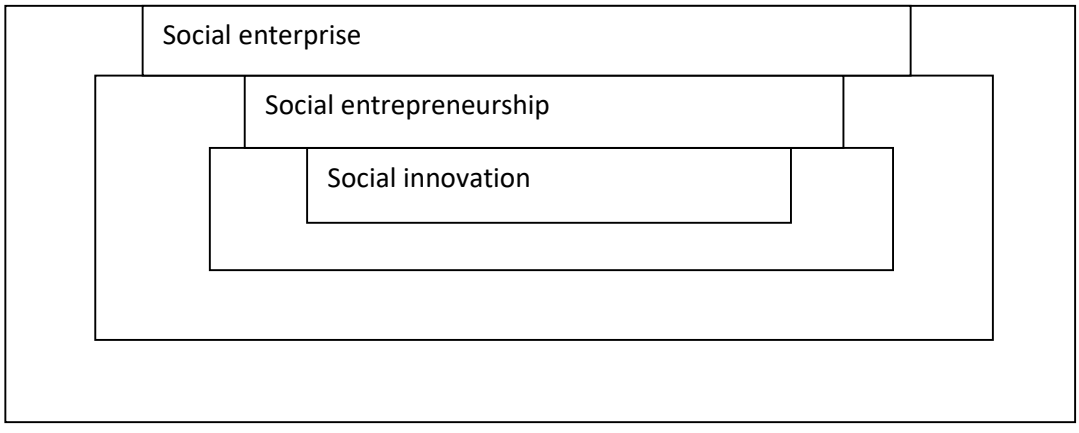
While in the case of commercial entrepreneurship the emphasis is placed on the economic returns provided by a certain activity and in the case of social entrepreneurship on social innovation, in the case of academic entrepreneurship the accent is on producing knowledge for the external partners and the academia through a meaningful dialogue ***(Cantatragiu & Ramona, 2012, p.2).*** While social entrepreneurship identifies opportunities by focusing on neglected positive externalities which result from market and state failures (***Santos, 2009).*** Moreover, the same as ***Austin et al. (2006),*** we can conclude that there is no totally commercial entrepreneurship and no totally social entrepreneurship even in the academia, and that all entrepreneurial practices have to combine elements of both. The relationship social enterprise - social innovation - smart growth is of great interest. Social innovation is a phenomenon whose pace needs to continue in this time of changing towards a new socio-economic architecture. It is mainly embedded in social enterprises, it is developing rapidly, with new types of institutions, actors and behaviors **( *Barna et al, 2017, p.9).***

***Boschma (2005, p.61-74)*** remarks that there exist several more proximities that are important for creativity, innovation and entrepreneurship. They include social proximity (e.g., friendship ties), organizational proximity (e.g., working for the same company or

company group), cognitive proximity (e.g., having the same knowledge base), and 'institutional' proximity (e.g., working under similar formal and informal institutions). First, a focus on social enterprise within social innovation discourses obscures the real and important contributions made by public sector innovators, social movements and non-entrepreneurial civil society organizations. In addition, although some discourses on social entrepreneurship view the concept very broadly, and understand it as operating within a much wider political and social context, there is generally a poor account of how social entrepreneurship relates to politics, social movements and collective action. This is problematic when trying to understand the relationship between these concepts and social change. Second and closely related, a focus on social enterprise and social entrepreneurship is problematic because there are limits to what these can achieve. Lastly, social enterprises require particular forms of support which may not be appropriate for other forms of social innovation. Focusing too heavily on the needs of social enterprises and social entrepreneurs may give rise to a range of support structures which are not adequate to the needs of other types of social innovators.

While social entrepreneurship should be viewed as a key component of current thinking within social innovation, it should be recognized that the field of social innovation is much broader than social enterprise and social entrepreneurship. Social innovation is clearly concerned with new combinations of activities and resources to develop new social practices, however, these need not be generated by entrepreneurs, and they need not take the form of market based activity **(*European Commission, p.* 32).**

### *2.2.2.1 Relationship between social innovation, social entrepreneurship and social enterprise.*



***Adapted from Nicholls & Murdock, 2012***

Social cooperative enterprises constitute an anomaly as '' non-profit enterprises'', who privately produce goods and services of collective utility without distributing any profit share to members or to employees it can make good and services more affordable ***( Defourny , 2001).*** Social enterprise is the actor of a new economy. The rise of this "new economy" is an alternative approach of the traditional economic model, and social enterprise is a driver for locally-based development in same context of globalization. An accelerated globalization, but a new wave – "a globalization with human face", "an inclusive globalization". The positive externalities of social enterprises make them key players of territorial development. Social enterprises have roots in local area, they have the capacity to mobilize available local resources, to provide local services, to engage disadvantaged groups from the territory, to enhance social capital, becoming in this way important actors, and often alternatives for subsidiaries of transnational companies which relocate for a cheaper working-force ( ***Barna et al, 2017, p.8).*** Social enterprise, inclusive business, impact entrepreneurship, whichever buzzword you choose, it's on the rise. Social enterprises can make essential goods and services like healthcare and energy more affordable. In turns, this can improve wellbeing and contribute to economic development, particularly in rural areas. They can create jobs or micro-entrepreneurship opportunities for people in low-income communities. So through the product and services they sell and the inclusive ways in which they operate, social enterprises mainly referred to micro-entrepreneurship, it is now increasingly associated with high growth opportunities that create both financial and social value, sometimes differentiated as 'social venture' ***( Gabriel et al, 2016, p.4-5).*** More clearly, social enterprise represents a new entrepreneurial form combining a social aim with business efficiency (***Barna et al, 2017, p.8).*** By selling gods or services in competition with both usual enterprises and other social enterprises, these new enterprises fulfill humane goals such as poverty reduction (for example, quality foodstuffs at lower price targeted for kids suffering from

malnutrition), health care for disadvantaged people( health insurance at low process), social justice( by providing electric power to rural areas who are not reached by the national network), environmental sustainability (by recycling waste who increase pollution in the slums) ***(Bellanca, 2013, p.7).***

Over the last decade, an increasing number of 'impact investment' funds has emerged, backed by donor agencies, philanthropic funders, corporate, private investors and governments. These funds typically look to invest in high-growth ventures that can generate financial returns- sometimes at full market rate- alongside social impact. Yet is widely recognized that there is now more investment on offer than social enterprises ready to take it on. Most social enterprises are to early stage, and high-risk to be attractive to investors. ***(Gabriel et al, 2016, p.4-5).***

Moreover, every social enterprise commits to the production of merit goods, who can be catalogued in education, social care and protection, education and work placement, access to finance. *Social activities can be also carried out by non-social enterprises- like for instance in the corporate social responsibility field- as they represent better management modalities alongside the usual provatistic purposes* ***(Bellanca, 2013, p.8).*** But**,** David Bornstein, one of the leading authors in the field, sees the social entrepreneur like "*a person who has both a powerful idea to cause a positive social change and the creativity, skills, determination and drive to transform that idea into reality. Social entrepreneurs combine the savvy, opportunism, optimism and resourcefulness of business entrepreneurs, but they devote themselves to pursuing social change or "social profit," rather than financial profit. Behind all innovative business, there are entrepreneurs – Individuals who possess the foresight, belief and boldness to build something new. The same holds for social change. Behind almost all important social innovations are social entrepreneurs – people with new ideas for solving problems, who build new kinds of organizations to implement those ideas, who will not take 'no' for an answer, and who will not give up until they have spread their ideas as far as they possibly can".* ***(Bornstein, 2004) on (Sebea, 2013, p.2)***

Collective action misfires when private incentives of a single members are not aligned to mutual results; following personal interests while not cooperating represents the personal advantage-maximizing option,

despite what others do; nevertheless, if everyone follow their own interest, the outcome is eventually worse than if they chose to follow mutual interests ***( Bellanca, 2007).*** The search process in which entrepreneurs engage to find information, resources and partners within their industrial community consists of a matching process in which participants use a combined set of categories to identify a set of potential participants and relational criteria to establish the trustworthiness of the participants, using emotional criteria, as generated in face-to-face interactions, to decide whether they should further pursue a relationship ***(Nohria, 1992***). One entrepreneur sees new venture creation, like innovation, as a case of brokering: 'a high-technology venture is like a jigsaw puzzle. Each of the pieces is unique and must fit together perfectly if you want the venture to be a success. So the chase in which everybody is involved – be it the entrepreneur, the venture capitalist, the management candidate or whoever else is in the game – is the search for those perfect 'matches' that will help put the puzzle together ( ***Nohria 1992, p.243).*** Most entrepreneurial activities, even those of solo entrepreneurs, are embedded in ongoing networks of social relationships ***(Granovetter, 1985).***

***Uzzi (1997)*** argues that the social and economic embeddedness of entrepreneurs is a two-edged sword, ranging from under-embedded (dominated by strong profit orientation, individualism and arm's length relationships) to over-embedded networks (characterized by knowledge-sharing and trust based relationships). The increased involvement of government in different areas of society has made its mission much more complex and consequently the economic, technical and social networks of government and the values distributed within the social networks have become composite. The same can be said about the academy. As long as the university employed a small elite of researchers and students, it was easy to keep its identity, values and networks. With increased resources and increased demands from the resource-providers, university's tasks have multiplied, as have its networks ***( Westlund et al, 2013, p.10).***

***Ruef (2002)*** investigates the impact of the social networks of entrepreneurs on their creative actions. These social relationships, including external contacts (e.g. with investors, customers, knowledge centres, etc.) and internal ties (e.g. composition of teams, the structure and the nature of intra firm networks), can have both a positive and negative effect on innovativeness. First, the number of direct ties can have a positive

impact on innovative output by providing firms with enhanced knowledge-sharing abilities, complementary skills and assets from different firms, and economies of scale, since larger projects significantly generate more knowledge than smaller projects.

Next, a firm's innovative output may not only be stimulated by benefits provided through their direct partners, but also be increased by the knowledge spillovers from their partners‟ partners. These indirect ties increase the amount of new information received by firms on promising new opportunities and enhance their ability to identify partners that have valuable information concerning specific problem areas. Finally, structural holes may both increase and reduce a firm's innovative output ***( W.Hulsink et al, 2008 ,p.36-37).*** Entrepreneurs with heterogeneous networks are significantly more likely to engage in innovative behavior than those with homogenous networks. This suggests that diversity combines the feedback benefits of social ties with the lack of pressure to conform associated with directed ties. Next, entrepreneurs with ties that are directed at the concrete activities of other actors are found to be more innovative and those with ties directed to the abstract discussion of ideas in expert discourse (e.g. the business press) to be less innovative than entrepreneurs relying on weak ties ***( W.Hulsink et al, 2008 , p.28).***

***Chell & Baines (2000)*** have also tried to analyze the role of social networks at critical junctures in the career path of owner-founders or the life cycle of their companies.

Entrepreneurs try to compensate a shortage of human and financial capital by resorting to their networks. Close support networks, based on strong ties (e.g. spouse, family) may provide a founder/owner with the resources he or she is lacking (***Brüderl & Preisendörfer , 1998).*** However, social enterprises could be seen as alternatives to traditional businesses, as they create a better relation with the community and clients or even with the environment. They could be implemented by different types of organizations, targeting various social values, based on different approaches for business model. Thus, social entrepreneurs should explore the prospective solutions to finance their initiative, to evaluate which of them is the most appropriate ***(Sebea, 2006, p.6).*** Although founders with a broad network may simply have more opportunities to raise start-up capital, active help from spouse of life partner and particular support from the family network are vital to increase the chances of success and provide stability to the

new firm in its early stages ***( Hulsink et al, 2008 ,p.30).***

Social enterprises are not always qualifying for finance under traditional methods/institutions they should be seek for new partners and innovative ways of financing their initiative. They are based on the fact that innovation is arising on the funding supply entities and methods as well. It is important to note that social enterprises have the chance to use dedicated and specific channels that are not available to traditional businesses ***(Sebea, 2006, p.6).*** In the dominating tradition of Putnam, social capital has most often been defined as social networks, norms, and values being distributed in these networks. A main concept in large parts of the social capital literature is that of trust. It can be discussed whether trust is a characteristic of social capital in itself or if it should be included in the category norms and values ***( Westlund et al, 2013, p. 4).*** Should the term social capital only be applied to the civil society or should it be interpreted literally and include social networks, relations, values, norms etc. also within business life and the public sector? Or to ask the question in a very simple way: is social capital something that is created and used only during people's leisure time?" (***Westlund 2006, p, 45).*** The processes of globalization have assigned great importance to the concept of social capital, which is believed to be a factor stimulating the conclusion of social bonds, creating business relationships and the exchange of knowledge ***(Libertowska &Andzelika, 2014, p.2).***
It has been argued that "bridging social capital has a larger (positive) impact on economic growth than bonding social capital***" (Beugelsdijk & Smulders, 2009, p.27).***

Spatial proximity and social capital are essential because they together stimulate a process of collective learning, which lowers transaction costs and encourages co-ordination between economic actors ***(Boschma &Lambooy, 1999, p.411-429).***
"The totality of norms, networks, mutual trust and loyalty that occur in a particular social group." (***Gajowiak, 2011, p.57)***

Social capital is also based on actors' complementary . Expressed in network terms, this means, "without heterogeneous characteristics (…) the nodes would be identical, would lack relative deficiencies and surpluses of different factors, and would therefore have no cause either to give or to receive flows in a network ***(Westlund et al, 2013, p.22).*** Social capital also affects the wealth of organizations and society by acting as

one of the measures of organizational change in the context of entrepreneurship and the processes of value creation, aimed at increasing social and economic efficiency (***Bratnicki et al., 2002, p.27-28).***

Social capital is treated as a priority to improve entrepreneurship and promoting its effects among stakeholders. In this way, a partner organization is created that uses social capital both in the short term as a success factor, and in the longer term, as an "entrepreneurial medium" (***Bratnicki et al., 2002, p.29).*** In a community that has good social capital, information will be distributed evenly and there are more opportunities for innovation. This is an important aspect of social capital, especially as a bridging social capital ( Social networks and **i**nnovation **(Aloysius Gunadi, Brata, 2011, p.6).**

Thus, the social capital that promotes economic growth in the knowledge economy is of a different type than the social capital that Putnam 'discovered'. In the knowledge economy, innovation has become the key ingredient for success in the increasingly competitive economy – and innovation is the result of creativity. The social capital that promotes growth in the knowledge economy is consequently not the social capital of stable, homogeneous networks and norms and values. Instead, it is a social capital of flexible, much more heterogeneous networks and in which creativity, flexibility, diversity and tolerance are important norms and values. This line of ideas corresponds to those of (***Florida 2002).*** Economic processes, understood as transactions and contracts are supported by social capital, which reduces the uncertainty of the parties and helps to reduce transaction costs ***(Libertovksa &Andzelika, 2014, p.7).*** In principle, creativity brings change and for social capital, this means changes in social networks and their actor composition, and changes in the norms, values and attitudes that are being distributed in the networks. Lack of creativity contributes to a stagnated social capital (***Westlund et al, 2013, p.27).*** Integration into social networks and the social ties from an individual (as opposed to regional) perspective also determine the likelihood of founding a company. The variety and strength of social connections not only increases the likelihood that someone will found a company, but also the chances that company has for success (***Piegeler, 2015, p.20)***. Social norms created on the basis of years of experience allow for the shortening of transaction time as well as learning and

validating the reliability of business partners ***(Libertovksa &Andzelika, 2014, p.7)*** **.**

Creativity is a necessary property of the entrepreneur and innovation is the result of entrepreneurship. Just like it's possible influence on creativity, social capital can either support or prevent entrepreneurship and innovation. It depends on which networks and which norms that dominates the social environments in which the entrepreneurial and innovative activities take place ***( Westlund et al, 2013, p.27).***

***Durlauf and Fafchamps (2005)*** argue that social capital yields positive externalities, which are achieved through shared values, norms and trust that affect expectations and behavior. When it comes to linking social capital, the vertical relationships between actors with different possession of power, it is neither there possible to just state that 'the more social capital, the better for economic growth'. It is the qualities of the linking social capital that matters here. The linking social capital that brings social cohesion, and stability should in 'normal' market democracies be considered as positive for economic growth, since cohesion and stability decrease uncertainty, which in its turn facilitates investment decisions. In addition, the function of linking social capital that facilitates access to resources, ideas, and information between grassroots and decision-makers should play a positive role for growth ***(Westlund et al, 2013, p .11).*** We regard creativity as one of the sources of entrepreneurship and innovation (although creativity also can have 'bad' consequences if bad actors such as criminals perform it). Depending on the types of networks and the norms and values being distributed in them, social capital can promote entrepreneurship and innovation and thus economic growth, but social capital can have an inhibiting effect on entrepreneurship and innovation ***(Westlund et al, 2013, p .2).*** Customer network ties, which refers to the ability of a key customer to provide the focal firm with introductions to a broader set of customers, enhances knowledge acquisition, as it offers technology-based firms access to a wider pool of knowledge embedded in indirect ties, making it possible to build knowledge integration skills (***Hulsink , Elfring & Stam 2008 ,*** **p.31).**

It is understood that organizations with such principal differences build social capital with very dissimilar networks. These networks connect different types of actors and are based on different norms and attitudes. The activities of the firm are executed with the aim of making profit. The firm builds technical and economic links internally

and to external actors. These links are established and maintained if they are assessed to bring net revenues. The social networks of a firm are based on more compound motives. Creation and maintenance of social links that the firm makes deliberate investment in – e.g. corporate culture, personal customer relations, etc. – are in principle controlled by the same net revenue principle as economic links ***(Westlund et al,2013, p.8).*** As a consequence of new legislation or shifts in technology and demand, entrepreneurs may realize that there is a gap between the currently available social capital and 12 the social capital required to cope with new demands or opportunities. The response could include a combination of human capital (e.g. more and better education and training of present staff and hiring new employees), financial capital (e.g. negotiating a bank loan or a deal with a venture capitalist) and social capital (e.g. recruiting a new senior manager, approaching new customers, etc.) ***(Hulsink, Elfring & Stam, 2008, p.14)***. The search and use of social capital is driven by goal-specificity: it only includes those ties that help the actor in the attainment of particular goals. Most of the research so far has been deliberately or unwillingly one-sided, by for instance only looking at entrepreneurial firms in dynamic industries (or more specifically, start-ups in the high-tech industries). Or selective attention has been paid to either the internal sources or the external contacts to trigger innovation. And when a conclusive study has been conducted into investigating both the effect of internal and external ties on innovation, the sample often includes large and established companies and managers (instead of entrepreneurs and smaller firms, as what we are interested in) ***(Hulsink, Elfring & Stam, 2008, p.2).***

### 2.2.3 Financing social innovation

Social innovations are often financed in very different ways: Some of them operate in regular commercial markets or market niches (e.g. Fair Trade); some depend entirely on private donations; other operate on the basis of grants from foundations or from public bodies; a considerable fraction is active in quasi-markets not entirely competitive on the

basis of supply and demand but heavily regulated (e.g. public services in the UK and health or elderly care in Germany). The majority of social innovators have more than one single source of income and many even combine different types of income (e.g. donations plus market income) – hybrid financial models are prevailing. Depending on the type of social innovation and the corresponding financing options available some types of financing will be inappropriate, particularly in terms of capital costs. For example, our research suggested that some social innovators would not be able to repay a loan, while others would be able to repay a loan but only at 2-3%. Very few of the organisations we interviewed would be able to repay a loan at 6-8%, the rate at which many social investment funds make investments. This suggests limitations to the role that social/impact investment can play in funding and financing social innovations. Clearly, there remains a significant role to be played by philanthropic organisations and public agencies providing capital at low or no costs. In particular, the provision of non-repayable forms of funding will remain important, since very often most impact can be made by social innovations .

It may be useful to stress one central finding about the generation of capital flows for social innovation. The most important resource for social innovation is the income model of social innovators. Although other economic actors may have similar dispositions, social innovators are particularly dependent on their own income sources, as it is decisively difficult to attract other resources for endeavours that are both social (and generally less commercially oriented) and innovative (and thus risky) at the same time. We found that social innovators very often must finance themselves and further innovations from their own income. In this respect, we may then distinguish two types of social innovators, based on their income models: First, there are those social innovators operating market business models and generating the majority of their income from sales (social enterprise activity); and second, there are those dependent on grants and donations (traditional community and voluntary sector activity) and operating in fields where the beneficiaries are so marginalized that functioning business models operating in regular markets are unlikely or impossible. We may hypothesize that this latter type generally yields more potential for social impact, because of one assumption (which will require further research): The more severe the social problems

solved by these social innovators, the less likely it is that they produce enough income from their innovations to sustain themselves, let alone finance investments in growth and further innovation. In contrast, if social innovators do operate successfully in regular markets, then their financing and investments in growth are not such a problem – regular markets and investment actors will channel required resources to where they are needed and where they will produce regular returns. Where social innovation is very much needed, however, market failure persists and the development of functioning markets is unlikely or even impossible, making it harder to attract capital. Thus, the hypothesis to be further tested is that social innovation is most needed in contexts where the market model does not work properly. However, this is not to say that social innovations which have sustainable business models are somehow of less social value – but generating capital flows for them obviously is less so much of a problem. Four key findings complement these general observations**: (** ***European Commission, p.*** **29).**

**Financing innovation and growth from income** First, since financing innovation and growth from income does not cause any capital costs or the financial risks that acquiring external growth capital brings, social innovators tend to favour it. However, there are often no markets for social innovators to generate income. Thus, many innovators depend heavily on grants and donations. Our findings indicate though that there is a tendency among social innovators to plan to become less dependent on grants and donations and generate more income from sales. Nevertheless, we need to state that the reliability and stability of an income model does not necessarily depend on whether its sources consist in grants or in sales.

**Capital costs** Second, related to this, capital costs are the main problem of investment logics to social innovators. The investment logic of commercial or impact investing is applicable on a rather limited basis, partly because of social innovators' income models, but also because of legal and cultural constraints. Online survey results showed that only some 10% of the social innovators surveyed could service commercial types of investment at market terms, while another 40% of the sample is potentially capable of repaying an investment at some reduced cost of capital. Therefore, forms DEFINING MEASURING DEVELOPING AND OVERCOMING FINANCING DIGITAL €

Financing social innovation 27 of low-cost capital are needed, and there are two principle paths to follow here: Either the capital comes directly at low or no cost in the form of a recoverable grant or a low- or zero-interest loan; or the capital comes at regular market costs and (part of) these costs are covered by a third party within some contract arrangement in favour of the social innovator. Further research is needed to analyse ways to exploit investment models through more effective mechanisms of reducing investment capital costs – which are the main barrier for this form of financing. Where financial returns cannot serve as the simple measure of organizational success, more nuanced ways of capturing impact are needed. However, comparability issues and the potential to link measurement with investment objectives and terms are central problems associated with that.

#### 2.2.3.1 Existing and potential instruments

Third, we have learned that existing instruments can satisfy innovators' capital demands. Instead of new instruments we need more effective use of the instruments available (e.g., equity, debt, grants, guarantees, etc.). It is a fairly solid conclusion that current instruments are sufficient if we make use of them through bundling the individual strengths of different types of actors. There are many different possible combinations between types of investors (banks, foundations, etc.) and types of capital (loans, soft loans, patient capital, etc.) needed by innovators. Each of these combinations comes with a specific bundle of potential advantages and disadvantages to both parties, and if a third party gets involved this relationship changes again which may be one of the most promising levers to employ to increase the effectiveness of funding social innovation. More intermediaries are needed to set up the most suitable arrangements for a given social innovation to be financed professionally and effectively.

**Non-financial support** Fourth, more non-financial support is urgently needed in the field at a level which is relatively cost-effective to provide. Here too there are very low-threshold opportunities to improve social innovators' situations. One of the most pressing needs, peer-to-peer exchange of experiences, is relatively easy to establish, e.g. through innovation labs, online platforms, hubs, etc **( *European Commission, p.* 27).**

### 2.2.3.2 Digital technology in social innovation

An increasing number of social innovations are using ICT (Information and Communication Technology), which includes online networks, communities and platforms, in the course of their activities and to achieve their goals. With the rapid growth of cheap, ubiquitous and powerful tools like the internet, the world-wide-web, social media and mobile devices, new ways of carrying out social innovation have become possible. Often this means the barriers to social innovation (e.g. connectivity, outreach and scaling) have been reduced and thresholds lowered. Thirty case studies were studied in detail, across five major societal themes: employment; health; education; place making (community and local development); and the sharing economy and sharing society. Our research identified three main types of effect:

1. Supporting: digital technology is an important supporter of existing types of social innovation by increasing efficiency and effectiveness, facilitating better social innovation through greater connectivity, simplicity and convenience. It permits existing types of social innovation to function better with improved outcomes.

2. Enabling: digital technology enables new types of social innovation which deliver new impacts and new opportunities through the use of different combinations of online platforms, and the configuration of online communities and their relationships with offline communities. It also enables new network effects at a scale not possible without digital technology which enables collective, dispersed and large scale intelligence. By

facilitating new types of bottom up and decentralised forms of collaboration, they potentially open vast new fields of social innovation, which we have only recently begun to glimpse but not yet fully understand.

3. Transforming: digital technology can dramatically change and disrupt governance and framework structures in society, and help configure new types of social and business models not otherwise possible. This can be highly transformative of existing processes, roles and relationships, particularly because their forms and impacts are unpredictable. The potential is enormous as it re-balances the playing field in favour of a broader range of actors, even those who do not use ICT given that the role of intermediary civil organizations and communities is strengthened enormously **( *European Commission, p.* 29).**

#### 2.2.3.3 What digital technology is being used?

Most successful digital social innovations seem to take place using relatively standard off-the-shelf ICT, i.e. inexpensive ICT readily available through mainstream ICT outlets which require little or very minor adaptation for use. This also implies that most digital social innovations are not at the leading edge of technology, but that much ICT is generally easy to use for large numbers of people in many different contexts and for many different purposes. In such cases, this also means that lack of ICT skills is rarely a huge barrier and can often be relatively easily overcome, even when the beneficiaries constitute a disadvantaged group with low overall skills and low access to resources. For example, standard ICT, including web portals, mobile apps and social media, which are widely and inexpensively available, is being used in the TEM initiative in Greece to support a local currency for the exchange of goods and services within groups with high unemployment and low income. This also makes it possible to retain much more local value (whether monetised or not) within the community, thus building in some resilience against further economic shocks. The majority of cases also use ICT in support of or

alongside DEFINING MEASURING DEVELOPING AND OVERCOMING FINANCING DIGITAL € Financing social innovation 29 traditional activities like mass and print media, as well as face-to-face activities through co-creation, cooperation, socialising, meetings and other events.

Who is using digital technology? Some successful digital social innovations take place where the beneficiary, whose social needs are being addressed, do not themselves need to use ICT. In such cases, ICT is used in a significant way by other relevant actors, for example by social entrepreneurs or intermediaries in the Viedome Total Community Platform initiative in the Netherlands56 to provide services directly to older people so they can remain in their homes longer. The ICT can also be deployed in parts of the value or process chain that produces the social innovation before the beneficiaries are involved, for example by civil organisations or the public sector who use data to better target pockets of social need and tailor interventions or services. In both situations, this can result in more effective social innovation outcomes, as well as the more efficient use of money and other resources. How is digital technology being used? The value chain of digital tools and platforms ranges from tools which focus on creating content and identifying unmet social needs, to those that match assets to needs, to those that identify solutions and take action to meet those needs. In most cases, ICT is used only in early parts of the chain, and this especially applies in the employment, place making and sharing economy cases where much of the rest of the value chain is implemented using traditional and physical activities. For example, the Streetbank initiative in the UK57uses the internet and mobile apps for identifying someone's needs (e.g., items, skills, recommendations) and then matches these to other people in the neighbourhood. This brings people physically together to share and use assets, helps build community relationships and cohesion, and meet material needs. Some of the health and education cases, however, use ICT along the whole value chain and do not rely on any physical or traditional activities. Examples include online discussion amongst patients with similar health conditions, as in the Patients Like Me initiative in the UK58, and the online personalisation of education, like the Professor Why initiative in Poland where pupils and students design and take their own chemistry courses.

Further analysis along the value chain shows that in many cases digital technology

and people mainly focus on tasks which each is best suited to perform in a complementary symbiosis. For example, ICT is typically used for standard, ruledriven and codifiable tasks which are data- and analytics-heavy, and where high speed and global reach are important through reductions in transaction costs and increases in process efficiency. In comparison, people seem best to carry out care, teaching, counselling, advising, advocacy, managing and undertaking uncodifiable tasks. However, the symbiosis between people and technology is constantly changing, so it is important we are aware of these differences. Social needs and social innovation outcomes All the cases examined use ICT to produce several, and sometimes many, social innovation outcomes related to social, economic, cultural and psychological needs. For example, many education and employment cases improve personal and social skills, as well as make it easier for such skills to be used to find work. In such situations, improved lifestyles often result, especially amongst disadvantaged and vulnerable groups. Many cases also develop interdependent and complementary on and offline knowledge communities, and are able to nurture social capital both virtually and physically (like in the case of Street bank). Scaling and dissemination Finally, ICT is being used as an important tool for scaling and widespread dissemination, and is sometimes the main tool.

Social innovations almost always start very small, whether geographically or in terms of size or scope, often as formal or informal experiments or pilots. ICT can be used alongside traditional and physical activities to quickly spread social innovations within their locality, sector or target group. In some cases, the digital social innovation is so compelling and successful, it becomes ‘fashionable’ and spreads almost virally via ICT, often to many other countries and continents. This is happening, for example, with local currency initiatives using ICT to exchange goods and services, and with civic engagement cases using both crowd mapping and crowd-funding to identify and finance local community projects **( *European Commission, p.* 29).**

## 2.3 Social finance

Social finance had started to show great results an prove to best eliminate the effects of last financial and economic crises. Social finance proposes a better way of dealing with poverty than philanthropy or a welfare state model (***Rexhepi, p.1).***

Governments can initiate measures that mandate private financing through regulatory legislation. This is a way to address social needs and problems without having to spend very much public money or raise taxes. Although they have slight impact on public expenditure, these mandated benefits are not without costs — the private sector pays through higher insurance rates or consumer prices (or in some cases through lower profits). In the U.S., for example, several states require private businesses to provide medical insurance to all their employees; others require that employer insurance be extended not only to employees, but to family dependents. The risk in this approach is that in some cases the costs imposed on the private sector are so high that small employers are forced out of business or that they reduce social benefits which they voluntarily provided ***(Gilbert, 2005, p.15*** ). Poverty and inequality can undercut growth itself. So inequality not only prevents the poor from benefiting from growth but can also lower economic prosperity for a whole country and region. Nevertheless, taking these financial frictions as given and ignoring incentive effects, some recommendations to reduce income inequality only suggest public policies redistributing income from the rich to the poor. Much less emphasis has been put on financial development policies as a way to reduce income inequality (***Beck, Demirgüç-Kunt & Levine, 2007).***

Social finance is a savior to the actual economic problem which it started to show huge defects, this was obvious with the last financial and economic crises. Should a great economic system show these problems and this very high level of inequality? Social finance doesn't require new economic system but uses the actual economic neoliberal system. It tries to solve some of the problems and especially change the logic from the hands of very small reach owners to a huge group of people, who will earn a reasonable profit. Because social enterprises are not own only by one person but many but by many investing very small amounts of money or other assets who usually are employed, sometime they can be even 100% employee owned. With social finance many people will be earning good amount of money instead of just a small group of people getting rich.

Social finance on the other side will lower the prices of products and services since organization won't charge huge prices because all of them require reasonable profits **(Rexhepi, p.2).**

Across all welfare pillars, production and finance are equally distributed ***( Alois &Daniel, Nuno, 2012, p.*5).** Social finance is conceptually very different approach to social welfare enhancement. It uses some concept of neoliberal markets and it is increasing the need for social and environmental improvements on the other side. It struggles to find a way for this people to stand in their own legs, because this organization will work profitably. Social finance takes care of sustainability of enterprises, these enterprises are self-financed. Social finance isn't necessary created by governments or donation but also by private investors, different organization, own funds, borrowing , taking micro loan (**Rexhepi, p.10).** While private finance exceeds production – i.e. the public side is rather producing the service but receivers or private agents have to pay – in the cases of elderly and social housing, it is the other way round in the cases of child care and job services – i.e. the public side provides funding but the production is outsourced to private side ***(Alois, Daniel & Nuno, 2012, p.*5).**

Also social finance will hire employees that belong to different social groups by which it will influence their quality of life. The main benefit here will be that it creates an organization that will be sustainable and government won't need to give them charity every year, these people are employed. Than this money can be spend on other social problems of society or create other social finance institution to help others. By charity the governments need to sponsor these groups of people every year and don't use their potential. Social finance won't substitute the actual system by it is just offering solution to some actual problems by making the social change **( Rexhepi, p.12).**

Thus, according to theory everyone gains -- government benefits with lower expenditures, consumers with higher quality and the private sector profits from the increased business. But as the saying goes, the devil lies in the details. In maximizing consumer choice, the risk with cash benefits is that the money might not be used to advance the social purpose for which it was granted. Cash grants that government allocates to families for education or child care could be spent by recipients for others less salutary purposes. And even when they do use the cash grant for designated purposes

low income recipients may be tempted to spend less than the whole amount -- buying a lower quality of service, such as child care or education, and putting the surplus to other uses. ***(Gilbert, 2005, p,17).*** What If governments due to many reason fail to deliver this grants to charity organization. Will they continue to exist? What will happen with those who are in a need then?

Social finance as a concept propose a different way of dealing with poverty ( ***Rexhepi, p.1).*** There are a lot of other billionaires, rich people, government organization that are helping others. This is great, but will this solve the problem of poverty all around the world? Let me raise a hypothetical question if all billionaires decide to give away 80% their money for charity organization who will then deliver to those in need by solving the problem for some people for some years. But will it be possible to solve the problem with world poverty forever? Unfortunately this won't be enough, mainly because of the way how these money are spent ***( Rexhepi, p.2).***

A great way of dealing with this problem comes from social finance, which is designed to help economies where everybody will benefit. Social finance today has raised a huge interest, it become a very often discussed topic in conferences, seminars, research journals, universities, government's, municipalities, publishers etc. Studies showed that after the last financial and economic crisis lot of financial organization are making pressure to corporate executives, to provide financial reports for their nonfinancial performance (***Cho et al, 2012, on G.Rexhepi,p.2).***

### 2.3.1 The architecture of social finance

Social finance influence the social change inside one economy motivating people to give up from profit maximization and orient them toward profit that will be earned while taking care of social and and environmental needs. Social finance ten to create organization that will be self-financed and not dependent on the government grant or charities. This organizations in the future will increase the number of employees and they won't be needing governments grant or charities for them to operate successfully (

***Rexhepi, p.1).*** Social innovators generally find governments unresponsive. But there are sometimes good reasons for public sectors to be cautious about innovation. Innovation must involve failure – and appetites for failure are bound to be limited in very accountable organizations, or where peoples' lives depend on the reliability of such things as traffic light systems, or welfare payments (***Mulgan, 2006, p.34).*** Social finance and its influence on social innovation and social entrepreneurship are this innovation, which proposes a better model in solving the problem especially with the four tire by creating enterprises which won't be motivated to create extra profit but reasonable profit. This means these corporations will sell cheaper and qualitative products. These are the necessary changes that governments need to make. This is not an easy step since not all government have some potential and current law framework. For some it will be very challenging for some it would be very easy and some already have this framework. The biggest challenge for underdeveloped and developing countries will be finding the needed budget and know how. Having in consideration the whole discussed logic of social finance it will be better than those governments that help these countries to concentrate their money on establishing and developing social finance. Many governments try to deal with poverty by different means like social policy, taxation, social work, social welfare or charity. In this way of operating poverty continues to be present because we just solve their problem for very short time. This is not the solution. One of the best solution to this problem comes from social finance, which is designed to help economies where everybody will benefit. Social finance will influence in the decrease of the unemployment rate, it will influence the reduction of disparities on the long run, it will lower the poverty, it will influence taking care of the environment, it will orient our energy toward social innovation etc. social finance has a three main postulates, it tries to achieve a social, environmental and financial return **( Rexhepi, p.15).** Social economy could be considered a response to the current eco-socio-economic crisis, in fact the first crisis of the globalization era. Developing social economy could mean sustainable, largely non-exportable jobs, social inclusion, improvement of local social services, and territorial cohesion ( ***Barna, et al, 2017, p.4*** ). Social finance on the other side will lower the prices of products and services since organization

won't charge huge prices because all of them require reasonable profits. Social finance will lower the inequality because there will not be extremely rich people who with their huge purchase power can increase the price of things (prices of apartments in Manhattan) but these prices will grow very slowly as the standard of people is growing. Many people will be employed and the percentage of firing employees will drop down very much. Social finance also influences social innovation and social entrepreneurship which can solve many problems of today's economic system. Social finance approaches helps governments improve outcomes by aligning interests so that capital is channeled toward the most effective interventions. Social finance creates fundamentally different kind of organization, on the mission or the organization and different ownership. This organization will influence the existing architecture and create a different kind of economy in many elements. Social finance actually represents the emergence of new models. These include social enterprises, which are oriented mainly toward solving some social problem but also trying to gain a reasonable profit. This kind of enterprises are starting to be established all around the globe, established by many people who really care about the social effect and want to earn a reasonable profit **( Rexhepi, p.13).**

### 2.3.2 Social economy

Social enterprise is the actor of a new economy. The rise of this "new economy" is an alternative approach of the traditional economic model, and social enterprise is a driver for locally-based development in same context of globalization. An accelerated globalization, but a new wave – "a globalization with human face", "an inclusive globalization".

The positive externalities of social enterprises make them key players of territorial development. Social enterprises have roots in local area, they have the capacity to mobilize available local resources, to provide local services, to engage disadvantaged groups from the territory, to enhance social capital, becoming in this way important

actors, and often alternatives for subsidiaries of transnational companies which relocate for a cheaper working-force (***Barna et al 2017, p.8).*** The social economy and social entrepreneurship are also a tool for social inclusion. They often provide employment opportunities for people facing disadvantages or provide social services and/or goods and services to persons in risk of poverty or exclusion. They are also often involved in civil society initiatives aiming at social change and social innovation ***(European Commission, 2013, p.29).***

The world is changing and is searching for innovative alternatives for survival, sustainability and success. More and more, social economy is considered a response to the actual eco-socio-economic crisis. Social economy is gaining in visibility and "the wonderful promise of social business" **(Mohammad Yunus, Nobel Peace Prize Laureate in 2006).** The emergence of social enterprise is related to the current socio-economic context: effects of the crisis, changes in the demand for and supply of welfare services, bottom-up mobilization, emergence of a new architecture of economics characterized by new types of enterprises, concepts, categories and economic processes and mechanisms. As Joseph Stiglitz, Nobel Prize for Economics, said in 2009: "we …have focused too long on one particular model, the profit maximizing firm, and in particular a variant of that model, the unfettered market. We have seen that the model does not work, and it is clear that we need alternative models." Social enterprise could also be seen as an alternative model. Generally, social enterprise refers to a 'different way' of doing business and providing general interest services by its social mission. It is a new model of enterprise that is supposed to perform in addition to public and traditional for profit enterprises. More clearly, social enterprise represents a new entrepreneurial form combining a social aim with business efficiency. Social enterprise appears like a new actor with a new entrepreneurial behavior, maybe more adequate for this socio-economic context when Economics is facing a shift from the classical economic value to the new concept of "shared value" ( ***Barna et al2017, p.7).*** The concept of social economy, French in origin, appeared in economics for the first time around 1830, refers to organizations sharing certain features, like aiming to benefit members or community. More exactly, social economy refers to entities with a wide range of organizational forms, like cooperatives, mutual aid societies, associations, foundations, and also

organizations that play noneconomic roles, including advocacy and participation ( ***Barna, et al, 2017, p.5).*** Voluntary private social benefits are most often found in countries where public provision is limited. Pension benefits constitute a major component of voluntary private social benefits everywhere, but are most important in countries where generosity of public pension benefits is comparatively limited ***(Pearson & Martin, 2005, p.9).***

Developing social economy could mean sustainable, unlock social innovation, largely non-exportable jobs, social inclusion, improvement of local social services, territorial cohesion and democratic participation. ( ***Barna, et al, 2017, p.5).***

Whilst the externalities of some social provisions and the informational asymmetries associated with others certainly justify public interest in the nature of social provisions, the consequences for whether finance and delivery of social protection should be public or private are far less clear-cut. Ensuring that communicable diseases are treated, or that old people have resources in retirement, could be achieved by mandating individuals or companies to take out appropriate medical insurance and make sufficient provision for old age. Even with the example of childcare, where it is difficult to envisage a similar solution, the case for public subsidy (***Pearson &Martin, 2005, p.13).***

#### 2.3.2.1 Demand side of social innovation

Much research has focused on the supply side of social innovation policy (e.g. how can we fund social innovations and support the development of new social innovations?). Another potential area for future research is to look at the demand side - procurement and commissioning as well as how to encourage and stimulate private demand through, for example, personalized budgets, tax incentives etc. In this respect again, it is worth further exploring the nature of social innovation and its outcomes and impacts as common goods,

as this profoundly influences how demand is perceived and satisfied. **( *European Commission, p.* 38).**

### 2.3.3.1 What are social ventures?

Throughout this report we use the phrase ‘social venture’ to denote an organization that is trying to achieve a social or environmental impact through business principles. Specifically, this report focuses on social ventures that aim to achieve impact at a large scale. In our experience, social ventures that are aiming to achieve large scale, rapid growth need a different sort of support from those that aim to stay smaller or grow more slowly ***(Miller&Stacey, 2014, p.6).***

But if social ventures are to grow, they require finance. Recognizing this, organizations across the public, private and charitable sectors have started to promote ‘social investment’. In the social sector, ‘incubation’ is a much more recent term and has become a vibrant area with a great deal of innovation and different models flowering around the world. It’s perhaps best to think of incubation as a phase rather than as defined model in itself . These groups are: ***(Miller & Stacey, 2014, p.12).***

- Impact accelerators.
- Social venture co–working spaces.
- Social venture academies.
- Impact angel networks.
- Social innovation prizes.

Incubation needs: making contacts, sales skills, preparing for the meetings, customer education, payment planning, marketing ***(Miller & Stacey, 2014, p.46).***

### 2.3.3 Social incubation

Social incubation is beginning to play an important role in the emerging ecosystem of impact investment. Even taking into account some of the risks above, we believe it is helping to reduce the risks for later–stage investors by helping ventures improve their teams, products and business models as well as signposting opportunities for funding and customers ***(Miller & Stacey, 2014, p.46).***

Business incubation itself started as a light-heartedly coined phase in Batavia, New York, when the Mancuso family converted an old warehouse that once housed a chicken coop into a set of offices to help new businesses get off their feet. From that time the concept of business innovation has come a long way. In Europe, over the last two decades it has undergone a series of evolutionary phases from the commercial transfer of academic research into a widespread network that today incorporates Governmental bodies, benchmarking systems, innovation consultants and non-governmental business support organizations that work to turn ideas into commercial realities ***( Benisi-Transition, 2013, p.4 ).*** Social incubators have emerged as the intermediary that can help social start-ups build and grow their solutions, which creates the beginning of an investible pipeline. initial selection criteria for social incubators are 'ambition for social impact' and 'commitment to meet an unmet social *need* ***(Low & Mettgenberg - Lemiere & Tan – 2016, p.9).*** Incubation – the support of early stage enterprises through intensive mentoring, training and other guidance delivered by experts – has been around for over 50 years. Support from the public sector has gone through a number of peaks and troughs of popularity ever since, but incubation is now recognized as a central driver of innovation ***(Benisi-Transition, 2013, p.4 ).***

A business incubation program is an economic and social program which provides the intensive support to start-up companies, coach them to start and accelerate their development and success through business assistance program. The main goal is to establish the successful start up companies that will leave the incubators financially viable and freestanding. In addition, the graduate companies' outcomes are jobs creation, technology transfer, commercialize new technologies and create wealth for economies ***(***

***Busler, 2013, p .1).*** 'Incubation' is a collection of techniques that can be used to prove an idea, develop a team and de–risk ventures for later–stage investors. Incubation happens in accelerator programs, co– working spaces, social venture academies and learning programs, competitions and through the work of very early–stage investors. Over the past five years all of these types of programs have increased in number around the world ***( Miller & Stacey,2014, p.6 ).***

Although social innovation incubation is a relatively new concept, it has the potential to significantly impact social activities. However, for social innovation and social enterprises to effectively solve social challenges, they have to be financially sustainable. If their income comes from the market – that is, if they provide paid services, whether from the public or private sector – evidence shows that incubation support positively impacts the likelihood of success. It is vital therefore to consider new solutions with social impact, and that takes into account the unique needs posed by social innovation and its respective players. From finding unusual suspects/ clients to formulating innovative services to serve new demands, and cater to social innovation at all its different maturity levels ***(Benisi- Transition, 2013, p.4 ).***

There are five models of incubation that have emerged to support early–stage social ventures: ***(Miller & Stacey, 2014, p.11).***

1. Co–working spaces – offering work space and opportunities for founders to access co– founders, networks and, increasingly, training.

2. Social venture academies – offer training for social venture founders and access to mentoring.

3. Impact accelerators – offer finance, training, access to networks and usually office space.

4. Social venture prizes and competitions – offer finance, profile, mentoring and often access to expertise and staff of larger organizations.

5. Impact angel investor networks – offer finance, mentoring and access to growth expertise.

Social innovation incubation is not a short/un linear process: the time and the resources needed to assess, improve, increase and measure the social impact of a project differ very much from the ones needed for the economic impact ***( Benisi- Transition, 2013, p.25 ).*** As a field, social incubation is still very young, with most programs being less than five years old. However, there are lessons to be learned from trends in the way that programs have changed over time ***( Miller & Stacey, 2014, p.46).***

• **Vertical specialization** – specializing in a particular industry or on a particular social or environmental problem, such as health or energy saving technologies, and so being able to focus on connecting ventures to a smaller group of more relevant investors.

• **Domain specialization** – providing one particular type of support to a level over and above other similar programs, for example by having world–beating design expertise in–house that is able to push forward ventures in a particular way.

• **Educating customers and investors** – finding ways to encourage large organizations to become customers of ventures in their early stages. This involves changing the attitudes of angel investors, demonstrating that there are financial gains to be made among social ventures, and changing the attitudes of philanthropists to show that they may have more impact by investing their money rather than giving it away. This can take the form of lobbying and campaigning for better procurement rules through to developing ongoing relationships with particular organizations that will work with a number of incubated startups.

• **Diversification** – some incubators are expanding into other geographic areas, or diversifying their offering to support ventures at different stages of their scaling journey.
• Opening up data – as programs develop track records, they are making more data public about their performance which enables founders and investors to make comparisons.

# THIRD CHAPTER RESEARCH RESULT AND DATA ANALYSIS

# METHODOLOGY

In this chapter we will try to describe the methodology that we used in this master research. Our focus is in research methods which helped us to achieve: dates, conclusion, analyzing and interpreting various data.

## 3.1 Research methodology and data collection

This master research is descriptive research which is based on primary sources data collection. Primary sources were collected by using questionnaires which ware designed specially for this research. We had 2 different questionnaire, one dedicated for population and the other one was dedicated to organization with managing roles such as : supervisors, managers, directors or also the questionnaire was fulfilled from the owner.

## 3.2 Main parts of questionnaire

Both managers and employess questioner had 3 parts . First part includes the general question for respondent such as : gender, education, the role of the respondent in the company etc. First questionnaire has 9 general question for the organization, 2 question with 2 option of responses also they include social information and 6 question (affirmative sentence) with 2 option of responses such as Agree and Disagree. Second

questionnaire for the organization , has 16 general question about the organization, 16 question (affirmative sentence) with 2 option of responses such as Agree and Disagree and 8 question with 2 option of responses such as Yes and No.

Second part of the questionnaire is the most important part includes affirmative definition about social innovation, social finance, how they can influence the decision to buy etc. Their responses was in two parts as Agree and Disagree.

The last part is formally created with two option of responses Yes and No, also the third part includes how social innovation creates additional abilities for organization-population in general, measurement of innovation.

### 3.3 Population and sample size

With distribution of questionnaire to private and public organization in the Republic of Macedonia we collected the primary sources. The questionnaire was direct distributed respectively hard copy, they were sent to private organization , public organization also in 2 charitable organization. The questionnaire was sent in three different language: Albanian, Macedonian, English. With direct distribution we have sent approximately 250 respondent. Via email we have asked 4 organization to participate in our research and we have received respond from 2 organization.

Our research is realized from totally 130 number of questionnaire, 100 were fulfilled from population (physical person) and 30 organization. Focusing in gender of our respondent in the first questionnaire we have 72 female respond and 28 male respond, on the second questionnaire we have 4 female respond and 26 male respond.

## 3.3 Data measurement

In first questionnaire we had 3 types of question, the possible answers for the first option of question was YES and NO, for the second option of question was AGREE, DISAGREE, NEUTRAL and the last option of answers were different option ,and they have to choose one.

The multiple resgression analyze was done with SPSS- Binary logistic, probit.

## 3.4 Pilot questionnaire distribution

Before the final distribution of questionnaire , we have done a pilot distribution of the questionnaire. The focus of the pilot distribution was to see if all question have sense to respond and if all question are understandable. This action helped us to make some correction in some questions, correction was done to some question.

# FOURTH CHAPTER RESEARCH AND DATA ANALYSIS

## 4.1 Research result 1

In this part are presented the own research result, gained from the questionnaire distributed to 30 organization and 100 employeed/unemployed, private and public organization and charitable organization.

**Results for first questionnaire**

***4.2 Figure***

| 1. Gender | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | **Female** | 72 | 72.0 | 72.0 | 72.0 |
| | **Male** | 28 | 28.0 | 28.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

From 100 respondent we have 72 females and 28 males, dividend in percent 72 % females and 28% males.

***4.3 Figure***

| 2. Age | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **18** | 5 | 5.0 | 5.0 | 5.0 |
| | **19** | 4 | 4.0 | 4.0 | 9.0 |
| | **20** | 5 | 5.0 | 5.0 | 14.0 |
| | **21** | 2 | 2.0 | 2.0 | 16.0 |
| | **22** | 3 | 3.0 | 3.0 | 19.0 |
| | 23 | 3 | 3.0 | 3.0 | 22.0 |

| | | | | | |
|---|---|---|---|---|---|
| | 24 | 3 | 3.0 | 3.0 | 25.0 |
| | 25 | 4 | 4.0 | 4.0 | 29.0 |
| | 26 | 3 | 3.0 | 3.0 | 32.0 |
| | 27 | 6 | 6.0 | 6.0 | 38.0 |
| | 28 | 6 | 6.0 | 6.0 | 44.0 |
| | 29 | 5 | 5.0 | 5.0 | 49.0 |
| | 31 | 2 | 2.0 | 2.0 | 51.0 |
| | 32 | 1 | 1.0 | 1.0 | 52.0 |
| | 33 | 1 | 1.0 | 1.0 | 53.0 |
| | 34 | 3 | 3.0 | 3.0 | 56.0 |
| | 35 | 2 | 2.0 | 2.0 | 58.0 |
| | 36 | 1 | 1.0 | 1.0 | 59.0 |
| | 37 | 4 | 4.0 | 4.0 | 63.0 |
| | 38 | 3 | 3.0 | 3.0 | 66.0 |
| | 39 | 4 | 4.0 | 4.0 | 70.0 |
| | 41 | 1 | 1.0 | 1.0 | 71.0 |
| | 42 | 1 | 1.0 | 1.0 | 72.0 |
| | 43 | 1 | 1.0 | 1.0 | 73.0 |
| | 44 | 1 | 1.0 | 1.0 | 74.0 |
| | 45 | 1 | 1.0 | 1.0 | 75.0 |
| | 46 | 1 | 1.0 | 1.0 | 76.0 |
| | 47 | 3 | 3.0 | 3.0 | 79.0 |
| | 48 | 1 | 1.0 | 1.0 | 80.0 |
| | 49 | 2 | 2.0 | 2.0 | 82.0 |
| | 51 | 1 | 1.0 | 1.0 | 83.0 |
| | 53 | 1 | 1.0 | 1.0 | 84.0 |
| | 55 | 3 | 3.0 | 3.0 | 87.0 |
| | 57 | 2 | 2.0 | 2.0 | 89.0 |
| | 58 | 3 | 3.0 | 3.0 | 92.0 |
| | 59 | 2 | 2.0 | 2.0 | 94.0 |
| | 60 | 1 | 1.0 | 1.0 | 95.0 |
| | 62 | 1 | 1.0 | 1.0 | 96.0 |
| | 64 | 1 | 1.0 | 1.0 | 97.0 |
| | 66 | 1 | 1.0 | 1.0 | 98.0 |
| | 68 | 1 | 1.0 | 1.0 | 99.0 |
| | 69 | 1 | 1.0 | 1.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

The ages of respondent are between 18-61+, and the same we have grouped as below: 14 of respondent respectively 14% are between 18-20 years, 35 of respondent or 35% are between 21-30 years, 21 of respondent or 21% are between 31-40 years, 13 of respondent or 13% are between 41-50 and 6 respondent or 6% are up to 61.

***4.4 Figure***

| 4. Education | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | **Primary school** | 11 | 11.0 | 11.0 | 11.0 |
| | **Secondary school** | 33 | 33.0 | 33.0 | 44.0 |
| | **University degree** | 40 | 40.0 | 40.0 | 84.0 |
| | **Post university degree** | 16 | 16.0 | 16.0 | 100.0 |
| | **Total** | 100 | 100.0 | 100.0 | |
| | | | | | |

Based on the results, from 100 respondent we have 11 of them with primary school or 11%, 33 or 33% with secondary school, 40 of respondent are with university degree respectively 40% and 16 from 100 respondents have post university degree or respectively 16%.

***4.5 Figure***

| 4 **Marital Status** | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | **Married** | 61 | 61.0 | 61.0 | 61.0 |
| | **Single** | 32 | 32.0 | 32.0 | 93.0 |

| | | | | | |
|---|---|---|---|---|---|
| | **Divorced** | 3 | 3.0 | 3.0 | 96.0 |
| | **Widower** | 4 | 4.0 | 4.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

From question regarding marital status of respondent we have these responds:
As we can see 61 or respectively 61% of respondent we have married, 32 from 100 respondent or 32% of them are single, and 4% of them are widower.

***4.6 Figure***

| 5. **Where do you work?** | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | **Private organization** | 23 | 23.0 | 23.0 | 23.0 |
| | **Public institution** | 44 | 44.0 | 44.0 | 67.0 |
| | **Unemployed** | 33 | 33.0 | 33.0 | 95.0 |
| | | | | | 100.0 |
| | **Total** | 100 | 100.0 | 100.0 | |

As we can see from 100 respondent 23 respectively 23% work in private organization, 44% of them work in Public institution , 33 from 100 respondent are unemployed respectively 33% .

***4.7 Figure***

| **6. Have you been a member of any social activity?** | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | **Yes** | 73 | 73.0 | 73.0 | 73.0 |
| | **No** | 27 | 27.0 | 27.0 | 100.0 |

| | | | | | |
|---|---|---|---|---|---|
| | **Total** | 100 | 100.0 | 100.0 | |

From 100 respondent 73 or 73% have been in ani social activity and 27 or 27% didn't join any social activity.

***4.8 Figure***

| **7. In which of these areas have you contributed to social innovation?** | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Education** | 21 | 21.0 | 24.1 | 24.1 |
| | **Research, science** | 11 | 11.0 | 12.6 | 36.8 |
| | **Culture** | 11 | 11.0 | 12.6 | 49.4 |
| | **Environment** | 20 | 20.0 | 23.0 | 72.4 |
| | **Sustaibility, development** | 5 | 5.0 | 5.7 | 78.2 |
| | **Something else** | 19 | 19.0 | 21.8 | 100.0 |
| | **Total** | 87 | 87.0 | 100.0 | |
| Missing | **System** | 13 | 13.0 | | |
| Total | | 100 | 100.0 | | |

As we can see from 100 respondents we have 21% or 21 respondents have contributed in social innovation, 11 respectively 11% join research, science activity, 11 % contribute in culture, 19 respectively 19% contributed in environment, 5% from them joined Sustainability and development activity and 19 % or 19 have joined something else project.

*4.9 Figure*

| 8. Are you aware of the social activities in places where you buy? | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | **Yes** | 58 | 58.0 | 58.0 | 58.0 |
| | **No** | 42 | 42.0 | 42.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

As we can see from the results we have :58% respectively 58 people have been in touch with social activities in places where they have bought, 42% or 42 from them didn't know about social activities .

*4.10 Figure*

| 9. If you know that an enterprise practices social activities, will it affect your decision to buy it? | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | **Yes** | 40 | 40.0 | 40.0 | 40.0 |
| | **No** | 60 | 60 | 60 | 60.0 |
| | | | | 0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

According to the result from questionnaire we have those results: 40% or 40 respondent of total respondent stated the answer YES means that their decision to buy will be affected if they know if an enterprise practice social activities, 60 respectively 60% from them won't change their decision to buy even if they know that an enterprise practice social innovation.

*4.11 Figure*

| 10. Social innovations offer products or services that are simpler and less costly than existing subsidies and can be perceived as having a lower level of performance, but users consider them to be good enough! | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | **Agree** | 55 | 55.0 | 55.0 | 55.0 |
| | **Disagree** | 45 | 45.0 | 45.0 | 45.0 |
| | | | | | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

As we can see 55% or 55 respondent agree with that social innovations offer products or services that are simpler and less costly, 45% or 45 respondent disagree with that.

*4.12 Figure*

| 11. Social innovations complement a social need in a positive or beneficial way! | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | **Agree** | 64 | 64.0 | 64.0 | 64.0 |
| | **Disagree** | 36 | 36.0 | 36.0 | 36.0 |
| | | | | | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

Based on the result above we have :64% or 64 people agree that social innovation complement a social need, 36 respectively 36% don't agree with the statement.

12. **Inolvement of the community brings to social innovation better ideas to be impelemnted and to assits the beneficiaries.**

| 4.13 Figure | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| | **Agree** | 50 | 50.0 | 50.0 | 50.0 |
| | **Disagree** | 50 | 50.0 | 50.0 | 50.0 |
| | | | | | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

As we can see 50% or 50 people agree that involvement of tha community brings better ideas to social innovation, 50 from them respectively 50% don't agree.

***4.14Figure***

| 13. Does social innovation work better away from the community? | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | **Agree** | 22 | 22.0 | 22.0 | 22.0 |
| | **Disagree** | 78 | 78.0 | 78.0 | 78.0 |
| | | | | | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

According to the results : 22% respectively 22 people agree that social innovation work better away from the community, 78 or 78% from them don't agree with that .

*4.15 Figure*

**14. Social innovation meets a need that is served or overwhelmed (because the existing solution is more complex than many people seek) or is not served at all!**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| | **Agree** | 42 | 42.0 | 42.0 | 42.0 |
| | **Disagre** | 58 | 58.0 | 58.0 | 58.0 |
| | | | | | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

As we can see from the total number of respondent we have : 42 people or 42% agree that social innovation usually offer better solutions, 58 respectively 58% from them don't agree .

*4.16 Figure*

**15. For an individual to practice social entrepreneurship he/she must have:**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| | **Have social value creation as their main aim** | 55 | 55.0 | 55.0 | 55.0 |
| | **Other** | 45 | 45.0 | 45.0 | 45.0 |
| | | | | | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

From 100 respondent we have 55% or 55 respondent have social value creation and 45 % mentioned as other importance.

***4.17 Figure***

| 16. Social innovation creates social variations through scaling and repetition! | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | **Agree** | 39 | 39.0 | 39.0 | 39.0 |
| | **Don't agree** | 61 | 61.0 | 61.0 | 61.0 |
| | | | | | |
| | Total | 100 | 100.0 | 100.0 | |

As we can see 39% or 39 people agree that social innovation creates social variations through scaling and repetition, 61% or 61 respondent don't agree with that.

***4.18 Figure***

| 17. Have you ever identified a problem / social issue that requires an innovative solution? | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| | **Yes** | 46 | 46.0 | 46.0 | 46.0 |
| | **No** | 54 | 54.0 | 54.0 | 100.0 |
| | Total | 100 | 100.0 | 100.0 | |

From the total number of 100 respondent 46 or 46% identified a social problem and 54 never identified a social problem that requires an innovative solutions.

## 4.3 Data Analysis 1

The primary date was collected from our questionnaire, we have distributed aproximtly 250 questionnaire but we have responded from 100 people (employeed,unemployed,students) and 30 organization from private, public and charitable institution. The result from the research is done in SPSS.

### 4.3.1 Variable description

***Table 4.3.1.1***

**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Gender | 100 | 0 | 1 | .72 | .451 |
| Age | 100 | 18 | 69 | 35.33 | 13.950 |
| Education | 100 | 1 | 4 | 2.61 | .886 |
| Maritial status | 100 | 1 | 4 | 1.50 | .745 |
| Where do you work? | 100 | 1 | 4 | 2.20 | .853 |
| Have you ever been a member of any social activity? | 100 | 0 | 1 | .72 | .451 |
| In which of these areas have you contributed to social innovation? | 87 | 1 | 6 | 3.39 | 1.845 |
| Are you aware of the social activities in places where you buy?? | 100 | 0 | 1 | .58 | .496 |
| If you know that an enterprise practices social activities, will it affects your decision to buy? | 100 | 0 | 1 | .40 | .492 |

| | | | | | |
|---|---|---|---|---|---|
| Social innovations offer products that are simpler and less costly than texisting subsidies and can be perceived as having a lower level of performance, but users consider them to be good enough! | 100 | 0 | 1 | .55 | .500 |
| Social innovation complement a social need in a postivie or beneficial way! | 100 | 0 | 3 | .67 | .533 |
| Involvement of the community brings to social innovation better ideas to be implemented and to assit the beneficiaries! | 100 | 0 | 1 | .50 | .503 |
| Does social innovation work better away from the community! | 100 | 0 | 1 | .22 | .416 |
| Social innovation meets a need that is served or overhelmed or is not served at all! | 100 | 0 | 3 | .45 | .557 |
| For an individual to practice social entrepreneurship he/she must have:: | 100 | 0 | 1 | .55 | .500 |
| Social innovation creates social variations through scaling and repetition! | 100 | 0 | 1 | .39 | .490 |
| Have you ever identified a problem/social issue that requires an innovative solution? | 100 | 0 | 1 | .46 | .501 |
| Valid N (listwise) | 87 | | | | |

### 4.3.2 Logistic Regression

*Table 4.3.1.2*

**Case Processing Summary**

| Unweighted Cases[a] | | N | Percent |
|---|---|---|---|
| Selected Cases | Included in Analysis | 100 | 100.0 |
| | Missing Cases | 0 | .0 |
| | Total | 100 | 100.0 |
| Unselected Cases | | 0 | .0 |
| Total | | 100 | 100.0 |

a. If weight is in effect, see classification table for the total number of cases.

Dependent Variable Encoding

| Original Value | Internal Value |
|---|---|
| no | 0 |
| yes | 1 |

**Classification Table[a,b]**

| | | | Predicted | | |
|---|---|---|---|---|---|
| | Observed | | | | Percentage Correct |
| Step 0 | Have you ever been a member of any social activity? | No | 0 | 28 | |
| | | Yes | 0 | 72 | |
| | Overall Percentage | | | | |

a. Constant is included in the model.

b. The cut value is .500

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 0 | Constant | .944 | .223 | 17.983 | 1 | .000 | 2.571 |

**Variables not in the Equation**

| | | | Score | df | Sig. |
|---|---|---|---|---|---|
| Step 0 | Variables | Age? | 3.243 | 1 | .072 |
| | | Where do you work? | 12.370 | 1 | .000 |
| | | If you know that an enterprise practices social activities,will it affect your decision to buy? | 3.646 | 1 | .056 |
| | | Does social innovation work better away form the community? | 2.886 | 1 | .089 |
| | | Education? | 7.828 | 1 | .005 |
| | Overall Statistics | | 26.654 | 5 | .000 |

**Omnibus Tests of Model Coefficients**

| | | Chi-square | df | Sig. |
|---|---|---|---|---|
| Step 1 | Step | 30.061 | 5 | .000 |
| | Block | 30.061 | 5 | .000 |
| | Model | 30.061 | 5 | .000 |

**Model Summary**

| Step | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
|---|---|---|---|
| 1 | 88.530[a] | .260 | .374 |

**Model Summary**

| Step | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
|---|---|---|---|
| 1 | 88.530[a] | .260 | .374 |

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

Classification Tablea

| Observed | | Predicted | | |
|---|---|---|---|---|
| | | | | Percentage Correct |
| Step 1 | Have you ever been a member of any social activity? No | 14 | 14 | 50.0 |
| | Have you ever been a member of any social activity? Yes | 8 | 64 | 88.9 |
| | Overall Percentage | | | 78.0 |

a. The cut value is .500

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp( |
|---|---|---|---|---|---|---|---|
| Step 1[a] | Age? | .057 | .022 | 6.792 | 1 | .009 | |
| | Where do you work? | -.842 | .320 | 6.925 | 1 | .009 | |
| | If you know that an enterprise practice social innovation, will affect yor decision to buy? | .555 | .609 | .829 | 1 | .363 | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Does social innovation works better away from the community? | 1.798 | .855 | 4.421 | 1 | .036 | |
| | Education? | .834 | .321 | 6.766 | 1 | .009 | |
| | Constant | -1.628 | 1.561 | 1.087 | 1 | .297 | |

a. Variable(s) entered on step 1:

```
LOGISTIC REGRESSION VARIABLES
  /METHOD=ENTER
  /CRITERIA=PIN(.05) POUT(.10) ITERATE(20) CUT(.5).
```

**(Dependent variable )-Have you ever been a member of any social activity?**

- **(Independent variable)** Age?
  - Where do you work?
  - If you know that en enterprise practice social innovation will affect your decision to buy?
  - Does your social innovation works better away from the community?
  - Education?

**$\beta_0$ = 1.628**

**$\beta_1$ = .057**

**$\beta_2$ =.798**

**$\beta_3$ = .834**

Have you ever been a member of any social activity= β.057+ (-.842)+1.798+.834

**Comments:**

According to the result we can conclude that Age has impact on ‘’Beeing a member of any social activity’’, and for 1 value increase in Age index, the index of ’Beeing a member of any social activity’’ will be increased for .057 this coefficient is significant at 0.009 level.

Based on the result we have good evidence of ‘’where do they work’’, the sector where they work private or public has a good level of significane, the coefficient of -.842 is significant at 0.009 level.

Also the variable ‘’ Does social innovation works better away from the community’’ – We have coefficient of 1.798 this coefficient is significant at level .036 .

For the variable ‘’ Does social innovation works better away from the community’’ ? we have coefficient such as 1.798 this coefficient is significant at level 0.36.

We can conclude that education has a high impact on dependent variable with coefficient of .834 wich is significant at level 009.

$R^{2-}$ of regression is 0.260 which mean that the independent variable explains the dependent variable 26%.

**Regression model**

**Table 4.3.1.3**

**Case Processing Summary**

| Unweighted Cases[a] | | N | Percent |
|---|---|---|---|
| Selected Cases | Included in Analysis | 87 | 87.0 |
| | Missing Cases | 13 | 13.0 |
| | Total | 100 | 100.0 |
| Unselected Cases | | 0 | .0 |
| Total | | 100 | 100.0 |

a. If weight is in effect, see classification table for the total number of cases.

Dependent Variable Encoding

| Original Value | Internal Value |
|---|---|
| Disagree | 0 |
| Agree | 1 |

**Classification Table[a,b]**

| Observed | | | Predicted | | |
|---|---|---|---|---|---|
| | | | | | Percentage Correct |
| Step 0 | Involvement of the community brings to social innovation better ideas to be implemented and to assist the beneficiaries! | Agree | 0 | 43 | .0 |
| | | Disagree | 0 | 44 | 100.0 |
| | Overall Percentage | | | | 50.6 |

a. Constant is included in the model.

b. The cut value is .500

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 0 | Constant | .023 | .214 | .011 | 1 | .915 | 1.023 |

**Variables not in the Equation**

| | | | Score | df | Sig. |
|---|---|---|---|---|---|
| Step 0 | Variables | Have you ever been a member of any social activity? | 6.778 | 1 | .009 |
| | | Are you aware of social innovation in places where you buy? | 8.587 | 1 | .003 |

| | | | |
|---|---|---|---|
| Social innovation meets a need that is served or overhelmed or its not served at all! | 1.130 | 1 | .288 |
| Social innovation complement a social need in a psotive or beneficial way? | 5.350 | 1 | .021 |
| In which of these areas have you contributed to sicla innovation? | 2.033 | 1 | .154 |
| Gender? | .607 | 1 | .436 |
| Overall Statistics | 19.111 | 6 | .004 |

**Omnibus Tests of Model Coefficients**

| | | Chi-square | df | Sig. |
|---|---|---|---|---|
| Step 1 | Step | 21.275 | 6 | .002 |
| | Block | 21.275 | 6 | .002 |
| | Model | 21.275 | 6 | .002 |

**Model Summary**

| Step | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
|---|---|---|---|
| 1 | 99.321[a] | .217 | .289 |

**Model Summary**

| Step | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
|---|---|---|---|
| 1 | 99.321[a] | .217 | .289 |

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Classification Tablea

| Observed | | | Predicted | | Percentage Correct |
|---|---|---|---|---|---|
| Step 1 | Involvement of the community brings to social innovation better ideas to be implemented and to assist the beneficiaries! | Agree | 29 | 14 | 67.4 |
| | | Disagree | 10 | 34 | 77.3 |
| | Overall Percentage | | | | 72.4 |

a. The cut value is .500

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 1[a] | Have you ever been a member of any social activity? | 1.461 | .741 | 3.887 | 1 | .049 | 4.311 |
| | Are you aware of social innovations in places where you buy? | 1.187 | .521 | 5.180 | 1 | .023 | 3.277 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Social innovation meets a need that is served or ovehelmed or is not served at all ! | .443 | .469 | .893 | 1 | .345 | 1.557 |
| | Social innovation complement a social need in a positive or beneficial way ! | .783 | .489 | 2.567 | 1 | .109 | 2.189 |
| | In which of these areas have you contributed to social innovation? | -.260 | .146 | 3.159 | 1 | .076 | .771 |
| | Gender? | .276 | .544 | .258 | 1 | .612 | 1.318 |
| | Constant | -2.002 | .965 | 4.304 | 1 | .038 | .135 |

a. Variable(s) entered on step 1:

*(Dependent variable)***-** Involvement of the community brings to social innovation better ideas to be implemented and to assist the beneficiaries!

*(Indipendant variables)* -

- Have you ever been a member of any social activity?
- Are you aware of social innovations in places where you buy?
- In which of these areas have you contributed to social innovation?

**$\beta_0$ = 2.002**

**$\beta_2$ = 1.461**

**$\beta_3$ = 1.187**

**$\beta_4$ = .260**

Involvement of the community brings to social innovation better ideas to be implemented and to assist the beneficiaries! = 1.461+1.187+(-250)ICSI.

**Comments:**

As we can see from the results we have a good level of significante on the first variable with the coefficient of 1.461 wich is significant at lever .049.

The second variable ‘’ Are you aware of social innovation in places where you buy ‘’ we have coefficient of 1.187 wich is significant at .023 level.

In the Third variable ‘’ in which of these areas have you contributed to social innovation?’’ also we have significance at level .076 with coefficient -.260.

$R^2$ -knows as coefficient of determination in our analysis is 0.217 it shows that independent variables explains dependent variable for 21.7%.

## 4.4 Research result 2

***4.4.1 Figure***

| 1. What is the role in the organization of the person completing the questionnaire? | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Menager** | 19 | 63.3 | 63.3 | 63.3 |
| | **Owner** | 11 | 36.7 | 36.7 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

As we can see from the collected results, our questionnaire was filled from 11 owners or 36.7%, 63.3%% or 19 managers .

***4.4.2 Figure***

| 2. Gender of the person completing the questionnaire? | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Male** | 26 | 86.7 | 86.7 | 86.7 |
| | **Female** | 4 | 13.3 | 13.3 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

From total 30 respondent our questionnaire was filled from 26 male or 86.7% and 4 female or 13.3%.

***4.4.3Figure***

| 3. Number of employee do you supervise in your company? |
|---|

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **1-50 (1)** | 26 | 86.7 | 86.7 | 86.7 |
| | **51-100 (2)** | 2 | 6.7 | 6.7 | 93.3 |
| | **101-150(3)** | 2 | 6.7 | 6.7 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |
| | | | | | |

According to the result we have regarding the question of number of employees which they supervise, first group respectively 86.7% or 26 company supervise 1-50 employees , in the second group they supervise 51-100 - 6.7% company or just 2manager/director and respectively 6.7% or just 2 manager/director supervise 101-150 employee.

**4. Which year the organization was established:**

**4.4.4 Figure**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Before the year 2000** | 9 | 30.0 | 30.0 | 30.0 |
| | **After the year 2001** | 21 | 70.0 | 70.0 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

As we can see from total 30 respondent for the question in which year was the organization established we have those results: first option 1801-2000 year we have 9

organization or 30 %, second option 2001-2017 year we have 21 organization or 70% and we have 0% for the option 1600-1800 year.

**5. What goods or services does you organization produce/offer?**

***4.4.5 Figure***

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Products | 23 | 76.7 | 76.7 | 76.7 |
| | Services(training,consultation,turism,finance)) | 7 | 23.3 | 23.3 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

As we can see from 30 respondent, 23 organization or 76.7% serve services, 7 from them respectively 23.3% offer products .

***4.4.6 Figure***

| **6. Which sector does your organization belong to?** | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Public sector** | 4 | 13.3 | 13.3 | 13.3 |
| | **Private sector** | 26 | 86.7 | 86.7 | |
| | | | | | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

From the total number of organization 4 organization or 13.3% , 26 respectively 86.7% are from private sector.

***4.4.7 Figure***

| 7. Which of the following types of market does your company serve? | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Local** | 13 | 43.3 | 43.3 | 43.3 |
| | **Regional** | 10 | 33.3 | 33.3 | 76.7 |
| | **National** | 6 | 20.0 | 20.0 | 96.7 |
| | **International** | 1 | 3.3 | 3.3 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

As we can see 13 organization or 43.3% serve in the local market, 10 organization or 33.3% serve in regional market, 6 organization or 20% serve in national market and 1 organization or 3.3% serve in international market.

***4.4.8 Figure***

| 8. Location, where does your enterprise acts ? | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Macedonia | 21 | 70.0 | 70.0 | 70.0 |
| | Kosovo | 2 | 6.7 | 6.7 | 76.7 |
| | Albania | 0 | 0 | 0 | 0 |
| | All of them | 7 | 23.3 | 23.3 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

Location where does organization acts 21 organization or 70% acts in Macedonia, 2 from them or 6.7% in Kosovo , in Albania acts 0% and 7 organization or 23.3 % acts in all the above mentioned.

*4.4.9 Figure*

***9.*** Social innovations are new strategies, concepts, ideas and organizations that meet the social needs of different elements which can be from working conditions and education to community development and health — they extend and strengthen civil society!

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Agree** | 27 | 90.0 | 90.0 | 90.0 |
| | **Don't agree** | 3 | 10 | 10 | 10.0 |
| | | | | | 100.0 |
| | Total | | | | |

As we can see from the result 27 organization or 90% agree with that definition of social innovation, and 3 from the or 10% answered as disagree.

*4.4.10 Figure*

**10. The social innovation generate resources, such as donations, grants, volunteer manpower, or intellectual capital, in ways that initially unattractive to incumbent competitors !**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Agree** | 23 | 76.7 | 76.7 | 76.7 |
| | **Disagree** | 7 | 23.3 | 23.3 | 23.3 |
| | | | | | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

From 30 respondent 23 organization or 76.7% agree that social innovation generate resources such as donation, volunteer or intellectual capital, 7 organization respectively 23.3 % disagree .

### *4.4.11 Figure*

**11. The social innovation is often ignored, disparaged or even encouraged by existing players for whom the business model is unprofitable or otherwise unattractive and who therefore avoid or retreat from the market segment !**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Agree** | 20 | 66.7 | 66.7 | 66.7 |
| | **Don't agree** | 10 | 23.3 | 23.3 | |
| | | | | | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |
| | | | | | |

Accroding to the results above we have: 20 organization or 66.7% agree that social innovation is often ignored or even encouraged, 10or 23.3% don't agree with that .

### *4.4.12 Figure*

**12. Does your organization contribute in social innovation?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Yes** | 28 | 93.3 | 93.3 | 93.3 |
| | **No** | 6.6 | 6.6 | 6.6 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

Based on the resulst we cans see result such as 93.3% or 28 organization answered yes in the question if their organization contribute in social innovation and 2 organization or 6.6% did't contribute in soial innovation.

***4.4.13 Figure***

| 13. Which sector will your social innovation mainly operate in? | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Food** | 9 | 30.0 | 32.1 | 32.1 |
| | **Energy** | 1 | 3.3 | 3.6 | 35.7 |
| | **Fashion and design** | 2 | 6.7 | 7.1 | 42.9 |
| | **Hospitality** | 1 | 3.3 | 3.6 | 46.4 |
| | **Financial services** | 3 | 10.0 | 10.7 | 57.1 |
| | **Education and training** | 5 | 16.7 | 17.9 | 75.0 |
| | Other | 7 | 23.3 | 25.0 | 100.0 |
| | Total | 28 | 93.3 | 100.0 | |
| Missing | System | 2 | 6.7 | | |
| Total | | 30 | 100.0 | | |

As we can see from the result, organization answered in wich sector will their social innovation mainly operate in, from total 30 respondent we have, 9 organization or 30% answered that their social innovation will operate in food, 1 or 3.3 % will operate in energy, 2 or 6.7 % will operate in fashion and design, 1 or 3.3 % will operate in hospitality, 3 or 10% in financial services, in education and training 5 organization or 16.7%, 7 organization or 23.3 will operate in another sector and we also miss answers from 2 organization.

*4.4.14 Figure*

| 14. What types of social benefit will your social innovation create? | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Social inclusion and cultural integration | 18 | 60.0 | 60.0 | 60.0 |
| | Other | 12 | 40.0 | 40.0 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

From total number of respondent we have answers from 18 organizations or 60% and the option other answers from 12 organization or 40%.

*4.4.15 Figure*

| 15. Which category /categories best cover(s) the initiatives your organization Works with? | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Finance (grants, loans)** | 5 | 16.7 | 16.7 | 16.7 |
| | **Advice/competence development** | 2 | 6.7 | 6.7 | 23.3 |
| | **Education** | 1 | 3.3 | 3.3 | 26.7 |
| | **Commerce** | 14 | 46.7 | 46.7 | 73.3 |
| | Other | 8 | 26.7 | 26.7 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

As we can see from the answers to the question wich category cove the inititatives their organization works with, we have: in category of finance we have 5 organization or 16.7%, 2 organization or 6.7% in advice/competence, 1 organization or 3.3% in education, 14 organization or 46.7% and other 8 organization respectively 26.7%.

*4.4.16 Figure*

| 16. In what form do you do social activities? | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Money** | 11 | 36.7 | 36.7 | 36.7 |
| | **Scholarships** | 3 | 10.0 | 10.0 | 46.7 |
| | **Food** | 9 | 30.0 | 30.0 | 76.7 |
| | **Other** | 7 | 23.3 | 23.3 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

Forms of social activity can be many more, but we meanson some of them, 11 organization or 36.7% prefer to do social activity in form of money, 3 organization or 10% prefer scholarships, 9 organization or 30% prefer food and 7 organization respectively 23.3% prefer another form of social activity.

*4.4.17 Figure*

| 17. The social innovation is currently in the following phase: | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Idea creation phase Prototyping and piloting phase** | 110 | 36.70 | 36.70 | 36.70 |
| | **Implementation phase** | 2 | 6.7 | 6.7 | 43.3 |
| | **Sustaining phase** | 5 | 16.7 | 16.7 | 60.0 |
| | **Scaling phase** | 1 | 3.3 | 3.3 | 63.3 |
| | **Neither** | 11 | 36.7 | 36.7 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

According to the results above we have:11 organization or 36.75% are in the idea creation phase of social innovation, 0% of them in phase of prototyping and piloting, 2 organization or 6.7% are in implementation phase, 5 organization or 16.7% are in sustaining phase, 1 organization or 3.3% are in scaling phase and 11 organization or 36.7 % aren't in any following phase.

### *4.4.18 Figure*

**18. Can social innovations provide additional data?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Yes** | 26 | 86.7 | 86.7 | 86.7 |
| | **No** | 4 | 13.3 | 13.3 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

To the question can social innovation provide additional data we have 26 organization or 86.7% with responded yes and 4 organization or 13.3% responded no wich menas that social innovation can provide additional data.

### *4.4.19 Figure*

| **19. The social innovation is run like a business !** | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Agree** | 8 | 26.7 | 26.7 | 26.7 |
| | **Disagree** | 22 | 73.3 | 73.3 | 73.3 |
| | | | | | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

Does social innovation run like a business?

We can see from the results we have : 8 organization or 26.7% agree that social innovation is run like a business, 22 organization respectively 73.3% disagree with that .

***4.4.20 Figure***

**20. The social innovation offers products or services that are simpler and less costly than existing alternatives and may be perceived as having a lower level of performance, but users consider them to be good enough !**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Agree** | 15 | 50.0 | 50.0 | 50.0 |
| | **Disagree** | 15 | 50.0 | 50.0 | 50.0 |
| | | | | | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

As we can see from the table above we have: 15 organization or 50 % agree with that the social innovation offers products or services that are simpler and less costly than existing alternatives, 15 organization or 50% disagree .

***4.4.21 Figure***

**21. Is it hard to identified people or organization who will pay for social innovation?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Yes** | 24 | 80.0 | 80.0 | 80.0 |
| | **No** | 6 | 20.0 | 20.0 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

From the result we found that it's to hard to identify people or organization who will pay for social innovation, from 24 for organization or 80% answered yes, 6 organization or 20% answered no, for sure they didn't had problems identifying people or organization who will pay.

### *4.4.22 Figure*

| 22. For an individual/organization to be practicing social entrepreurship they must: | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Have social value creation as their main aim** | 18 | 60.0 | 60.0 | 60.0 |
| | **Social value can be held at varying importance** | 12 | 40.0 | 40.0 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

One organization to practice social entrepreneurship must have any value, from the results we have answers from 18 organization or 60% they highlighted more the option one ''to have a social value creation as their main aim '', 12 organization or 40% highlighted the second option ''social value can be held varying importance .

### *4.4.23 Figure*

**23. We are constantly tracking the needs of the beneficiaries of the social innovation !**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Yes** | 11 | 36.7 | 36.7 | 36.7 |
| | **No** | 19 | 63.3 | 63.3 | 100.0 |

| | | | | | |
|---|---|---|---|---|---|
| | Total | 30 | 100.0 | 100.0 | |

As we can see from 30 respondent we have answers yes from 11 organization or 36.7% and from 19 organization or 63.3% answers no.

***4.4.24 Figure***

**24. Have you conducted research on how important the perception of consumers is for the social activities of the enterprise ?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Yes** | 9 | 30.0 | 30.0 | 30.0 |
| | **No** | 21 | 70.0 | 70.0 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

As we can see from the total number of respondents we have :9 organization or 30% have conducted research on how important is the perception of consumers for social activities of the enterprise and 21 organization or 70% answered no.

***4.4.25 Figure***

**25. To grow our social innovation we do experiments to see what works !**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Yes** | 13 | 43.3 | 43.3 | 43.3 |
| | **No** | 17 | 56.7 | 56.7 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

According to the results :13 organization or 43.3% have done experiments to see what works and 17 organization or 56.7% haven't done any experiments to see what work and what doesn't.

***4.4.26 Figure***

**26. Do you measure every step of social innovation?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Yes** | 9 | 30.0 | 30.0 | 30.0 |
| | **No** | 21 | 70.0 | 70.0 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

From total 30 respondent we have 9 organization or 30% which they measure almost every step of social innovation and 21 organization or 70% didn't measure every step of social innovation.

***4.4.27 Figure***

**27. The social innovation has to keep improving because of the existence of similar and better social innovations from other organizations !**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Agree** | 22 | 73.3 | 73.3 | 73.3 |
| | **Disagree** | 8 | 26.7 | 26.7 | 26.7 |
| | | | | | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

As we can see 22 organization respectively 73.3% agree with that the social innovation has to keep improving because of the existence of similar or better social innovation from other organization, 8 organization or 2 6.7% don't agree with that .

***4.4.29 Figure***

**28. The social innovation competes with other organizations for funding !**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Agree** | 15 | 50.0 | 50.0 | 50.0 |
| | **Don't agree** | 15 | 50.0 | 50.0 | 50.0 |
| | | | | | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

Does the social innovation competes with other organization for funding?!

15 organization or 50% agree with that, 15 organization respectively 50% don't agree.

***4.4.30 Figure***

**30. Competitiveness for funding is a driver for improvement in the social innovation !**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Agree** | 18 | 60.0 | 60.0 | 60.0 |
| | **Don't agree** | 12 | 40.0 | 40.0 | 40.0 |
| | | | | | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

As we can see from total respondent we have answers from 18 organization or 60% wich agree that competitiveness for funding is a driver for improvement in social innovation activities, 12 organization or 40% disagree with that .

***4.4.31 Figure***

| 31. Commercialism is necessary for the existence of the social innovation ! | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Agree** | 16 | 53.3 | 53.3 | 53.3 |
| | **Disagree** | 14 | 46.7 | 46.7 | 46.7 |
| | | | | | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

Based on the results from the question Is commercialism necessary for the existence of the social innovation !?

We have responses from 16 organization or 53.3% agree, 14 organization or 46.7% disagree.

***4.4.32 Figure***

| 32. The social innovation will not accept a commercial opportunity if it did not address a social purpose! | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Agree** | 18 | 60.0 | 60.0 | 60.0 |
| | **Disagree** | 12 | 40.0 | 40.0 | 40.0 |
| | | | | | 100.0 |

| | | | | | |
|---|---|---|---|---|---|
| | Total | 30 | 100.0 | 100.0 | |

As we can see from the results :18 organization or 60% agree with that the social innovation will not accept a commercial opportunity if it didn't address a social purpose, 12 organization respectively 40% disagree .

***4.4.33 Figure***

| 33. When the social innovation is market related it will be more successful ! | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Agree** | 22 | 73.3 | 73.3 | 73.3 |
| | **Disagree** | 8 | 26.7 | 26.7 | 26.7 |
| | | | | | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

More successful will be the social innovation when is market related !?

As we can see 22 organization respectively 73.3% agree, 8 organization or 26.7% disagree .

***4.4.34 Figure***

| 34. Does the social innovation operates better away from community? | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Yes** | 11 | 36.7 | 36.7 | 36.7 |
| | **No** | 19 | 63.3 | 63.3 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

From total 30 respondent we have 11 organization respectively 36.7% with positive ansers –Yes and 19 organization or 63.3% with negative answers-No.

***4.4.35 Figure***

**35. If no, Community involvement gives the social innovation better ideas to implement to help beneficiaries !**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Agree** | 17 | 56.7 | 56.7 | 56.7 |
| | **Disagree** | 13 | 33.3 | 33.3 | 33.3 |
| | | | | | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

As we can see from the results, we have 17 organization or 56.7 % wich agree with the statements, 13 organization respectively 33.3% disagree.

***4.4.36 Figure***

**36. A charitable institution that focuses solely on social output and value creation will create the greatest social value**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Agree** | 21 | 70.0 | 70.0 | 70.0 |
| | **Disagree** | 9 | 30.0 | 30.0 | 30.0 |
| | | | | | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

As we can see 21 organization respectively 70% agree with that the greatest social value will be created from a charitable institution that focuses solely on social output, 9 organization or 30 % disagree with the statement .

***4.4.37 Figure***

**37. In countries that have strategies and programs for social finance, social entrepreneurs, have a greater number of social innovations !**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Agree** | 25 | 83.3 | 83.3 | 83.3 |
| | **Disagree** | 5 | 26.7 | 26.7 | 26.6 |
| | | | | | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

From total number of 30 respondent we have positive answers from 25 organization respectively 83.3% which agree, 5 organization or 26.7 % disagree .

***4.4.38 Figure***

**38. Which instruments can influence the financial infrastructure (group of financial institutions) in speeding up social innovations, the number and quality of social innovations?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | **Informtion system of management (IT)** | 13 | 43.3 | 43.3 | 43.3 |
| | **Finance** | 17 | 56.7 | 56.7 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

More instruments can influence the financial infrastructure, but we mentioned some of them as we have answers from the first option -information , 13 organization or 43.3%, 17 organization or 56.7 % in second option finance.

***4.4.39 Figure***

| 39. **Social finance are designed to help economies by reducing unemployment, reducing poverty, environmental awareness, and social outreach**. | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Agree** | 23 | 76.7 | 76.7 | 76.7 |
| | **Disagree** | 7 | 23.3 | 23.3 | 23.3 |
| | | | | | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

Is It truth that social finance are designed to help economies by reducing unemployment, reducing poverty etc?

We have 23 organization respectively 76.7% agree with that statement, 7organization or 23.3% disagree .

***4.4.40 Figure***

| 40. **What exactly should the state do in the first place to support organizations which are part of social innovations?** | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | **Other** | 11 | 36.7 | 36.7 | 36.7 |
| | **Offer consultation and vocational trainings, provide loans and subsidies for start-ups** | 19 | 63.3 | 63.3 | 100.0 |
| | Total | 30 | 100.0 | 100.0 | |

Some option we mentioned above about what exactly should the state do in the first place to support organization, as we can see from the results we have: 11 organization

respectively 36.7% which answered option other which it means state should organize other program which are mentioned above, 19 organization or 63.3% prefere state to offer consultation provide loans on preferential terms, provide subsidies for starting ups, vocational training to employees/volunteers free of charge.

## 4.5 Data analysis

Analyze of the result is done in SPSS, probit regression. From the questionnaire is created the data base. We collected responses from 30 private, public and charitable organization.

### 4.5.1 Variable description 2

**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| What is the role in the organization of the person completing the questionnaire? | 30 | 0 | 1 | .37 | .490 |
| Gender of the person compelting the questionnaire? | 30 | 0 | 1 | .87 | .346 |
| Number of employee do you supervice in your company? | 30 | 1 | 3 | 1.20 | .551 |
| Year in which the organization was establshied? | 30 | 0 | 1 | .63 | .490 |
| What kinds of products/services offer your organization? | 30 | 0 | 1 | .23 | .430 |

| | | | | | |
|---|---|---|---|---|---|
| Which sector does your organization belong to? | 30 | 0 | 1 | .13 | .346 |
| Which of the following types of market does your company serve? | 30 | 1 | 4 | 1.83 | .874 |
| Location, where does your enterprise act? | 30 | 1 | 4 | 1.77 | 1.278 |
| Social innovation are new strategies, concept, ideas and organizations that meet the social needs or different elements which can be from working conditions and education community development and health-they extend and strengthen civil society! | 30 | 0 | 1 | .90 | .305 |
| Social innovation generate resources, such as donations, grants, volunteer manpower or intellectual capital in ways that initially unattractive to incumbent competitors! | 30 | 0 | 1 | .77 | .430 |
| The social innovation is often ignored, disparaged or even encouraged by existing players for whom business model is unprofitable or otherwise unattractive and who therefor avoid or retreat from the market segment! | 30 | 0 | 1 | .67 | .479 |

| | | | | | |
|---|---|---|---|---|---|
| Does your organization contribute in social innovation? | 30 | 0 | 1 | .77 | .430 |
| Which sector will your social innovation mainly operate in? | 28 | 1 | 8 | 4.79 | 2.948 |
| What types of social benefit will your social innovation create? | 30 | 0 | 1 | .40 | .498 |
| Which category/categories best cover the initiatives your organization works with? | 30 | 1 | 5 | 3.60 | 1.404 |
| In what form do you do social activities? | 30 | 1 | 5 | 2.63 | 1.564 |
| The social innovation is currently in the following phase: | 30 | 1 | 6 | 3.60 | 2.207 |
| Can social innovations provide additional data? | 30 | 0 | 1 | .87 | .346 |
| The social innovation is run like a business! | 30 | 0 | 1 | .27 | .450 |
| The social innovation offers products or services that are simpler and less costly than existing alternatives and be perceived as having a lower level of performance, but users consider them to be good enough! | 30 | 0 | 1 | .50 | .509 |
| Is it hard to identifie people or organization who will pay for social innovation? | 30 | 0 | 1 | .80 | .407 |

| | | | | | |
|---|---|---|---|---|---|
| For an organization to be practicing social entrepreneurship they must: | 30 | 0 | 1 | .40 | .498 |
| We are constantly tracking the needs of the beneficiaries of the social innovation? | 30 | 0 | 1 | .37 | .490 |
| Have you conducted research on how important the perception of consumers is for the social activities of the enterprise? | 30 | 0 | 1 | .30 | .466 |
| To grow our social innovation we do wxperiments to see what works! | 30 | 0 | 1 | .43 | .504 |
| Do you measure every step of social innovation? | 30 | 0 | 1 | .30 | .466 |
| Becaouse we want to keep up with other social innovations we constantly measure to get information if a change in the social innovation is succesful! | 30 | 0 | 1 | .63 | .490 |
| The social innovation has to keep improving because of the existence of similar and better innovations from other organization!! | 30 | 0 | 1 | .73 | .450 |
| The social innovation competes with other organizations for funding! | 30 | 0 | 1 | .50 | .509 |

| | | | | | |
|---|---|---|---|---|---|
| Cometitiveness for funding is a driver for improvement in the social innovation! | 30 | 0 | 1 | .60 | .498 |
| Commercialism is necessary for the existence of the social innovation! | 30 | 0 | 1 | .53 | .507 |
| The social innovation will not accept a commercial opportunity if it did nor address a social purpose! | 30 | 0 | 1 | .60 | .498 |
| When the social innovation is market related it will be more successful! | 30 | 0 | 1 | .73 | .450 |
| Does the social innovation operates better away form the community? | 30 | 0 | 1 | .37 | .490 |
| Is yes, community involvement gives the social innovation better ideas to implemented to help beneficiaries! | 30 | 0 | 1 | .57 | .504 |
| A charitable institution that focuses solely on social output and value creation will create the greatest number of social innovation! | 30 | 0 | 1 | .70 | .466 |
| In countries that have strategies and programs for social finance, social entrepreneurs, have a greater number of social innovations! | 30 | 0 | 1 | .83 | .379 |

| | | | | | |
|---|---|---|---|---|---|
| Which instruments can influence the financial infrastructure(group of financial institution) in speeding up social innovations the number and quality of social innovations? | 30 | 0 | 1 | .57 | .504 |
| Social finance are designed to help economies by reducisn unemployment, reducing poverty, environmental and social outreach! | 30 | 0 | 1 | .77 | .430 |
| What exactly should the state do in the frst place to support organization which are part of social innovations? | 30 | 0 | 1 | .63 | .490 |
| Valid N (listwise) | 28 | | | | |

### 4.5.2 Regresion

Table 4.5.2.1 **Logistic Regression**

**Case Processing Summary**

| Unweighted Cases[a] | | N | Percent |
|---|---|---|---|
| Selected Cases | Included in Analysis | 30 | 100.0 |
| | Missing Cases | 0 | .0 |
| | Total | 30 | 100.0 |
| Unselected Cases | | 0 | .0 |
| Total | | 30 | 100.0 |

a. If weight is in effect, see classification table for the total number of cases.

**Case Processing Summary**

| Unweighted Cases[a] | | N | Percent |
|---|---|---|---|
| Selected Cases | Included in Analysis | 30 | 100.0 |
| | Missing Cases | 0 | .0 |
| | Total | 30 | 100.0 |
| Unselected Cases | | 0 | .0 |
| Total | | 30 | 100.0 |

Dependent Variable Encoding

| Original Value | Internal Value |
|---|---|
| No | 0 |
| Yes | 1 |

**Classification Table[a,b]**

| | | | Predicted | | |
|---|---|---|---|---|---|
| | Observed | | | | Percentage Correct |
| Step 0 | Does your organizarion contribute in social innovation? | No | 0 | 7 | |
| | | Yes | 0 | 23 | |
| | Overall Percentage | | | | |

a. Constant is included in the model.

b. The cut value is .500

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 0 | Constant | 1.190 | .432 | 7.594 | 1 | .006 | 3.286 |

**Variables not in the Equation**

| | | | Score | df | Sig. |
|---|---|---|---|---|---|
| Step 0 | Variables | Number of employee do you supervise in your company? | 8.233 | 1 | .004 |
| | | What goods or services does your organization produce/offer? | 1.946 | 1 | .163 |
| | | Which instruments can influence the financial infrastructure in spending up social innovations, the number and quality of social innovations? | .709 | 1 | .400 |
| | | Does the social innovation operates better away from community? | .258 | 1 | .612 |
| | | The social innovation competes with other organization for funding | 1.118 | 1 | .290 |
| | | Competitiveness for funding is a driver for improvement in the social innovation! | .186 | 1 | .666 |
| | Overall Statistics | | 14.994 | 6 | .020 |

**Omnibus Tests of Model Coefficients**

| | Chi-square | df | Sig. |
|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| Step 1 | Step | 18.055 | 6 | .006 |
| | Block | 18.055 | 6 | .006 |
| | Model | 18.055 | 6 | .006 |

**Model Summary**

| Step | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
|---|---|---|---|
| 1 | 14.541[a] | .452 | .682 |

a. Estimation terminated at iteration number 8 because parameter estimates changed by less than .001.

**Classification Table[a]**

| | | | Predicted | | |
|---|---|---|---|---|---|
| | Observed | | | | Percentage Correct |
| Step 1 | Does your organization contribute in social innovation? | No | 6 | 1 | 85.7 |
| | | Yes | 0 | 23 | 100.0 |
| | Overall Percentage | | | | 96.7 |

a. The cut value is .500

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 1[a] | Number of employee do you supervise in your company? | -5.542 | 4.011 | 1.909 | 1 | .167 | .004 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | What goods or services does your organization produce/offer | -2.915 | 1.752 | 2.769 | 1 | .096 | .054 |
| | Which instruments can influence the financial infrastructure in spending up social innovations, the number and quality of social innovations | 3.077 | 1.813 | 2.879 | 1 | .090 | 21.689 |
| | Does the social innovation operates better away from community | 3.524 | 2.403 | 2.149 | 1 | .143 | 33.912 |
| | The social innovation competes with other organization for funding | 2.795 | 1.721 | 2.638 | 1 | .104 | 16.369 |
| | Competitiveness for funding is a driver for improvement in the social innovation | 1.077 | 1.533 | .493 | 1 | .482 | 2.935 |
| | Constant | 4.501 | 3.849 | 1.368 | 1 | .242 | 90.115 |

a. Variable(s) entered on step 1:

.

**Variable description:**

*(Dependent)*- Does your organization contribute in social innovation?

*(Independent)*-

- What goods or services does your company offer?
- Which instruments can influence the financial infrastructure in spending up social innovations the number and the quality of social innovation?
- The social innovation competes with other organization for funding?

**Regression Model**

**$\beta_0$ = 4.501**

**$\beta_1$ = 2.915**

**β3 = .077**

**β2 = .795**

Does your organization contribute in social innovation? = ( 4.501+(-2.915)+3.077+2.795)

**Comments:**

Based on the result from multiple regression analysis coefficient β -2.915 shows that for 1 value increase in main index, the index of first independent variable have the level of significant at .096.

According to the result, the coefficient β 3.077 shows that for 1 value increase will be increased the independent variable for β 3.077, the coefficient is significant at 0.90.

β2.795 shows that organizations agree with the statement that ‘’social innovation competes with other organization for funding’’, also the coefficient is significan at level .104 .

$R^{2\ -}$ of regression is .452 which mean that the independent variable explains dependent variable 45.2%.

## Regression Model

Table 4.5.2.2

**Case Processing Summary**

| Unweighted Cases[a] | | N | Percent |
|---|---|---|---|
| Selected Cases | Included in Analysis | 28 | 93.3 |
| | Missing Cases | 2 | 6.7 |
| | Total | 30 | 100.0 |
| Unselected Cases | | 0 | .0 |
| Total | | 30 | 100.0 |

a. If weight is in effect, see classification table for the total number of cases.

**Dependent Variable Encoding**

| Original Value | Internal Value |
|---|---|
| Social inclusion and cultural integration | 0 |
| Other | 1 |

**Classification Table[a,b]**

| | | | Predicted | | |
|---|---|---|---|---|---|
| | | | What types of social benefit will your social innovation create? | | |
| | Observed | | Social inclusion and cultural integration | Other | Percentage Correct |
| Step 0 | What types of social benefit will your social innovation create? | Social inclusion and cultural integration | 17 | 0 | 100.0 |
| | | Other | 11 | 0 | .0 |
| | Overall Percentage | | | | 60.7 |

**Classification Table**[a,b]

| Observed | | | Predicted | | |
|---|---|---|---|---|---|
| | | | What types of social benefit will your social innovation create? | | |
| | | | Social inclusion and cultural integration | Other | Percentage Correct |
| Step 0 | What types of social benefit will your social innovation create? | Social inclusion and cultural integration | 17 | 0 | 100.0 |
| | | Other | 11 | 0 | .0 |
| | Overall Percentage | | | | 60.7 |

a. Constant is included in the model.

b. The cut value is .500

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 0 | Constant | -.435 | .387 | 1.266 | 1 | .261 | .647 |

**Variables not in the Equation**

| | | | Score | df | Sig. |
|---|---|---|---|---|---|
| Step 0 | Variables | Which sector does your organization belong to? | .339 | 1 | .560 |
| | | Which category best cover the initiatives your organization works with? | 2.649 | 1 | .104 |
| | | Location, where does your enterprise act? | 1.481 | 1 | .224 |

| | | | | |
|---|---|---|---|---|
| | Which of the following types of market does your company serve? | .667 | 1 | .414 |
| Overall Statistics | | 7.523 | 4 | .111 |

**Omnibus Tests of Model Coefficients**

| | | Chi-square | df | Sig. |
|---|---|---|---|---|
| Step 1 | Step | 8.887 | 4 | .064 |
| | Block | 8.887 | 4 | .064 |
| | Model | 8.887 | 4 | .064 |

**Model Summary**

| Step | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
|---|---|---|---|
| 1 | 28.634[a] | .272 | .368 |

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

**Classification Table[a]**

| | | | Predicted | | |
|---|---|---|---|---|---|
| | | | What types of social benefit will your social innovation create? | | |
| | Observed | | Social inclusion and cultural integration | Other | Percentage Correct |
| Step 1 | What types of social benefit will your social innovation create? | Social inclusion and cultural integration | 13 | 4 | 76.5 |
| | | Other | 5 | 6 | 54.5 |

| | | | | | |
|---|---|---|---|---|---|
| Overall Percentage | | | | | 67.9 |

a. The cut value is .500

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 1[a] | Which sector does your organization belong to? | .107 | .165 | .424 | 1 | .515 | 1.113 |
| | Which category best cover the initiatives your organization works with? | -.599 | .366 | 2.674 | 1 | .102 | .549 |
| | Location, where does your enterprise act? | -1.158 | .630 | 3.378 | 1 | .066 | .314 |
| | Which of the following types of market does your company serve? | 1.288 | .791 | 2.654 | 1 | .103 | 3.627 |
| | Constant | .854 | 1.724 | .245 | 1 | .620 | 2.349 |

a. Variable(s) entered on step 1:

**Variable description**

*(Dependent):* What types of social benefit will your social innovation create?
*(Independent):*

- Which category best cover the initiatives your organization works with?
- Location, where does your enterprise act?
- Which of the following types of market does your company serve?

**$\beta_0$ = .845**
**$\beta_1$ = .102**
**$\beta_2$ = -.1.158**
**$\beta_3$ = -1.288**

What types of social benefit will your social innovation create?
.102+(-1.158)+1.288

**Comments:**

Based on the result in the first variable we have level of significance at .102 and β-599.

As we can see the second significante variable with coefficient β-.1.158 which is significant at level 0.66.

According to the result from the third significant variable we have β1.288 which is significant at level .103.

**$R^2$**- knows as coefficient of determination in our analysis is .272 shows that the independent variables explains dependent variable for 27.2%.

## 4.5.3 Hypothesis testing

### 4.5.3.1 First hypothesis

***H1: Customers tend to buy more products and services from companies that use social innovations.***

**Case Processing Summary**

| Unweighted Cases[a] | | N | Percent |
|---|---|---|---|
| Selected Cases | Included in Analysis | 100 | 100.0 |
| | Missing Cases | 0 | .0 |
| | Total | 100 | 100.0 |
| Unselected Cases | | 0 | .0 |
| Total | | 100 | 100.0 |

a. If weight is in effect, see classification table for the total number of cases.

**Dependent Variable Encoding**

| Original Value | Internal Value |
|---|---|
| No | 0 |
| Yes | 1 |

**Classification Table[a,b]**

| Observed | | | Predicted | | |
|---|---|---|---|---|---|
| | | | | | Percentage Correct |
| Step 0 | If you know that an enterprise practice social innovation, will it affect your decision to buy? | no | 60 | 0 | 100.0 |
| | | yes | 40 | 0 | .0 |
| | Overall Percentage | | | | 60.0 |

a. Constant is included in the model.

b. The cut value is .500

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 0 | Constant | -.405 | .204 | 3.946 | 1 | .047 | .667 |

**Variables not in the Equation**

| | | | Score | df | Sig. |
|---|---|---|---|---|---|
| Step 0 | Variables | Member | 3.646 | 1 | .056 |
| | | Awareof SI | 7.909 | 1 | .005 |
| | | Identfied any social innovation | 7.307 | 1 | .007 |
| | Overall Statistics | | 14.120 | 3 | .003 |

**Omnibus Tests of Model Coefficients**

| | | Chi-square | df | Sig. |
|---|---|---|---|---|
| Step 1 | Step | 15.030 | 3 | .002 |
| | Block | 15.030 | 3 | .002 |
| | Model | 15.030 | 3 | .002 |

**Model Summary**

| Step | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
|---|---|---|---|
| 1 | 119.572[a] | .140 | .189 |

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

**Classification Table[a]**

| Observed | | Predicted | | |
|---|---|---|---|---|
| | | | | Percentage Correct |
| Step 1 | If you know that an enterprise practice social innovation, will it affect your decision to buy? No | 48 | 12 | 80.0 |
| | Yes | 21 | 19 | 47.5 |
| | Overall Percentage | | | 67.0 |

a. The cut value is .500

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 1[a] | Have you ever been a member of any social activity? | .628 | .529 | 1.409 | 1 | .235 | 1.873 |
| | Are you aware of your social activities in places where you buy? | 1.044 | .466 | 5.029 | 1 | .025 | 2.842 |
| | Have you ever identified any social problem/issue? | .947 | .443 | 4.564 | 1 | .033 | 2.578 |
| | Constant | -1.978 | .559 | 12.510 | 1 | .000 | .138 |

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 1[a] | Have you ever been a member of any social activity? | .628 | .529 | 1.409 | 1 | .235 | 1.873 |
| | Are you aware of your social activities in places where you buy? | 1.044 | .466 | 5.029 | 1 | .025 | 2.842 |
| | Have you ever identified any social problem/issue? | .947 | .443 | 4.564 | 1 | .033 | 2.578 |
| | Constant | -1.978 | .559 | 12.510 | 1 | .000 | .138 |

a. Variable(s) entered on step 1:

**Variable description**

*(Dependent)* - If you know that an enterprise practice social innovation, will it affect your decision to buy?
*(Independent)-*

- Are you aware of your social acitivities in places where you buy?
- Have you ever identified any social problem/issue?

**$\beta_1$ = .1.978**
**$\beta_2$ = 1.044**
**$\beta_3$ = .947**

**Regression model**
If you know that an enterprise practice social innovation, will it affect your decision to buy? = $\beta 0+\beta 1+\beta 3+\beta 4$ = -.1.978 + 1.044 + . 947

**Comments:**

As we can see from the results , the second variable with coefficient β.1.044 which have the level of significante at .025.

The second variable also has a good level of significance .033 from coefficient β.947, which shows that increasing for 1 value will caouse positive increase for .947.

$R^2$ - of regression is .140 which mena that the independent variable explains dependent variable 14%.

$H_0$-***''Customers tend to buy more products and services from companies that use social innovations''*** is accepted and rejected $H_1$.

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 1[a] | Have you ever been a member of any social activity? | .628 | .529 | 1.409 | 1 | .235 | 1.873 |
| | Are you aware of your social activities in places where you buy? | 1.044 | .466 | 5.029 | 1 | .025 | 2.842 |
| | Have you ever identified any social problem/issue? | .947 | .443 | 4.564 | 1 | .033 | 2.578 |
| | Constant | -1.978 | .559 | 12.510 | 1 | .000 | .138 |

### 4.5.3.2 Second hypothesis

***H2: In countries that have strategies and programs for social finance, social entrepreneurs, have a greater number of social innovations.***

**Case Processing Summary**

| Unweighted Cases[a] | | N | Percent |
|---|---|---|---|
| Selected Cases | Included in Analysis | 30 | 100.0 |
| | Missing Cases | 0 | .0 |
| | Total | 30 | 100.0 |
| Unselected Cases | | 0 | .0 |
| Total | | 30 | 100.0 |

a. If weight is in effect, see classification table for the total number of cases.

**Dependent Variable Encoding**

| Original Value | Internal Value |
|---|---|
| Agree | 0 |
| Diasgree | 1 |

**Classification Table[a,b]**

| | | | Predicted | | |
|---|---|---|---|---|---|
| | Observed | | | | Percentage Correct |
| Step 0 | Countries that have | Disagree | 0 | 5 | .0 |

| | | | | |
|---|---|---|---|---|
| | strategies and programs for social finance, social entrepreneurs, have a greater number of social innovation! Agree | 0 | 25 | 100.0 |
| | Overall Percentage | | | 83.3 |

a. Constant is included in the model.

b. The cut value is .500

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 0 | Constant | 1.609 | .490 | 10.793 | 1 | .001 | 5.000 |

**Variables not in the Equation**

| | | | Score | df | Sig. |
|---|---|---|---|---|---|
| Step 0 | Variables | Social finance are designed to help economies by reducing unemployment, reducing? | 4.509 | 1 | .034 |
| | | Which of the following types of market does you company serve? | 4.773 | 1 | .029 |
| | | In what form do you do social activities? | 2.370 | 1 | .124 |
| | | When social innovation is market related ir will be more successful! | .136 | 1 | .712 |
| | Overall Statistics | | 9.391 | 4 | .052 |

**Omnibus Tests of Model Coefficients**

| | | Chi-square | df | Sig. |
|---|---|---|---|---|
| Step 1 | Step | 11.619 | 4 | .020 |
| | Block | 11.619 | 4 | .020 |
| | Model | 11.619 | 4 | .020 |

**Model Summary**

| Step | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
|---|---|---|---|
| 1 | 15.415[a] | .321 | .541 |

a. Estimation terminated at iteration number 7 because parameter estimates changed by less than .001.

**Classification Table[a]**

| | | | Predicted | | |
|---|---|---|---|---|---|
| | Observed | | Disagree | Agree | Percentage Correct |
| Step 1 | Countries that have strategies and programs for social finance, social entrepreneurs have a greater number of social innovations! | Disagree | 3 | 2 | 60.0 |
| | | Agree | 1 | 24 | 96.0 |
| | Overall Percentage | | | | 90.0 |

a. The cut value is .500

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 1[a] | Social finance are designed to help economies by reducing unemployment, reducing poverty environmental awareness and social outreach! | 1.525 | 1.452 | 1.103 | 1 | .294 | 4.596 |
| | Which of the following types of market does your company serve? | -2.080 | 1.238 | 2.821 | 1 | .093 | .125 |
| | In what form do you do social activities? | -1.015 | .574 | 3.120 | 1 | .077 | .363 |
| | When social innovation is market related ir will be more successful! | -4.027 | 3.144 | 1.640 | 1 | .200 | .018 |
| | Constant | 11.634 | 6.643 | 3.067 | 1 | .080 | 112892.921 |

a. Variable(s) entered on step 1:

**Variable description**

*(Dependent)* - Countries that have strategies and programs for social finance, social entrepreneurs, have a greater number of social innovation!

*(Independent)* –

- Which of the following type of market does your company serve?
- In what form do you do social activities?

**Regression model**

Countries that have strategies and programs for social finance, social entrepreneurs, have a greater number of social innovation! = $\beta_0+\beta_1+\beta_2$ = 11634 + (-2.080)(1) + (-1.015)(2)

$\beta_0$ - 11634

$\beta_1$ -2.080

$\beta_2$ -1.015

**Comments**

According to the results the coefficient β1 = -2.080 shows that for 1 value increase in dependent variable index '' Countries that have strategies and programs for social finance, social entrepreneurs, have a greater number of social innovation!'' the index of independent variable ' which of the following type of market does your company serve'' will be decreased '' for -2.080. Based on the results from the multiple regression analysis coefficient β2 -1.015 shows that for 1 value increase in the dependent variable , the independent variable ''in what form do you do social acitivities'' will decrease for– 1.015 , it means that the form they do social activities is less attractive and it will not depend on countries strategies.

$R^2$- knows as coefficient in our determination in our analysis is .321 which shows that the independent variables explains dependent variable for 32.1%.

***$H_0$: In countries that have strategies and programs for social finance, social entrepreneurs, have a greater number of social innovations.*** Is accepted and rejected Ha. The acceptance is done based on the and regression coefficient.

### 4.5.3.3 Third hypothesis

***H3: Creating the right infrastructure affects the acceleration of social innovations, the number and quality of social innovations***

**Case Processing Summary**

| Unweighted Cases[a] | | N | Percent |
|---|---|---|---|
| Selected Cases | Included in Analysis | 30 | 100.0 |
| | Missing Cases | 0 | .0 |
| | Total | 30 | 100.0 |
| Unselected Cases | | 0 | .0 |
| Total | | 30 | 100.0 |

a. If weight is in effect, see classification table for the total number of cases.

**Dependent Variable Encoding**

| Original Value | Internal Value |
|---|---|
| Finance | 0 |
| Information technologies | 1 |

**Classification Table[a,b]**

| Observed | | | Predicted | | |
|---|---|---|---|---|---|
| | | | | | Percentage Correct |
| Step 0 | Which instruments can influence the financial infrastructure in speeding up social innovations the number and quality of social innovations? | Finance | 0 | 13 | .0 |
| | | Information system oftechnologies | 0 | 17 | 100.0 |
| | Overall Percentage | | | | 56.7 |

a. Constant is included in the model.

b. The cut value is .500

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 0 | Constant | .268 | .368 | .530 | 1 | .467 | 1.308 |

**Variables not in the Equation**

| | | | Score | df | Sig. |
|---|---|---|---|---|---|
| Step 0 | Variables | Social finance are designed to help economies by reducing unemployment, reducing poverty environmental awareness and social outreach! | .709 | 1 | .400 |

| | | | | |
|---|---|---|---|---|
| | What exactly should the state do in first place to support organizations which are part of social innovations? | 6.111 | 1 | .013 |
| | Competitivenss for funding is adriver for improvement in the social innovation! | .023 | 1 | .880 |
| | The social innovation will not accept a commercial opportunity if it did not addres a social purpose! | 5.792 | 1 | .016 |
| Overall Statistics | | 10.914 | 4 | .028 |

**Omnibus Tests of Model Coefficients**

| | | Chi-square | df | Sig. |
|---|---|---|---|---|
| Step 1 | Step | 13.298 | 4 | .010 |
| | Block | 13.298 | 4 | .010 |
| | Model | 13.298 | 4 | .010 |

**Model Summary**

| Step | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
|---|---|---|---|
| 1 | 27.756[a] | .358 | .480 |

a. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001.

**Classification Table[a]**

| Observed | | | Predicted | | |
|---|---|---|---|---|---|
| | | | | | Percentage Correct |
| Step 1 | Which instruments can influence the financial infrastructure in speeding up social innovations the number and quality of social innovations? | Finance | 9 | 4 | 69.2 |
| | | Information system of technologies | 3 | 14 | 82.4 |
| | Overall Percentage | | | | 76.7 |

a. The cut value is .500

**Variables in the Equation**

| | | B | S.E. | Wald | df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 1[a] | Social finance are designed to help economies by reducing unemployment, reducing poverty environmental awareness and social outreach! | 2.060 | 1.314 | 2.457 | 1 | .117 | 7.842 |
| | What exactly should the state do in first place to support organizations which are part of social innovations? | 1.945 | 1.004 | 3.757 | 1 | .053 | 6.996 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Competititveness for funding is a driver for improvement in the social innovation? | .825 | 1.146 | .519 | 1 | .471 | 2.283 |
| | The social innovation will not accept a commercial opportunity if it did not address a social purpose! | -2.880 | 1.501 | 3.682 | 1 | .055 | .056 |
| | Constant | -.976 | 1.295 | .568 | 1 | .451 | .377 |

a. Variable(s) entered on step 1:

**Variable description:**

*(Dependent)* - Which instruments can influence the financial infrastructure in speeding up the number and quality of social innovations?

*(Independent )*-

- What exactly should the state do in first place to support organizations which are part of social innovations?
- The social innovation will not accept a commercial opportunity if it did not address a social purpose!

**Regression model**

Which instruments can influence the financial infrastructure in speeding up the number and quality of social innovations? = β0 + β1 +β 2 (-.976 + 1.945 + (-2.880) )

**$\beta_0$ = .976**

**$\beta_1$ = 1.945**

**$\beta_2$ = -2.880**

**Comments:**

According to the result we can conclude that activities shoul the state do to support social innovation has impact in denpendent variable index, The index od dependent variable will be increased for 1.945, this coefficient is significant at .053.

Based on the result we have good evidence regarding if social innovation will not accept commercial opportunity if it did not addres a social purpose. According to them, less are organization which don't agree for coefficient of -2.880 than Agree, the coefficient is significant at .055.

$R^2$- knows as coefficient of determination in our analysis is .358 which shows that the independent variables explains the dependent variable for 35.8%.

***$H_3$''Creating the right infrastructure affects the acceleration of social innovations, the number and quality of social innovations''*** the positive impact of right infrastructure is proven with $\beta_1$ with coefficient 1.945 which is significant at level .053. we accept $H_0$ and reject Ha the opposite of $H_0$.

# FIFTH CHAPTER: CONCLUSION AND RECOMMENDATION

## 5.1 Conclusion

We can conclude from the research that social innovation has great influence in consumer decision also it helps organization to increase the profit**.**

**The first hypothesis**

***H1: ''Customers tend to buy more products and services from companies that use social innovations''*** is supported with positive singnificance of 0.33 between the question ''Have you ever identified any social issue'' and '' Are you aware of your social activities in places where you buy'' with coefficient .1.044 which is significant at level .025**.**

**The second hypothesis-**

$H_2$ : ***''Countries that have strategies and programs for social finance, social entrepreneurs, have a greater number of social innovation''*** is supported with positive level of significance between :

- Which of the following type of market does your company serve?
- In what form do you do social activities?

According to the results the coefficient β1 = -2.080 shows that for 1 value increase in dependent variable index '' Countries that have strategies and programs for social finance, social entrepreneurs, have a greater number of social innovation!'' the index of independent variable ' which of the following type of market does your company serve'' will be decreased '' for -2.080.

Based on the results from the multiple regression analysis coefficient β2 -1.015 shows that for 1 value increase in the dependent variable , the independent variable ''in what form do you do social acitivities'' will decrease for– 1.015 , it means that the form they do social activities is less attractive and it will not depend on countries strategies.

**The third hypothesis-**

**$H_3$ :''*Which instruments can influence the financial infrastructure in speeding up the number and quality of social innovations?*''** Also this one is supported with positive level of significance between the question:

- What exactly should the state do in first place to support organizations which are part of social innovations?
- The social innovation will not accept a commercial opportunity if it did not address a social purpose!

According to the result we can conclude that activities shoul the state do to support social innovation has impact in denpendent variable index, The index od dependent variable will be increased for 1.945, this coefficient is significant at .053.

Based on the result we have good evidence regarding if social innovation will not accept commercial opportunity if it did not addres a social purpose. According to them, less are organization which don't agree for coefficient of -2.880 than Agree, the coefficient is significant at .055.

## 5.2 Recommendation

The aim of this research is to identify how social innovations make things easier , how we can tackle them and improve them. Economies in developed or emerging economies are obviously dominated by social innovations that raise GDP such as education, health care. The economy of a country is more affected by the provision of services than from the production of products, which in itself entails the fact that social innovations have a very important role in a country's economy. Although this field is not well-known in our country, I hope that the final results presented will be a motive for understanding the importance that social innovations have. Based on the result we would like to give below suggestion to all organization public, private and charitable institution:

- **The most important fact is that this field is not well-known in our country, even if it's not the organization need to organize trainings not just for employees also for consumers, to inform them that their organization contribute in social innovation.**
- **Social innovations pose additional opportunities for revenue growth for businesses even it doesn't always has an impact on the quality of output but it reduces production costs so that competitiveness will increase.**

## 5.3 Restrictions

We are aware that perfect research are so rare or imposible, as any research and this research has its on restriction.

- **From aproximatly 250 distributed questionnaire we have received respond from 130 respondent, not all companies accepted to collaborate with us, even that the responses will be used only for the scientific conclusion.**
- **Restriction of the time and territorial restriction , was impossible to increase our sample size from 130 respondent, which means its to hard to represent larger number of companies.**
- **Even if done pilot questionnaire, aproximatly in all the question we have provided additional explanation.**

## 5.4 Suggestion for the future research

- First I would announce that this research has opportunity to expand because its new field in our country a gues also is not well-known in Balkan countries, also you rare can find research in this field, and i would suggest to do more research in this field.
- Second I would suggest research with larger sample and to compare with this research. Also it would be attractive this research to be done in Balkan countries and then to compare with our country.

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# Appendix

## SURVEY QUESTIONNAIRE
## (for physical person)

For Master Thesis: '' **Strategies for accelerated social innovation ''**

I'm Mimoza Arifi and I'm a postgraduate student studying Management Science at South East European University- Faculty of Business and Economics.

I'm conducting a research about Strategies for accelerated social innovation . I would appreciate if you could kindly answer the following questions to your best ability and would like to highlight that information obtained here will be held in the strictest confidentiality .

1. **Gender?**

    a. Female
    b. Male

2. **Age?**

    a. 18-20
    b. 21-30
    c. 31-40
    d. 41-50
    e. 51-60
    f. +61

3. **Education?**

    a. Primary school
    b. Secondary school

c. University degree
d. Postuniversity degree

4. **Marital status?**

a. Married
b. Single
c. Divorced
d. Widower

5. **Where do you work?**

a. Private organization
b. Public institution
c. Unemployed

6. **Have you been a member of any social activity?**

a. Yes
b. No

7. **In which of these areas have you contributed to social innovation?**

a. Education
b. Research, science
c. Culture
d. Environment
e. Sustainability, development
f. Something else

8. **Are you aware of the social activities in places where you buy?**

a. Yes
b. No

9. **If you know that an enterprise practices social activities, will it affect your decision to buy ?**

   **a.** Yes
   **b.** No

10. **Social innovations offer products or services that are simpler and less costly than existing subsidies and can be perceived as having a lower level of performance, but users consider them to be good enough!**

    a. Agree
    b. Disagree

11. **Social innovations complement a social need in a positive or beneficial way!**

    **a.** Agree
    **b.** Disagree

12. **Involvement of the community brings to social innovation better ideas to be implemented and to assist the beneficiaries !**

    a. Agree
    b. Disagree

13. **Does social innovation work better away from the community?**

    a. Agree

b. Disagree

14. **Social innovation meets a need that is served or overwhelmed (because the existing solution is more complex than many people seek) or is not served at all**!

    a. Agree
    b. Disagree

15. **For an individual to practice social entrepreneurship he/she must have:**

    **a.** Have social value creation as their main aim
    **b.** Other

16. **Social innovation creates social variations through scaling and repetition!**

    a. Agree
    b. Disagree

17. **Have you ever identified a problem / social issue that requires an innovative solution?**

    a. Yes
    b. No

**Pyetsor për persona fizik**

Për temën e masterit :'' **Strategjitë për përshpejtimin e inovacioneve sociale** ''

Un jam Mimoza Arifi, studente master, në studime post-diplomike, Shkencat e Menaxhmentit, në Univerzitetin e Evropës Juglindore, Fakulteti I Administrimit të Biznesit dhe Ekonomisë. Faleminderit që pranuat të bëheni pjesë e këtij hulumtimi.

Të dhënat do të sigurohen në mënyrë strikte dhe nuk do të ekspozohen personave të tjerë. Do isha shumë mirënjohëse nëse ju përgjigjeni pyetjeve të mëposhtme.

1. **Gjinia**

   a. Femrore
   b. Mashkullore

2. **Mosha**

   a. 18-20
   b. 21-30
   c. 31-40
   d. 41-50
   e. 51-60
   f. +61

3. **Edukimi**

   a. Shkollim Fillorë
   b. Shkollim I Mesëm
   c. Studime Univerzitare
   d. Studime Post univerzitare

**4. Statusi juaj :**

a. I/E Martuar
b. Beqarë/e
c. I/E ndarë
d. I/E Ve

**5. Ju punoni në?**

a. Organizatë private
b. Institucion public
c. I/E papunë
d. _____

**6. A keni qenë pjesmarës në ndonjë aktivitet social?**

a. Po
b. Jo

**7. Në cilën nga këto fusha keni kontribuar për inovacionin social?**

a. Arsim
b. Hulumtime, shkencë, njohuri
c. Kulturë
d. Mjedis, ekologji
e. Qëndrueshmëria, zhvillimi
f. Të tjera _____

**8. Nëse e dini se një ndërmarje praktikon aktivitete sociale, a do të ndikon në vendimin tuaj për të blerë tek ajo ndërmarje?**

a. Po
b. Jo

9. **A jeni në dijeni për aktivitetet sociale në vedet ku ju bleni?**

    a. Po
    b. Jo

10. **Inovacionet sociale ofrojn produkte ose shërbime që janë më të thjeshta dhe më pak të kushtueshme sesa alternativat ekzistuese dhe mund të perceptohen si të kenë një nivel më të ulët të performancës, por përdoruesit i konsiderojnë ato të jenë mjaft të mira!**

    a. Pajtohem
    b. Nuk pajtohem

11. **Inovacionet sociale plotësojn një nevojë sociale në një mënyrë pozitive ose të dobishme !**

    a. Pajtohem
    b. Nuk pajtohem

12. **Përfshirja e komunitetit i jep risi inovacioneve sociale apo ideve më të mira për t'u implementuar dhe për të ndihmuar përfituesit ?**

    a. Pajtohem
    b. Nuk pajtohem

**13. A funksionon inovacioni social më mirë larg  nga komuniteti?**

a. Pajtohem
b. Nuk pajtohem

**14. Inovacioni social plotëson një nevojë që është shërbyer ose mbi shërbyer (sepse zgjidhja ekzistuese është më komplekse sesa shumë njerëz kërkojnë) ose nuk shërbehet fare**!

a. Pajtohem
b. Nuk pajtohem

**15. Që një individ  të praktikojë sipërmarrjen sociale duhet:**

a. Ta ket  krijimin e vlerës sociale si qëllim kryesor
b. Other

**16. Inovacioni (social) shoqëror krijon ndryshime sociale përmes shkallëzimit dhe përsëritjes.**

a. Pajtohem
b. Nuk pajtohem

**17. A keni identifikuar ndonjëherë një problem / çështje sociale që kërkon një zgjidhje inovative?**

a. Po
b. Jo

**Прашалник за физички лица**

**Прашалник**

За магистерската теза: **“ Стратегии за забрзување на социјалните иновации ”**

Ви благодариме што ја прифативте поканата да бидете дел од ова истражување. Јас сум Мимоза Арифи, студент по магистерски студии во Универзитетот на Југо-Источна Европа, во факултетот за Бизнис Администрација и Департманот за Економија во Науката на Менаџментот. Спроведувам истражување во врска со улогата на Стратегии за забрзување на социалните иновации. Забелешка: добиените информации ќе бидат зачувани во најстрога доверливост и името на вашата компанија нема да се појави во анализите.

1. **Род:**

    a. Машки
    b. Женски

2. **Вашата возраст**

    a. 18-20
    b. 21-30
    c. 31-40
    d. 41-50
    e. 51-60
    f. +61

3. **Вашето образование**:

    a. Основно образование

b. Средно образование
c. Високо образование
d. Магистерски студии

**4. Брачниот статус:**

a. Во брак
b. Не женет/ не мажена
c. Разведен/а
d. Вдовец/ца

**5.Вие работите во:**

a. Приватна компанија
b. Државна институција
c. Не сум вработен/А

**4. Дали сте учествувале во некоја социјална активност?**

a. Да
b. Не

**5. Во која од овие области придонесете за социјалните иновации?**

a. Образование
b. Истражување, наука, знаење
c. Култура
d. Животна средина, екологија
д. Одржливост, развој
f. Друго _____

6. **Ако знаете дека претпријатието применува социјални активности, дали ќе влијае на вашата одлука за купување?**

   a. Да
   b. Не

7. **Дали знаете за социјалните активности во местата каде што купувате?**

   a. Да
   b. Не

8. **Социјалните иновации нудат производи или услуги кои се поедноставни и поевтини од постојните алтернативи и може да се смета дека имаат пониско ниво на перформанси, но корисниците сметаат дека се прилично добри.**

   a. Се согласувам
   b. Не се согласувам

9. **Социјалните иновации дополнуваат социјална потреба на позитивен или корисен начин!**

   a. Се согласувам
   b. Не се согласувам

10. **Дали вклученоста во заедницата дава иновација за социјални иновации или подобри идеи кои треба да се имплементираат и да им се помогне на корисниците?**

a. Се согласувам
b. Не се согласувам

11. **Дали социјалните иновации работат подобро далеку од заедницата?**

a. Се согласувам
b. Не се согласувам

12. **Социјалните иновации ги задоволуваат потребите што се служат или преслужуваат(бидејќи постојното решение е посложено отколку што многумина го бараат) или воопшто не му служи!**

a. Се согласувам
b. Не се согласувам

**15. За една личност да практикува социјално претприемништво треба :**

a. Да се создаде социјална вредност како главна цел
b. Друго

**16.Социјалната иновација создава социјални промени преку ескалација и повторување.**

a. Се согласувам

b. Не се согласувам

**17. Дали некогаш сте идентификувале проблем / социјален проблем кое бара иновативно решение**?

a. Да

b. Не

# Appendix

## Survey questionnaire for organization

## Survey questionnaire

For Master Thesis: '' **Strategies for accelerated social innovation in Balkan countries''**

I'm Mimoza Arifi and I'm a postgraduate student studying Management Science at South East European University- Faculty of Business and Economics. I'm conducting a research about Strategies for accelerated social innovation .

I would appreciate if you could kindly answer the following questions to your best ability and would like to highlight that information obtained here will be held in the strictest confidentiality and the name of your company will not appear in the analysis.

**Company name (optional )_____**

**1.What is the role in the organization of the person completing the questionnaire?**

a. Owner
b. Manager

**2.Gender of the person completing the questionnaire?**

a. Female
b. Male

**3.Number of employee do you supervise in your company?**

a. 1-50
b. 51-100

c. 101-150

d. 151+

**4.Which year the organization was established:**

---

a. before 2000

b. after 2001

**5.What goods or services does you organization produce/offer?**

a. products

b. Services (consulting, financial, training etc.)

**6.Which sector does your organization belong to?**

a. Public sector

b. Private sector

**7.Which of the following types of market does your company serve?**

**a.** Local

**b.** Regional

**c.** National

**d.** International

**8.Location, where does your enterprise (please circle all those who fit you)?**

a. Macedonia

b. Kosovo
c. Albania
d. All

**9. Social innovations are new strategies, concepts, ideas and organizations that meet the social needs of different elements which can be from working conditions and education to community development and health — they extend and strengthen civil society!**

a. Agree
b. Disagree

**10.The social innovation generate resources, such as donations, grants, volunteer manpower, or intellectual capital, in ways that initially unattractive to incumbent competitors !**

a. Agree
b. Disagree

**11.The social innovation is often ignored, disparaged or even encouraged by existing players for whom the business model is unprofitable or otherwise unattractive and who therefore avoid or retreat from the market segment !**

a. Agree
b. Disagree

**12.Does your organization contribute in social innovation?**

a. Yes
b. No

**13, Which sector will your social innovation mainly operate in?**

a. Food
b. Agriculture
c. Energy
d. Fashion and design
e. Hospitality
f. Financial services
g. Education and training
h. Other_____

**14.What types of social benefit will your social innovation create? (please mark all that apply)?**

a. Social inclusion and cultural integration
b. Other

**15. Which category /categories best cover(s) the initiatives your organization Works with?**

a. Finance(grants, loans)
b. Advice/competence development
c. Education
d. Commerce
e. Other

**16. In what form do you do social activities?**

a. Money

b. Scholarships
c. Food
d. Clothing
e. Other _____

**17. The social innovation is currently in the following phase:**

a. Idea creation phase
b. Prototyping and piloting phase
c. Implementation phase
d. Sustaining phase
e. Scaling phase
f. Neither

**18. Can social innovations provide additional data?**

a. Yes
b. No

**19. The social innovation is run like a business !**

a. Agree
b. Disagree

**20. The social innovation offers products or services that are simpler and less costly than existing alternatives and may be perceived as having a lower level of performance, but users consider them to be good enough !**

a. Agree
b. Disagree

21. **Is it hard to identified people or organization who will pay for social innovation?**

    a. Yes
    b. No

22. **For an individual/organization to be practicing social entrepreneurship they must:**

    a. Have social value creation as their main aim
    b. Social value can be held at varying importance

23. **We are constantly tracking the needs of the beneficiaries of the social innovation !**

    a. Yes
    b. No

24. **Have you conducted research on how important the perception of consumers is for the social activities of the enterprise ?**

    a. Yes
    b. No

25. **To grow our social innovation we do experiments to see what works** !

    a. Yes
    b. No

**26. Do you measure every step of social innovation?**

a. Yes
b. No

**27. Because we want to keep up with other social innovations we constantly measure to get information if a change in the social innovation is successful !**

a. Agree
b. Disagree

**28. The social innovation has to keep improving because of the existence of similar and better social innovations from other organizations !**

a. Agree
b. Disagree

**29. The social innovation competes with other organizations for funding !**

a. Agree
b. Disagree

**30. Competitiveness for funding is a driver for improvement in the social innovation** !

a. Agree
b. Disagree

31. **Commercialism is necessary for the existence of the social innovation !**

    a. Agree
    b. Disagree

32. **The social innovation will not accept a commercial opportunity if it did not address a social purpose !**

    a. Agree
    b. Disagree

33. **When the social innovation is market related it will be more successful !**

    a. Agree
    b. Disagree

34. **Does the social innovation operates better away from community?**

    a. Yes
    b. No

35. **If yes, Community involvement gives the social innovation better ideas to implement to help beneficiaries** !

    a. Agree
    b. Disagree

36. **A charitable institution that focuses solely on social output and value creation will create the greatest social value:**

a. Agree
b. Disagree

37. **In countries that have strategies and programs for social finance, social entrepreneurs, have a greater number of social innovations !**

a. Agree
b. Disagree

38. **Which instruments can influence the financial infrastructure (group of financial institutions) in speeding up social innovations, the number and quality of social innovations?**

a. Technological information system
b. Finance

39. **Social finance are designed to help economies by reducing unemployment, reducing poverty, environmental awareness, and social outreach**.

a. Agree
b. Disagree

40. **What exactly should the state do in the first place to support organizations which are part of social innovations? Please select only one most important activity.**

a. Provide consultations Provide subsidies for start-ups and hold trainings free of charge, Provide loans on preferential terms
b. Other

**Pyetsor për organizatat**

Për temën e masterit :'' **Strategjitë për përshpejtimin e inovacioneve sociale** ''

Un jam Mimoza Arifi, studente master, në studime post-diplomike, Shkencat e Menaxhmentit, në Univerzitetin e Evropës Juglindore, Fakulteti I Administrimit të Biznesit dhe Ekonomisë.

Faleminderit që pranuat të bëheni pjesë e këtij hulumtimi. Të dhënat do të sigurohen në mënyrë strikte dhe nuk do të ekspozohen personave të tjerë. Do isha shumë mirënjohëse nëse ju përgjigjeni pyetjeve të mëposhtme.

**Emri i kompanisë (fakultativ) _____**

1. **Cili është roli i personit që plotëson pyetësorin?**

   a. Pronar
   b. Menaxher

2. **Gjinia e personit që e plotëson pyetësorin?**

   a. Mashkull
   b. Femër

3. **Numri I të punësuarve që mbikqyrë në kompanin tuaj?**

   a. 1-50
   b. 51-100
   c. 101-150
   d. 151+

4. **Viti në të cilin është themeluar organizata:**

    a. Before-2000
    b. After- 2001

5. **Çfarë produkte apo shërbime prodhon/ofron ndërmarja juaj?**

    a. Shërbime(konsultime, financa, trajnime, etc)
    b. Produkte ushqimore
    c. Veshmbathje
    d. Tjetër_____

6. **Cilit sektor i takon organizata juaj?**

    a. Sektorit public
    b. Sektorit privat

7. **Në cilin treg bën pjesë kompania juaj?**

    a. Lokal
    b. Rajonal
    c. Kombëtar
    d. Ndërkombëtar

8. **Lokacioni, ku vepron ndërmarja juaj (ju lutem rrethoni të gjitha ata që ju përshtaten)?**

    a. Maqedoni
    b. Kosovë
    c. Shqipri

d. Tjetër_____

**9. Inovacionet sociale (risit shoqërore) janë : strategji, koncepte, ide të cilat takojnë nevojat sociale(shoqërore) të cilat mund të burojnë nga kushtet e punës, edukimit të komunitetit të cilat zgjerojnë dhe forcojnë shoqërin civile!**

a. Pajtohem
b. Nuk Pajtohem

**10. Inovacioni social gjeneron burime, si donacionet, grantet, fuqinë punëtore vullnetare, apo kapitalin intelektual, në mënyra që fillimisht nuk janë tërheqëse për konkurrentët në detyrë!**

a. Pajtohem
b. Nuk Pajtohem

**11. Inovacioni Social (shoqëror) shpesh injorohet, keqpërdoret ose madje inkurajohet nga lojtarët ekzistues për të cilët modeli i biznesit është i padobishëm ose ndryshe i shëmtuar dhe për këtë arsye shmanget ose tërhiqet nga segmenti i tregut!**

a. Pajtohem
b. Nuk Pajtohem

**12. A kontribon organizata juaj në inovacione sociale ( risi shoqërore ) ?**

a. Po
b. Jo

**13. Në cilin sektor do të veprojë kryesisht inovacioni juaj social?**

a. Ushqim
b. Bujqsi
c. Enerxhi
d. Modelim dhe dizajn
e. Shërbime mjeksore
f. Shërbimet financiare
g. Arsimi dhe trajnimi
h. Tjetër_____

**14. Cilat lloje përfitimesh do të krijoj inovacioni juaj social? (ju lutemi rrethoni të gjitha ato që mund të aplikohen)?**

a. Përfshirja sociale dhe integrimi kulturor
b. Other

**15. Cila kategori mbulon më së miri iniciativat me të cilat punon organizata juaj?**

a. Financat (grante, hua)
b. Zhvillimi i këshillave / kompetencave
c. Arsim
d. Tregtim
e. Tjetër_____

**16. Në çfarë forme I kryeni aktivitetet shoqërore (sociale)?**

a. Të holla
b. Bursa (shkollore)
c. Ushqim
d. Veshmbathje
e. Tjetër_____

**17. Inovacioni social është aktualisht në fazën vijuese:**

a. Faza e krijimit të idesë
b. Faza prototyping dhe pilotimi
c. Faza e zbatimit
d. Faza e mbështetjes
e. Faza e shkallëzimit
f. Asnjëra

**18. A mund të sigurojnë inovacionet sociale të dhëna shtesë?**

a. Po
b. Jo

**19. Inovacionet sociale (risit shoqërore) janë drejtuar ose njihen si një biznes!**

a. Pajtohem
b. Nuk pajtohem

**20. Inovacioni social ofron produkte ose shërbime që janë më të thjeshta dhe më pak të kushtueshme sesa alternativat ekzistuese dhe mund të perceptohen se kanë një nivel më të ulët të performancës, por përdoruesit i konsiderojnë ato të jenë mjaft të mira!**

a. Pajtohem
b. Nuk pajtohem

**21. A është e vështirë të identifikohen njerëz apo organizata të cilët do të paguajnë për inovacionet (risitë) sociale?**

a. Po
b. Jo

**22. Që një organizatë të praktikojë sipërmarrjen sociale, duhet që** :

a. Të ketë krijimin e vlerës sociale (shoqërore) si qëllim kryesor
b. Vlerës shoqërore ti jep rëndësi të ndryshme

**23. A i ndiqni vazhdimisht nevojat e përfituesve të inovacionit social?**

a. Po
b. Jo

**24. A keni kryer hulumtime se sa i rëndësishëm është perceptimi i konsumatorëve për aktivitetet sociale të ndërmarrjes?**

a. Po
b. Jo

**25. Për të rritur inovacionin tonë shoqëror(social) bëjmë eksperimente për të parë se çfarë funksionon dhe çfarë jo!**

a. Po
b. Jo

**26. A e masni çdo hap të inovacioneve sociale (risive shoqërore)?**

a. Po
b. Jo

**27. Nëse duam të vazhdojmë me risitë (inovacionet) e tjera sociale, ne vazhdimisht mundohemi të marrim informacion nëse një ndryshim në inovacionin social është i suksesshëm!**

a. Pajtohem
b. Nuk pajtohem

**28. Inovacioni social duhet të vazhdojë të përmirësohet për shkak të ekzistencës së risive të ngjashme dhe më të mira sociale nga organizatat e tjera!**

a. Pajtohem
b. Nuk pajtohem

**29. Inovacionet sociale (risit shoqërore) konkurojnë me organizata të tjera për financim!**

a. Pajtohem
b. Nuk Pajtohem

**30. Konkurrueshmëria për financim është një nxitës për përmirësimin e inovacionit social!**

a. Pajtohem
b. Nuk Pajtohem

**31. Komercializmi (maksimizimi I profitit) është i domosdoshëm për ekzistencën e inovacionit social!**

a. Pajtohem
b. Nuk pajtohem

**32. Inovacioni shoqëror (social) nuk do të pranojë një mundësi komerciale nëse nuk ka adresuar një qëllim social!**

a. Pajtohem
b. Nuk pajtohem

**33. Kur inovacioni social (shoqëror) do të lidhet me tregun, do të jetë më i suksesshëm!**

a. Pajtohem
b. Nuk pajtohem

**34. A funksionon inovacioni sociale më mirë larg nga komuniteti?**

a. Po
b. Jo

**35. Nëse jo, përfshirja e komunitetit u jep ideve sociale ide më të mira për t'u zbatuar dhe  për të ndihmuar përfituesit!**

a. Pajtohem
b. Nuk pajtohem

**36. Një institucion bamirës që përqëndrohet vetëm në autputin (prodhimin) social do të krijojë vlerën më të madhe shoqërore!**

a. Pajtohem
b. Nuk pajtohem

**37. Vendet që kanë strategji dhe programe për financa sociale, sipërmarrësit socialë, kanë një numër më të madh inovacionesh sociale!**

a. Pajtohem
b. Nuk pajtohem

**38. Nëpërmjet cilave instrumente mund të ndikojë infrastruktura financiare (grup institucionesh financiare) në përshpejtimin e inovacioneve sociale, numrin dhe cilësinë e risive sociale?**

a. Sistemit informativ teknologjik
b. Financa

**39. Financat sociale janë të projektuara që ti ndihmojnë ekonomitë duke ulur shkallën e papunsisë, ulë varfërin, kujdes ndaj mjedisit si dhe orientim ndaj inovacioneve sociale.**

a. Pajtohem
b. Nuk pajtohem

**40. Çfarë saktësisht duhet të bëjë shteti në radhë të parë për të mbështetur organizatat të cilat mirren me inovacionet sociale?**

a. ofrojnë konsultime dhe mbajnë trajnime falas, Sigurimi i huave sipas kushteve preferenciale, Sigurimi i subvencioneve për fillimin e punës
b. Të tjera

**Прашалник**

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**Име на компанијата (по избор) _____**

**1. Каква е улогата на лицето кое го пополнува прашалникот?**

a. Сопственикот
b. Менаџер

**2.Полот на лицето кое го пополнува прашалникот?**

a. Машки
b. Женски

**3.Број на вработени кои ја надгледуваат вашата компанија?**

a. 1-50
b. 51-100

c. 101-150

d. 151+

**4. Година во која организацијата е основана:**

a. пред-2000

c. после- 2001

**5. Кои производи / услуги произведуваа / нуди вашата компанија?**

a. Услуги (консултации, финансии, обука, итн)

b. Прехранбени производи

c. Облека

d. Други _____

**6. Во Кој сектор припаѓа вашата организација?**

a. Јавен сектор

b. Приватен сектор

**7.Во кој пазар припаѓа вашата компанија?**

a. локален

b. регионален

c. национален

d. меѓународен

**8.Локација, каде делува вашиот бизнис (ве молиме заокружете ги сите оние што ви се вклопуваат)?**

a. Македонија

b. Косово

c. Албанија

d. Друго _____

**9. Социјални иновации се: стратегија, концепти, идеи кои ќе ги задоволат општествените потреби (социјална) кои можат да потекнуваат од условите за работа, образование, заедница која се прошири и да се зајакне граѓанското општество!**

a. Се согласувам

b. Не се согласувам

**10. Социјалните иновации , генерират ресурси како што се донации, волонтерски труд или интелектуалниот капитал, на начини кои не беа првично привлечна за конкурентите!**

a. Се согласувам

b. Не се согласувам

**11.Социјалните иновации често се игнорирани, малтретирани, па дури и охрабрени од постојните играчи за кои бизнис моделот е неефективен или на друг начин непривлечна и затоа се избегнуваат или се повлекуваат од некој сегмент на пазарот!**

a. Се согласувам

b. Не се согласувам

**12. Дали вашата организација придонесува за социјални иновации ?**

a. Да

b. не

**13. Во кој сектор вашите социјални иновации првенствено ќе работат?**

a. Храна
b. Земјоделството
c. Енергија
d. Моделирање и дизајн
e. Медицински услуги
f. Финансиски услуги
g. Образование и обука
h. Други _____

**14. Кои видови бенефиции ќе создадат вашите социјални иновации? (ве молиме заокружете го она што може да се примени)?**

a. Социјална и културна интеграција
b. Друго

**15. Која категорија најдобро одговара на иницијативите на вашата организација?**

a. Финансии (грантови, заеми)
b. Развој на совети / надлежности
c. Образование
d. Маркетинг
e. Други _____

**16. Во каква форма ги вршите социјалните активности?**

a. Пари
b. Стипенди
c. Храна
d. Облека
e. Друго _____

**17. Социјалните иновации моментално се наоѓаат во следната фаза:**

a. Фаза на креирање на идејата
b. Прототипирање и пилот фаза
c. Фаза на имплементација
d. Фаза на поддршка
e. Фаза на скалирање
f. Ниту една

**18. Дали може да се обезбедат дополнителни податоци социјалните иновации?**

a. Да
b. Не

**19. Социјалните иновации се опфатени или познати како бизнис!**

a. Се согласувам
b. Не се согласувам

**20. Социјалните иновации нудат производи или услуги кои се поедноставни и поевтини од постоечките алтернативи и може да се смета дека имаат пониско ниво на перформанси, но корисниците сметаат дека се прилично добри!**

a. Се согласувам
b. Не се согласувам

**21. Дали е тешко да се идентификуваат луѓе или организации кои ќе плаќаат за социјални иновации?**

a. Да
b. Не

**22. За организација која практикува социјално претприемништво, таа треба:**

a. Да се има социјална вредност како главна цел

b. На социјалната вредност да и даде поинаква важност

**23. Дали постојано ги следите потребите на корисниците на социјалните иновации?**

a. Да

b. Не

**24. Дали сте спровеле истражување за тоа колку е важна перцепцијата на потрошувачите за општествените активности на претпријатието?**

a. Да

b. Не

**25. За да ги зголемиме нашите социјални иновации, правиме експерименти за да видиме што функсионира, а што не!**

a. Да

b. Не

**26. Дали го мерите секој чекор од социјалните иновации ?**

a. Да

b. Не

**27. Ако сакаме да останеме во чекор со другите социјални иновации, постојано се трудиме да откриеме дали една промена во социјалните иновации е успешна!**

a. Се согласувам

b. Не се согласувам

**28. Социјалните иновации треба да продолжат да се подобруваат поради постоењето на слични и подобри социјални иновации од други организации!**

a. Се согласувам
b. Не се согласувам

**29. Социјалните иновации се натпреваруваат со други организации за финансирање!**

a. Се согласувам
b. Не се согласувам

**30. Конкурентноста за финансирање е катализатор(мотив) за подобрување на социјалните иновации!**

a. Се согласувам
b. Не се согласувам

**31. Комерцијализмот (максимизација на профитот) е неопходен за постоење на социјални иновации!**

a. Се согласувам
b. Не се согласувам

**32. Социјалните иновации нема да прифатат комерцијална можност освен ако не се обрати на социјална цел!**

a. Се согласувам
b. Не се согласувам

**33. Кога социјалните иновации ќе се поврзат со пазарот, тоа ќе биде поуспешно!**

a. Се согласувам

b. Не се согласувам

**34. Дали социјалните иновации работат подобро далеку од заедницата?**

a. Да

b. Не

**35. Ако не е така, вклученоста на заедницата им дава на социјалните идеи подобри идеи за спроведување и помош на корисниците!**

a. Се согласувам

b. Не се согласувам

**36. Една добротворна институција која се фокусира само на социјалното производство ќе создаде најголема општествена вредност!**

a. Се согласувам

b. Не се согласувам

**37. Земјите кои имаат стратегии и програми за социјални финансии, социјални претприемачи, имаат поголем број на социјални иновации!**

a. Се согласувам

b. Не се согласувам

**38. Кои инструменти можат да влијаат на финансиската инфраструктура (група на финансиски институции) во забрзувањето на социјалните иновации, бројот и квалитетот на социјалните иновации?**

a. Технолошки информациски систем

b. Финанси

**39. Социјалните финансии се дизајнирани да им помогнат на економиите преку намалување на невработеноста, намалување на сиромаштијата, свесност за животната средина и социјална помош.**

a. Се согласувам

b. Не се согласувам

**40. Што точно би требало државата да направи на прво место за поддршка на организации кои се занимаваат со социјални иновации? (Ве молиме изберете само една од најважните активности)**

a. нудат консултации и одржуваат бесплатни обуки, Обезбедување на кредити под преференцијални услови, Обезбедување субвенции за почеток на работа

b. Друго_____