MAPPING OF THE ECOSYSTEM FOR SOCIAL INNOVATIONS IN LATVIA

COMPREHENSIVE REPORT

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List of Abbreviations

Abbreviation	Full Name / Translation
ALTUM	Development Finance Institution “Altum”
UNO	United Nations Organization
AP	Development Program
BUICASUS	Building Capacity for Social Innovation Ecosystems in the Baltic States (project)
EC	European Commission
EU	European Union
ESF+	European Social Fund Plus
ESG	Environmental, Social, and Governance Criteria
EaSI	Employment and Social Innovation Programme
ICT	Information and Communication Technologies
CSR	Corporate Social Responsibility
LAMPA	LAMPA Conversation Festival
LBTU	Latvian University of Life Sciences and Technologies
LIAA	Investment and Development Agency of Latvia
LLF	Latvian Rural Forum
LM	Ministry of Welfare
LSUA	Latvian Social Entrepreneurship Association
AI	Artificial Intelligence
MC	Cabinet of Ministers
NGO	Non-Governmental Organization
OECD	Organisation for Economic Co-operation and Development
SIF	Society Integration Fund
SE	Social Entrepreneurship
SVVA	Community-Driven Local Development Strategy
LAG	Local Action Group
VSAA	State Social Insurance Agency
ZIEDOT.LV	Charity online platform “Ziedot.lv”

Terminology Explanation

Term	Explanation
Programmatic Modernization	State-driven implementation of innovation with a dominant “top-down” approach and limited public participation.
Social Agency	The institutional and informal capacity of communities to initiate, implement, and sustain social innovations.
Co-Governance	Joint problem definition and solution implementation by citizens, municipalities, and organizations.
Smart Village Approach	People-centered local development practice combining community initiatives, digital tools, and partnerships.

CONTENT

1. METHODOLOGY, THEORETICAL FRAMEWORK, ECOSYSTEM LEVELS

Methodology and Research Design

The study was developed by combining several research methods and dividing the process into multiple stages: (a) development of a theoretical mapping framework[1]; (b) data collection; (c) processing and coding; (d) analytics and triangulation; (e) results.

The database consists of an online survey (n=60; 2025 VI–VII), social innovation mapping data (n=19; 2025 IV–XI), smart village data (n=108; 2021–2025), and documents/programs/policy materials (LAG strategies, institutional reports, regional development programs, LAMPA programs 2020–2025). Data collection involves purposive sampling to ensure both comparable numerical values and qualitative data excerpts for descriptive sections.

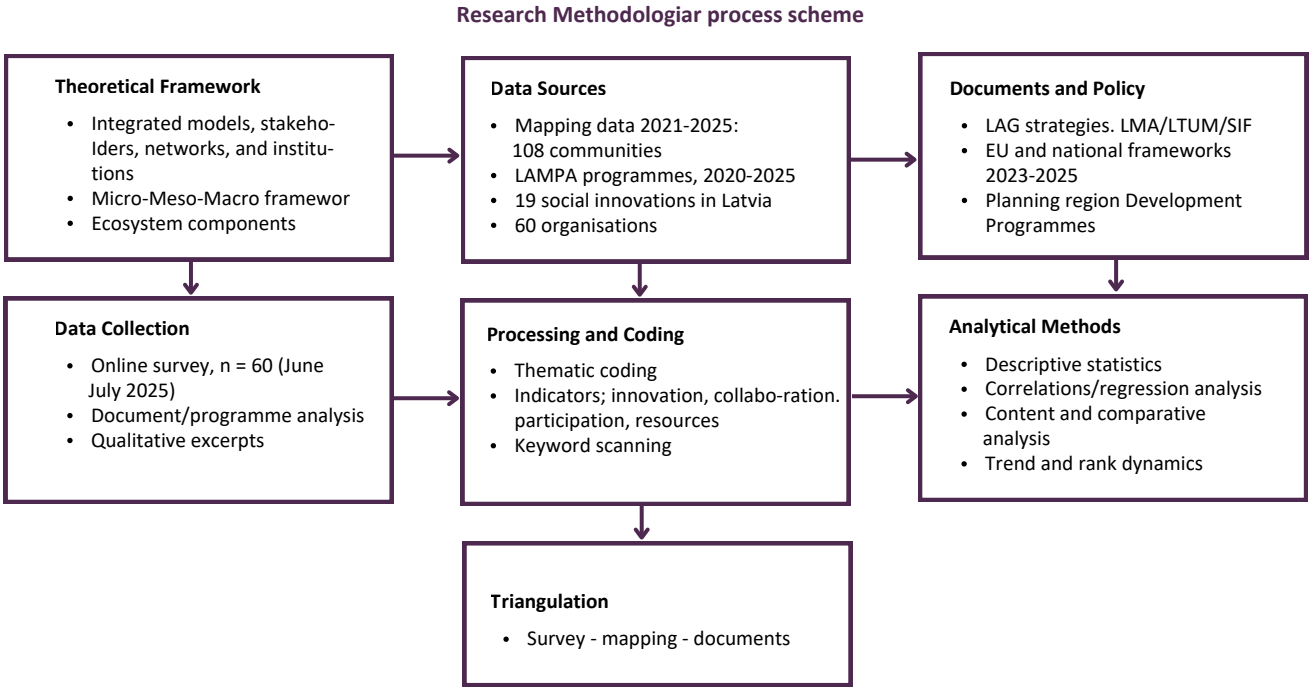

Figure 1. Research Methodology. Source: Author's design.

Analytical Framework

The analytical framework is based on adapting the social innovation ecosystem to the needs of Latvia, integrating a micro–meso–macro perspective and highlighting three key elements: **sectors, level structures** (localism), and **societal values**. Quantitative analysis uses descriptive statistics, including trend and rank dynamics, as well as correlation and regression methods. Qualitative analysis employs **content, keyword,** and **co-occurrence analysis**. Triangulation of survey, mapping, and document data allows for comprehensive comparison and verification of observations. Subsequent analysis is structured using micro, meso, and macro

[1] The 'mapping process' describes the approaches and criteria used, the sample, data sources, data collection, coding and analysis steps, as well as limitations

level, cross-sector interaction, organizational capacity, and institutional alignment; at the macro level, the influence of policy, regulation, and strategic state processes. This approach enables a systemic interpretation of empirical data, connecting observations across ecosystem layers.

Expected Results

The study produces an overview of the social innovation ecosystem in Latvia. This includes both quantitative indicators and visualizations, as well as qualitative insights on ecosystem actors and collaboration models. The analysis identifies key development trends and evaluates the contribution of policy and institutional mechanisms to ecosystem strengthening. Based on this data, conclusions and recommendations for improving social innovation development are formulated. The mapping results provide a foundation for strategic planning and systemic policy improvement.

Disclaimer

Artificial intelligence tools were partially used in content processing. The lead author is responsible for the final content, conclusions, and accuracy of the information.

Theoretical Basis for Social Innovation Ecosystem Mapping

Social innovation ecosystems are complex, interconnected, and coexisting structures composed of diverse system actors, institutional and informal systems, as well as governance, collaboration, and interaction models. Recent studies propose several theoretical models for analysing these ecosystems, focusing on the system as a diverse and multi-level construct. One of the most popular frameworks for mapping social innovation ecosystem components is the OECD Analytical Framework for the Analysis of Social Innovation Ecosystems, published in 2021[2].

This framework is less suitable for the grassroots level, focusing more on system-level elements (e.g., policy and institutions) and has limited coverage of technology. While the framework mentions digitalization and the importance of data, it does not provide an in-depth methodology for analysing AI, ICT, and GovTech components, which are increasingly important today. Considering this, the next step is to explore other theoretical ecosystem mapping models to construct the most suitable analytical model for the Latvian context. This allows mapping the social innovation ecosystem in Latvia, emphasizing critical aspects: actors' roles and interaction, multi-level support, policy influence, and the regional and local significance of social innovation.

To ensure analytical depth and context, it is important to outline the main theoretical approaches internationally used for understanding and mapping social innovation ecosystems. Due to the diversity of approaches, the theoretical overview is presented as an appendix (see Appendix 1).

Justification for Combined Analysis of Theoretical Models

Research and development of social innovation ecosystems require a multidimensional approach encompassing diverse actor interactions, multi-level governance models, and funding mechanisms. Available

[2] OECD. (2021). Framework for ecosystem of social innovation. OECD local economy and employment development. (LEED), Nr. 2021/01. Parīze: OECD Publishing. https://doi.org/10.1787/6f1f2b6f-en

models indicate there is no universal theoretical mapping model covering all aspects of ecosystem functioning and interactions; thus, mapping the Latvian ecosystem requires integrating multiple approaches. Mapping social innovation ecosystems is a complex process, involving analysis of actors, collaboration mechanisms, institutional frameworks, and "overlap" zones, considering various theoretical approaches (see Appendix 1). It is within these overlap zones—where actors' roles, network structures, and institutional governance mechanisms interact—that the main dynamic processes of the social innovation ecosystem emerge.

Integration of Systemic Innovation Strategy and Three Approaches of the Ecosystem

At the centre of ecosystem mapping is the integration of the social innovation ecosystem, encompassing actor dynamics, network mechanisms, and institutional governance within a unified system. This approach emphasizes that social innovations cannot be viewed in isolation - they are part of a broader ecosystem where various sectors, structures, and strategies interact. Key questions for accurate mapping include:

- How interconnected are different ecosystem levels?
- How are social innovation strategies integrated across sectors and policy levels?
- Which indicators can assess social innovation impact at the ecosystem level?

This comprehensive approach allows mapping the existing ecosystem, forecasting its development trajectories, and identifying necessary support mechanisms.

Conclusions

Mapping the social innovation ecosystem should primarily focus on the "overlap" zones of theoretical models, as they form the foundation of systemic interactions and provide new insights into ecosystem mapping. The Venn diagram clearly shows that the goal of mapping is not just to study individual aspects, but to analyze their interactions. Where different theoretical approaches overlap, new directions for innovation development, collaboration mechanisms, and sustainable governance strategies emerge. In the Latvian context, of the seven identified mapping overlap zones, the report emphasizes sectors and their collaboration, system levels—including regional and community levels—and social value changes and their impact on social innovation development. Combining and strategically adapting these theoretical approaches to the Latvian context allows creating a multidimensional analysis of the social innovation ecosystem, encompassing its interactions and mapping of actors.

2. ANALYSIS OF ECOSYSTEM LEVELS (MICRO, MESO, MACRO) AND TERMINOLOGY

Latvia is developing a multi-level social innovation ecosystem involving individuals and communities, as well as regional and national institutions. The participation and collaboration of actors across these levels can foster a shared foundation for social innovations, creating favourable conditions for sustainable and positive social change. Analysing the levels of a social innovation ecosystem helps to understand how different layers —micro (individual and initiative), meso (organizations and collaboration networks), and macro (institutional

environment)—interact to form an innovation structure. In explaining the terminology of levels, the concepts of local, regional, and national can be used as analogues. As noted in Howaldt and Schwarz (2016)[3], it is increasingly important to focus on social innovation as a change mechanism at the micro and meso levels.

Social Innovation Terminology

Social innovation is a broader concept than social entrepreneurship (SE) because it encompasses the development of new approaches and solutions, as well as their adaptation and scaling to improve societal well-being (Murray, Caulier-Grice & Mulgan, 2010[4]). Social innovation can exist independently of a business model and include public policy processes, civic engagement, and technological adaptation. The European Commission defines social innovation as: "Social innovations are new ideas that meet social needs, create social relationships, and foster new forms of collaboration (…)"[5].

Social innovation is closely linked to the social economy, which is the part of the economy that combines organizations (e.g., associations, cooperatives, foundations, social enterprises) whose primary goal is not profit maximization but social benefit, solidarity, democratic governance, and sustainability.

In Latvia, social innovation and the social economy are interconnected but not synonymous. While the social economy often relies on social innovation, it can operate without an innovation component, simply maintaining existing models of societal welfare. The social economy in Latvia is in a positive development phase, and a National Social Economy Plan is being developed to set future priorities and support mechanisms.

Social entrepreneurship in Latvia is regulated by the Social Entrepreneurship Law (2018), which defines a social enterprise as a business whose main goal is improving societal welfare rather than profit. According to the Ministry of Welfare, by 2025, there were over 200 registered social enterprises in Latvia, primarily in education, employment, and social care. While social innovations are often integrated into social enterprise models, not all social enterprises are innovative. Therefore, although the social economy and social innovation are related, they do not always coincide and can exist as parallel, separate concepts. The National Social Economy Plan has the potential to strengthen this link, ensuring that the social economy not only maintains existing solutions but also creates new, sustainable, innovative models.

[3] Howaldt, J., & Schwarz, M. (2016). Social innovation: Towards a new innovation paradigm. In T. Li (ed.), Innovation and development: The role of social innovation (pp. 19–39). Cambridge University Press. Pieejams: https://doi.org/10.1017/S004727941600009X

[4] Murray, R., Caulier-Grice, J., & Mulgan, G. (2010). The Open Book of Social Innovation. The Young Foundation & NESTA.

[5] https://single-marketeconomy.ec.europa.eu/industry/strategy/innovation/social_en

Term	Function	Relation to Other Terms
Social economy	Value-based economic system where the goal is societal benefit, not profit	Forms the basis for social entrepreneurship and may include elements of social innovation
Social entrepreneurship	Business aimed at addressing social needs, where profit is used to achieve social goals	Operates within the social economy; often implements or utilizes social innovations
Social innovation	Development and implementation of innovative solutions to address social problems or improve quality of life	Can be part of the social economy or business, but can also exist independently

Table 1. Terminology and Explanations (Source: Author)

Development of Social Innovation – Multi-Level Approach

Effective social innovation development requires a multi-level approach encompassing local, regional, and national levels. Each level provides unique opportunities and resources that promote sustainable social innovation implementation and scaling.

Local Level: Local municipalities and communities are increasingly engaged in social innovation. Local-level innovators are directly linked to local needs and residents, offering flexible, quickly adaptable solutions to specific social problems. Research highlights[6] that a strength of social innovators is: "Focus on local needs and residents." Local-level actors also include informal community leaders closely associated with implementing social innovations. Their influence on local development is undeniable, though capacity and resources are often limited. Most social innovators operate at the local scale.

Regional Level: The regional level connects local initiatives with broader national processes, helping innovations gain support and scalability. Municipalities and especially planning regions play a key role in social innovation development, using local resources, including financial support and professional capacity. Often, social innovations that originate locally gradually expand to a wider scale, demonstrating a bottom-up approach[7]. Coordinated planning region activities are crucial to ensure the transfer of local social innovations and evaluate national and international scaling, including integration into regional planning documents. A study comparing social innovators in Zemgale (Latvia) and Northern Lithuania found that: “Social innovators emphasize the need for goodwill, open communication, listening, and situation assessment in government administration… Social innovation is a relatively new field, and it is important to inform government organizations and society about what they do to foster understanding.” A major challenge is the lack of information and awareness.

National Level: At this level, strategic coordination, regulation, and funding mechanisms ensure the sustainability and impact of social innovations. Several national-level projects support social innovation, such as the ESF+ project “Social Innovation Plus – National Competence Centres,” promoting sustainability and adaptation.

[6] https://www.zemgale.lv/lv/jaunums/petijums-atklaj-socialo-inovatoru-potencialu-zemgale-un-ziemellietuva

[7] Laizāns, T. (2019). Funding options of the social innovations: summary of international experience. From: Sociālā inovācija: izaicinājumi un risinājumi Latvijā. K. Oganisjana red. Rīga: RTU Izdevniecība, 2019. pp. 71–75. Pieejams: https://ebooks.rtu.lv/wpcontent/uploads/sites/32/2020/02/9789934222290_Sociala-inovacija_PDF.pdf

Analysis of Interconnections Between Micro, Meso, and Macro Levels

Social innovation, as a mechanism for social change, is implemented through interconnected ecosystem levels—micro, meso, and macro—that interact and influence both the emergence of initiatives and their scalability and sustainability. In Latvia, this system, though still developing in many respects, offers several examples of how new solutions to social problems are developed at different levels.

Level	Function in Ecosystem	Typical Participants	Upward/Downward Collaboration[8]
Micro (local)	Idea generation, solution prototyping	Communities, social entrepreneurs, youth, other target groups	Resources, learning from meso/macro
Meso (regional)	Support, networking, scaling/transfer	NGOs, incubators, municipalities, planning regions	Supports micro-level initiatives and develops regional support policies
Macro (national)	Policymaking, funding	Ministries, SIF, LIAA, ALTUM	Regulation, national funding support, maintenance

Table 2. Functions, Participants, and Forms of Collaboration by Ecosystem Level (Source: Author)

Micro Level – Individual, Initiative, and Small Community Activities

At the micro level, social innovation most often emerges as a response to a specific local problem, involving civil society or community leaders, indicating that individuals are the drivers of micro-level innovations. This level shows the direct effect of solutions on society—citizen engagement, community strengthening, and resource mobilization. New ideas and projects often emerge as responses to unmet social needs. Micro-level actors are closest to society and often represent it, applying a bottom-up approach[9], testing innovative solutions, and rapidly adapting to target group needs. However, participation and civic engagement are significantly lower in rural areas, with rural populations less involved in NGO activities[10].

Example: Radi Vidi Pats in Kuldīga, active since 2011, is a local community platform for social participation, education, and cultural development. It exemplifies micro-level social innovation in a rural area by:

- Activating youth and at-risk groups,
- Offering alternative education formats (creative workshops, festivals, digital literacy activities),
- Operating a co-creation space serving as a social, cultural, and collaborative hub.

Innovation Element: The initiative responds to local youth needs lacking access to education, participation, and self-expression opportunities, creating a space for learning, collaboration, and small initiatives.

[8] Howaldt, J. (2016). Social innovation: Towards a new innovation paradigm. RAM. Revista de Administração Mackenzie, 17(6), 20–44.Pieejams: https://doi.org/10.1590/1678-69712016/administracao.v17n6p20-44

[9] The same as above

[10] Radi Vidi Pats. (n.d.). Radi Vidi Pats. Pieejams: https://www.radividipats.lv/

Organizational Structure: Operates as an association and implements projects with various fund support (e.g., Erasmus+), based on volunteerism, community, and strong identity. Such local projects embody micro-level social innovation by providing innovative solutions where traditional mechanisms were insufficient, directly engaging society.

Other Examples: Direct purchase initiatives from local farmers in rural areas show how a simple idea can become an economically and socially significant model.

Collaboration, Resource Flow, Opportunities, and Challenges: Micro-level initiatives seek support and connections with higher ecosystem levels. Individual innovators often engage in networks or seek mentors and partners in meso-level organizations for experience and resources. Lessons learned from micro-level initiatives inform national policy on effective solutions and barriers. Micro-level successes provide data and insights influencing macro-level decisions, such as expanding pilot projects or adjusting regulations. Challenges remain: many initiatives lack capacity and sustainable funding, relying on project calls or volunteer work. If meso-level support mechanisms (e.g., incubators, consultants) are absent or macro-level policy does not provide follow-up support, innovative ideas may wither due to lack of resources or knowledge. Community self-organization is still developing in Latvia, with society gradually becoming more open to social innovations[11]. Micro-level successes heavily depend on how effectively individual innovators can mobilize support—through meso-level networks or by convincing the local community of the innovation's value.

Conclusion: The micro level generates the most ideas but often faces capacity barriers.

Potential: Rural micro-initiatives can be a positive tipping point for strengthening local civic engagement.

Meso Level – Organizational Capacity and Networking

At the meso level, the social innovation ecosystem is formed by support organizations, networks, and intermediaries that connect micro-level initiatives with macro-level resources. This includes organizations within the social entrepreneurship ecosystem—NGOs, incubators, and consulting centres, as well as municipalities, regional development institutions (planning regions), and education and research institutions focusing on social innovation.

The main functions of meso-level actors are to provide support (financial, advisory, informational), build capacity, facilitate knowledge exchange, and advocate for interests, thus enhancing the viability and growth of micro-level initiatives nationwide.

Planning regions and municipalities engage in meso-level activities by participating in international projects, some of which occur within their territories, and by issuing small grants to support social projects. A key focus is integrating social innovation goals into regional development strategies.

Indicators of Activity:

- All five planning regions organize social innovation forums, think tanks, or workshops and actively participate in or initiate ES structural fund projects related to social innovation.

[11] https://socialinnovation.lv/wp-content/uploads/2022/11/Petijums_LV-sabiedribas-izpratne-par-socialajam-inovacijam.pdf

- Regional NGO support centers have been established, for example, in Valmiera, Rēzekne, and Jelgava, and additionally, an NGO incubator program operates (2025).
- LSUA represents a network of 140+ members and collaboration partners (LSUA, 2025)[12].

Example: NGO Incubator, picture above (2025)[13]. A service commissioned by SIF involving three associations — "Impact Hub," "NEXT," and "Latvian Rural Forum"—providing support to NGOs across Latvia. This program exemplifies regional coverage, considering the need to activate different regions.

Conclusion: The meso level ensures knowledge transfer, mentoring, and resource mobilization for micro-level initiatives; however, regional disparities—differences in capacity and priorities—significantly affect its effectiveness and development.

Potential: The meso level can provide inter-level support and communication, playing a key role in understanding micro-level needs.

Macro Level – Policy Structure and Systemic Framework

At the macro level, the social innovation ecosystem is composed of state institutions, legal regulations, strategies, and funding mechanisms. In Latvia, the macro-level framework for social innovation is largely defined by social entrepreneurship policy, which is only part of the broader social innovation domain. The Ministry of Welfare is primarily responsible for developing social entrepreneurship policy, e.g., drafting the Social Enterprise Law (effective since 2018).

As of 2025, the key policy focus is developing and implementing the Social Economy Plan (2026–2029), which is expected to set concrete development directions, tasks, and emphasize inter-ministerial collaboration. Inter-institutional coordination is crucial to promote social innovation across these directions. For example, one future task is developing a socially responsible public procurement system, meaning state and municipal procurement would increasingly use social clauses, favouring companies that create social impact.

[12] https://sua.lv/lsua-atskats-2024/

[13] https://www.nvoinkubators.lv/par-mums/

During the 2021–2027 EU funding period, ESF+ provides support for social innovation. In 2024, the Ministry of Welfare launched a new support measure No. 4.4.1.1, **"Support for New Approaches in Community-Based Social Services."** Macro-level support functions are provided by state and private intermediaries in other areas as well. For example, the Ministry of Welfare and ALTUM have managed a grant program for social enterprises funded by the European Social Fund since 2018. From 2018 to 2023, 204 social enterprises received grants[14] totalling €12.6 million, enabling them to start or expand operations. ALTUM also provided free consultations for business plan development and compensated employers' social insurance contributions for social target group employees. In 2024–2025, ALTUM continues to provide support under the new period, already awarding 60 new grants (~€3.5 million)[15]. These intermediaries ensure that macro-level funding (EU funds, state support) reaches micro-level initiatives.

Macro-level social innovation development is supported not only by funding and legislation but also by data collection, monitoring, and public awareness. The Ministry of Welfare maintains the Social Enterprise Register and regularly publishes sector statistics (e.g., number of registered enterprises, employment, operational fields). Latvia participates in international initiatives—the Ministry of Welfare serves as the national contact point for EaSI (ESF+ Employment and Social Innovation), assisting local organizations in engaging with European social innovation projects. Finally, the Social Innovation Competence Centre, operating under the Society Integration Fund (SIF), is defined by the Cabinet of Ministers' decision of 5 December 2023, with tasks including:

1. Increasing socially innovative solutions addressing key societal problems, improving individual and community well-being;
2. Promoting international collaboration, knowledge exchange, and joint learning to strengthen social innovation capacity;
3. Supporting social innovation actors in better utilizing available funding;
4. Establishing sustainable national resources coordinating social innovation activities, fostering networking, and supporting policy planning and implementation;
5. Supporting the development of the social innovation ecosystem, essential for sustainable societal development and addressing social problems.

Indicators of Activity:

- Social Enterprise Law (2018) and support instruments (Ministry of Welfare, ALTUM)
- Social Economy Plan (Ministry of Welfare, 2025)
- Social Innovation Competence Centre (SIF, 2024) as a macro-level inter-institutional coordinator
- Strategic integration across other sectors (e.g., documents from Ministry of Welfare, Ministry of Economy, Ministry of Environmental Protection and Regional Development) remains partial and fragmented.

[14] Ministry of Welfare, informative decision about activities and development of social enterprises up to 2025 https://www.lm.gov.lv/lv/petijumi-un-zinojumi-1

[15] Ministry of Welfare (2025). Development plan for social economy in Latvia 2026–2029 https://www.mk.gov.lv/lv/media/22784/download

Example: Latvia's Social Economy Plan 2026–2029, aimed at strengthening the role of social entrepreneurship and innovation in the national economy.

Conclusion: The macro level provides a comprehensive framework for social innovations but often functions insufficiently to fully support micro- and meso-level innovation development.

Potential: The macro level's potential lies in creating a unified, coordinated, and sustainable policy framework that not only provides resources but systematically develops and implements national strategies with significant impact on communities and social initiatives.

Conclusions on Multi-Level Interaction

Interaction between macro, meso, and micro levels manifests as continuous information and resource flow: the macro level sets frameworks and resources, the meso level ensures implementation and support, and the micro level delivers concrete solutions and feedback. For example, thanks to macro-level support (laws and funding), the number of micro-level social innovators has grown, who, through meso-level support organizations (LSUA, NGO incubators, planning regions), identify new needs and potential solutions for the government. By 2024–2025, Latvia is developing a more coherent ecosystem: micro-level projects achieve results and demonstrate impact (best practices and summaries), meso-level networks and support programs expand (including in regions), and the macro level—institutions and policymakers—recognizes the importance of social innovations and integrates them into national and regional strategies. Close interaction among all three levels is critical for the continued development of Latvia's social innovation ecosystem and broader socioeconomic benefits for society.

3. ANALYSIS OF ECOSYSTEM COMPONENTS

Classic Components of a Social Innovation Ecosystem

Analysing the components of a social innovation ecosystem involves several interconnected elements, including legal framework, funding mechanisms, support systems, human resources and innovation capacity, public understanding, and sectoral collaboration. Legal frameworks provide a clear regulatory foundation for social innovation development, while diverse funding sources—state funding, private investments, and philanthropic support—are critical for sustainable development. Support mechanisms, such as incubators and consulting services, are essential for innovators at both the idea stage and implementation stage. Strengthening human capital through training is vital for successful execution, while innovation capacity requires resource availability, cross-sector collaboration, and technology integration.

Component	Description
Policy Framework	Strategies, regulations, legal framework, political support mechanisms
Funding	Public funds, private investments, philanthropic support
Ecosystem Actors	Social enterprises, NGOs, public sector, research institutions, private sector, etc.
Support Services and Infrastructure	Incubators, accelerators, consulting services, physical infrastructure
Market Mechanisms	Public procurement, markets for goods and services, channels for social innovations
Human Capital	Skills, knowledge, experience, leadership, education, and training
Cultural and Social Factors	Public understanding and support, changing social values, attitude toward innovations
Technology	Digital solutions, data analytics, use of social platforms

Table 3: Components of a Social Innovation Ecosystem

Public understanding and support are essential for the broad adoption of social innovations, integrating them into everyday processes and habits. Sectoral collaboration ensures efficient resource optimization and sustainability of innovations.

Considering that a detailed social innovation ecosystem mapping report for Latvia was already prepared in 2022 (BuiCaSuS, 2022)[1] and no significant structural changes have occurred in many previously identified areas, this analysis focuses on components whose deeper review or supplementation provides the greatest informational added value. This mapping covers dynamic areas (e.g., technology integration, sector collaboration, multi-level governance) and aspects where data or analysis has been limited.

Justification for the Selection of Ecosystem Components

Although the components of social innovation ecosystems and their interactions have been widely examined in various theoretical models—including identifying factors that influence the emergence, implementation, and sustainability of innovations—this review will focus on specific areas that are particularly relevant in the context of social innovation development in Latvia. Specifically, this analysis will examine the main components considered essential for structuring the ecosystem, as well as those highlighted in theoretical frameworks as significant in the “overlap” zones of multiple ecosystem mapping models.

First, when selecting the most relevant areas, both from the ecosystem models’ “overlap” zones and based on the advisory consultations organized by SIKC at the end of 2024 and in 2025, sectors, their mutual collaboration, and the involvement of various stakeholders (state, NGOs, businesses, academic sector, etc.) in supporting social innovation processes will be evaluated. Effective collaboration and co-creation-based mechanisms are recognized as one of the most important conditions for successful innovation implementation. Additionally, from the “overlap” zones, aspects such as the transformation of social values and multi-level governance—specifically micro, meso, and macro levels, which were discussed earlier—can be highlighted.

[16] BuiCaSus. (n.d.). Available: https://buicasus.eu/results/

Second, special attention will be given to the role of technology in contemporary social innovation. Digital solutions, artificial intelligence, data analytics, and social platforms significantly expand opportunities both for creating innovative solutions and for making them accessible to society. In the mapping report, this topic appears both as a cross-cutting component and as a dedicated analysis, considering the sectors' perspectives on the importance of technology in social innovation.

Third, both in the advisory consultations with stakeholders and in the survey process, localism plays a crucial role. This perspective points to the need to conduct analysis at the regional, local (municipality), and community levels. Therefore, the mapping report highlights the role of Local Action Group activities and smart villages as characteristics of localism.

These leading aspects—sector collaboration, ecosystem-level activities, localism, and technology—will be analyzed in depth, based on both theoretical sources and empirical observations and data, with the aim of understanding how they collectively shape Latvia's social innovation ecosystem. However, in addition to these components, the classic elements of a social innovation ecosystem model will also be considered: political framework, funding, and ecosystem participants.

Changes in Existing Policy, Regulation, and Institutional Framework

National Development Plans Affecting Social Innovation 2023–2025

In Latvia, during the period from 2023 to 2025, the most significant changes in social innovation development are related to the preparation of the Social Economy Plan. The Social Economy Plan 2026–2029 is a new policy planning document in the field of social innovation, with its main drafting taking place in 2024–2025, aimed at fulfilling EU recommendations and consolidating various initiatives into a unified strategy. The plan's goal is to define a coherent framework for the social economy. According to the Ministry of Welfare, there are approximately 27,000 participants in the social economy in Latvia[17]. The emerging Social Economy Plan seeks to include strategic support for public benefit providers, whose support is limited under the current legal framework. The plan is being developed in line with the European Union Council Recommendation of 27 November 2023 on the development of social economy enabling conditions, which calls on Member States to develop or enhance national strategies for social economy development within 24 months[18]. This EU recommendation emphasizes the need to improve the regulation and environment for the social economy to promote social innovation and employment, particularly the integration of vulnerable groups into the labor market.

Legislative Changes and Improvement of the Innovation Environment

During 2023–2025, the Social Enterprise Law was not substantially amended, but directions for further improvement emerged. In 2022, the government tasked the Ministry of Welfare with preparing proposals for

[17] Ministry of Welfare (2025). Development plan for social economy in Latvia 2026–2029 https://www.mk.gov.lv/lv/media/22784/download

[18] Ministry of Welfare. (2023). Recommendation by the Council of Europe 27.11. 2023. to develop the framework for social economy on national level.https://www.lm.gov.lv/lv/padomes-2023-gada-27-novembra-ieteikums-par-socialas-ekonomikas-pamatnosacijumu-izstradi#:~:text=soci%C4%81lie%20uz%C5%86%C4%93mumi%20netiek%20izmantoti%2C%20lai,c

amendments to the law to clarify future policy coordination — including the requirement to regularly submit informational reports to the Cabinet of Ministers on social entrepreneurship development and to evaluate necessary support improvements[19]. Such a report was prepared in spring 2025, compiling statistics (e.g., in 2023, 59% of social enterprises had a turnover exceeding €40,000, and the total number of employees in social enterprises reached 2,341) and identifying challenges and needed policy adjustments. As a result, it is expected that in the coming years, the regulation of social entrepreneurship will be further refined, for example by considering tax incentives for work integration social enterprises or other stimuli, a process that had already begun by the end of 2025.

Another important regulatory development is related to EU fund investments in social innovations. In December 2023, the government adopted regulations for the EU Cohesion Policy 2021–2027 specific objective 4.4.1 — "Promote the social integration of people at risk of poverty or social exclusion through social innovations." Under this objective, measure 4.4.1.1 "Support for new approaches in community-based social service delivery" was created to finance innovative social service solutions. The aforementioned Cabinet of Ministers regulations No. 820 (19.12.2023)[20] and their amendments in 2025 define project selection and implementation procedures, including result indicators (e.g., the number of supported persons) and conditions for innovation project implementers. This regulatory framework ensures that ESF+ funds are purposefully directed toward pilot projects for social innovation (e.g., new approaches in childcare, support for homeless people, etc.) and that project results are monitored and integrated into policy.

Overall, from 2023 to 2025, the legal framework continued to develop gradually — maintaining the previously established legal base (laws and regulations) and responding to current needs with new initiatives (EU-influenced plans and specific support measures for social innovation). During this period, no new standalone "Social Innovation Law" was introduced, but the topic of social innovation is increasingly integrated into various policies — from welfare and employment policies to regional development policies.

European Union Initiatives and their Impact on Latvian Policy

EU initiatives in social economy and social innovation in 2023–2025 also significantly influenced Latvian policy. One of the central documents is the European Social Economy Action Plan (2021)[21], which emphasized Member States' responsibility to develop the social economy sector. Latvia focuses on creating its national social economy plan and actively uses EU funding and platforms for experience exchange. For example, Latvia participated in transnational initiatives under the European Social Fund+ — in 2023, the Society Integration Foundation, together with partners, applied in the EC competition "National Social Innovation Competence Centres," gaining support to establish a national competence centre[22]. This project, financed by ESF+, directly stems from the EU Action Plan's objective to strengthen the social innovation network in Europe by building competence and capacity, creating a network unit in each country.

[19] Cabinet of Ministers. (2025). Informative decision about social entrepreneurship until 2025. https://tapportals.mk.gov.lv/legal_acts/e5996e63-fc24-4ec4-997e-e11a243523b4#

[20] Cabinet of Ministers (2023). Regulations for the implementation of Measure 4.4.1.1 "Support for the Provision of New Approaches to Community-Based Social Services" under Specific Objective 4.4.1 "Promoting the Social Inclusion of Persons at Risk of Poverty or Social Exclusion through Social Innovation" of the European Union Cohesion Policy Programme for 2021–2027. Latvijas Vēstnesis, No. 250.

[21] European Commission. (2021). Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Building an economy that works for people: an action plan for the social economy (COM(2021) 778 final). Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021DC0778

[22] Ministry of Finance. (n.d.). National Social Innovation Competence Centres – Capacity Building and Strengthening. Available at: https://www.esfondi.lv/profesionaliem/demarkacija/nacionalie-socialo-inovaciju-kompetences-centri-speju-veidosana-un-nostiprinasana#:~:text=Apraksts%3A

Another important EU framework is the European Pillar of Social Rights and its implementation action plan (2021). The pillar's 20 principles, such as the right to active inclusion and social services, exert indirect pressure to implement innovative solutions in social policy to achieve ambitious goals (e.g., reducing the number of people at risk of poverty by 15 million at the EU level by 2030). Latvia pays particular attention to principles such as an inclusive labour market, social protection, and housing — in these areas, social innovations (new services, "Housing First" approaches, etc.) are considered key tools. The ESF+ program "Employment and Social Innovation" (EaSI), part of ESF+, is based on the European Pillar of Social Rights. EaSI supports testing innovative approaches in reducing long-term unemployment, social entrepreneurship, and other social policy areas.

In summary, EU initiatives, such as Council recommendations and Pillar objectives, had a tangible influence on Latvian social innovation policy in 2023–2025. Latvian policy in this area is becoming increasingly aligned with EU priorities: the importance of the social economy is being strengthened, new support mechanisms are being developed, and good practices from other countries are being adopted.

Institutional Changes and Coordination in Social Innovation

To ensure more effective policy implementation, institutional changes in social innovation coordination occurred in Latvia during 2023–2025. The main development was the establishment of the National Social Innovation Competence Centre (NSICC) and the launch of an intersectoral cooperation platform. In 2024, the Society Integration Fund was delegated to establish NSICC (in Latvian – SIKC) using ESF+ support. This centre serves as a unified coordinating structure for social innovations in the country. On 29 July 2024, SIF received EU funding for the project "Social Innovation Plus — National Competence Centres," aimed at developing a national social innovation competence centre, establishing a professional team (staff, experts, partners from NGOs, academia, municipalities, and the private sector), and defining roles, responsibilities, and collaboration mechanisms. As a result, an institutional platform linking the public sector and civil society in social innovation was consolidated in Latvia.

Alongside SIKC's establishment, the Society Integration Fund (SIF), together with partners — the Ministry of Welfare and the Latvian Social Entrepreneurship Association — strengthened the national contact point function for social innovation. Within SIF, the topic of social innovation is integrated with social cohesion measures, emphasizing that social innovation is an instrument to reduce social exclusion and strengthen communities.

Integration of Social Innovation and Social Entrepreneurship into Regional Planning Strategies (2021–2027)

Latvia's five planning regions — Riga, Vidzeme, Kurzeme, Latgale, and Zemgale — developed medium-term development strategies for 2021–2027. These documents set regional development priorities, goals, and actions to implement long-term strategies. A mapping report evaluates whether the 2021–2027 regional development programs include direct references to social innovation support.

Riga Planning Region

The Riga Planning Region (RPR) Development Program 2022–2027[23] strategic goals and priorities focus on socially inclusive communities and a knowledge-based, innovation-rich economy. For example, Strategic Goal SM1 is defined as "Socially inclusive life in thriving communities," and SM2 as "Knowledge-based 'green,' innovative, and resilient economy." These objectives indirectly relate to public participation and innovation; however, the strategy does not define a separate action line or priority directly dedicated to social innovation or social entrepreneurship. The terms "social innovation" and "social entrepreneurship" do not appear in the program text (checked in both the Strategy and Action Plan). According to RPR representatives, these concepts are mentioned under Priority 2. Indirectly related actions exist, fostering a favourable environment for social innovation — for example, under the priority "Specialized services and community sustainability," Action Line RV 1.4 "Social planning and strengthening community capacity" is aimed at increasing community engagement and capacity. Overall, the Riga Planning Region does not explicitly highlight social innovation and social entrepreneurship, but it emphasizes innovation and public engagement in broader terms, including economic competitiveness and service modernization.

Vidzeme Planning Region

The Vidzeme Planning Region Development Program 2021–2027[24] includes several strategic goals and priorities related to social security, inclusive society, and economic innovation. The term "social innovation" is not directly mentioned, but support for social entrepreneurship is included indirectly as part of business promotion measures: "Promote the development of new types of entrepreneurships in the region, including high-growth enterprises, startups, social entrepreneurship, business tourism, creative industries, etc." The program emphasizes smart specialization and innovation system strengthening, with social enterprises considered alongside other business types. Social innovation is mentioned indirectly, e.g., when discussing the development of the innovation ecosystem and the need for new solutions for societal needs. The Vidzeme plan does not offer direct social innovation support measures.

Kurzeme Planning Region

The Kurzeme Planning Region Development Program 2021–2027[25] emphasizes social inclusion and specific social entrepreneurship measures. One of eight main priorities is defined as "Social Inclusion," including Action Line RV 6.4 "Promoting social entrepreneurship," with the goal of fostering a positive atmosphere for social entrepreneurship in the region. Activities include providing information on social enterprise efficiency to municipalities, organizing regular meetings and consultations, and promoting cooperation between municipalities, NGOs, and social entrepreneurs. Although social innovation is not explicitly mentioned, several other priority areas indirectly support it, such as RV 6.2 "Implementation of sustainable, community-based social service systems" and RV 5.1 "Providing innovative, accessible, and efficient services." Representatives note that the program lacks mechanisms for cross-sector collaboration essential for social economy and sustainable development.

[23] Riga Planning Region. (2021). Development Programme of Riga Planning Region 2021–2027. Riga Planning Region. Available at: https://rpr.gov.lv/wp-content/uploads/2023/04/RPR-AP_2027_Strategiska-dala.pdf

[24] Vidzeme Planning Region. (2021). Development Programme of Vidzeme Planning Region 2021–2027. Vidzeme Planning Region. Available at: https://www.vidzeme.lv/wp-content/uploads/2024/11/VPR_AP_2022-2027_2.1-1.pdf

[25] Kurzeme Planning Region. (2021). Development Programme of Kurzeme Planning Region 2021–2027. Kurzeme Planning Region. Available at: https://www.kurzemesregions.lv/wp-content/uploads/2021/11/Strategiska_dala_v2.0.pdf

Latgale Planning Region

Latgale's Development Program 2021–2027[26] demonstrates a targeted approach to social entrepreneurship promotion as part of the region's socio-economic development. Strategic priorities include the "Hearts" priority, aimed at supporting social enterprise development and entrepreneurial activity among vulnerable groups. The Action Plan includes concrete measures and partnerships, such as information campaigns, incubation and advisory support, and grants for viable social enterprise projects. While the term "social innovation" is not directly mentioned, Latgale effectively works on social innovation ecosystem elements — identifying social innovators, securing funding, and promoting interinstitutional collaboration.

Zemgale Planning Region

Zemgale's Development Program 2021–2027[27] addresses social entrepreneurship in both the regional vision and Action Plan. The vision emphasizes fostering social enterprises and engaging the public in addressing social problems. The Action Plan includes tasks such as identifying municipal resources to support social enterprises, involving municipalities, business support institutions, NGOs, and the Zemgale Business Center. Social innovation is not explicitly used in the plan, but the program emphasizes innovation overall and synergies between social services and other sectors.

Summary

Across all five planning regions' development programs (2021–2027), social innovation and social entrepreneurship are not equally emphasized — in some regions, their importance is higher than in others. Indirect references to social innovation appear in all documents, mainly linked to public engagement, community development, and the need for new solutions to social challenges. This indicates that the regions recognize the importance of social innovation, though it has not yet been a strategic goal.

Conclusions

The development of social innovation policy in Latvia from 2020 to 2025 is characterized by the establishment of a strategic vision influenced by EU priorities and resources, regional policy progress, and indirect promotion of the social innovation concept. Latvia is transitioning from individual social innovation projects to a more systematic approach. Favorable preconditions have been established for upcoming years, including planning periods when, through the implementation of the Social Economy Plan and EU support, social innovations could become an integral part of social policy and economic development. Latvia aligns initiatives with European goals, benefits from EU experience and funding, and fosters a local community of innovators and support mechanisms. These trends show that social innovation in Latvia has a stable political foundation and adequate resources to make a significant contribution to societal well-being in the coming years. Regional planning authorities play a role in indirectly supporting social innovation, often through social entrepreneurship or social service forms.

[26] Latgale Planning Region. (2021). Development Programme of Latgale Planning Region 2021–2027. Available at: https://lpr.gov.lv/wp-content/uploads/2006/planosana/Latgales-pl%C4%81no%C5%A1anas-re%C4%A3iona-Att%C4%ABst%C4%ABbas-programma-2021.-2027.gadam_.pdf

[27] Zemgale Planning Region. (2021). Development Programme of Zemgale Planning Region 2021–2027. Zemgale Planning Region. Available at: https://www.zemgale.lv/lv/media/325/download?attachment

Key Stakeholders

This section provides an overview of actors in the social innovation ecosystem across sectors. The analysis is based on mapping and previous policy reviews, showing how institutions, NGOs, the private sector, and citizens jointly shape the innovation environment. The section identifies key resources, synergies, and challenges affecting the ecosystem's functioning.

In 2022, under the "BuiCaSuS"[28] project, a partial mapping of the social innovation ecosystem was conducted, focusing on social services. Since functions of ecosystem actors often overlap, the mapping report examined stakeholders by sector and with examples. Latvia's social innovation ecosystem consists of a diverse set of stakeholders from the public, NGO, private, and academic sectors. These "quadruple helix"[29] actors jointly create and develop social innovations by combining resources and knowledge. The four main components are: government and municipal institutions, civil society organizations (NGOs), social and private enterprises, funders, educational and research institutions, and citizens. Over recent years, this collaborative environment has developed, with each sector playing a specific role.

Public Sector

The public sector — state and municipal institutions — provides political support, funding, and regulatory frameworks for social innovation. The Ministry of Welfare, together with the state financial institution ALTUM, implements grant programs, creating a state support mechanism for social innovation, particularly in social entrepreneurship. Municipalities and planning regions play an important role, being closest to local communities and jointly identifying social problems and developing innovative solutions. The Society Integration Fund (SIF) manages funding for civil society and social innovation projects and has implemented the EU co-financed "BuiCaSuS" project (2021–2023), which evaluated the Latvian social innovation ecosystem and prepared a roadmap for the national social innovation competence center, with operations starting in 2024.

Non-Governmental Sector

The NGO sector is a driving force for social innovation in Latvia. Research and practice show NGOs are often the most active initiators and implementers of social innovation initiatives. NGOs' advantage lies in their ability to respond quickly and flexibly to societal needs compared to large state institutions. NGOs in the charity and social field often experiment with new approaches later adopted by the state or municipalities. Partnerships between NGOs and municipalities combine NGO creativity and trust with public sector resources. Key actors include the Latvian Social Entrepreneurship Association (LSUA), Social Innovation Center (SIC), New Door, and Reach for Change, all supporting social entrepreneurship, innovation, capacity building, mentoring, and structured programs.

Private Sector

The private sector participates in social innovation through social enterprises and corporate social responsibility partnerships. Social enterprises are private companies with a public mission, reinvesting profits

[28] BuiCaSus. (n.d.). Results. https://buicasus.eu/results/

[29] Afonso, O., Monteiro, S., & Thompson, M. (2012). A growth model for the quadruple helix. Journal of Business Economics and Management, 13(5), 849-865.Pieejams: https://doi.org/10.3846/16111699.2011.626438

to solve social problems in areas such as inclusive employment, education, culture, environment, and health. Traditional businesses increasingly support social innovation through CSR initiatives, and private investors show growing interest in social impact investments, although the sector is still in an early stage[30].

Academic Sector

Universities and research institutions provide knowledge, research, and innovation methodologies for social innovation. Academic involvement includes research, courses in social entrepreneurship and innovation, incubators, prototype development, design thinking programs, and advisory services. Researchers also participate in government advisory groups on social entrepreneurship and social innovation policy.

Society

Society is both a recipient and co-creator of social innovation. Volunteers, community initiatives, and informal networks contribute to developing small-scale but socially significant innovations. Citizens' participation is essential for legitimacy and sustainability. Community involvement in Latvia is growing, with initiatives evolving into nationally recognized examples such as community centres, gardens, and volunteer care networks. Support is needed to enable these initiatives to develop and become stable ecosystem components. Society is the central element of social innovation, providing ideas, testing solutions, and ultimately determining whether innovations create social value.

Social Innovation Diversity Examples in Latvia

In recent years, Latvia has seen the development of numerous notable social innovation examples across various sectors: healthcare, education, civic engagement, community collaboration, environmental protection, and sustainable social entrepreneurship. To deepen public understanding of social innovations in Latvia, experience stories and opportunities to learn from implemented initiatives are of great importance. To purposefully educate society about the diversity of social innovations, a compilation of ten notable social innovations from different fields has been created.

The ten analysed examples—from the initiatives of the organization "Latvijas Samariešu apvienība" to the STEM educational social enterprise "Roboskola," the conversation festival "LAMPA" organized by the Dots Foundation, and the "Vidzemes bioregion" initiative—reflect a significant societal shift toward human-centred, co-creative, and sustainable thinking. Each of these experience stories demonstrates, in its own way, how social innovation can address societal needs while promoting a more inclusive and resilient society.

Differences among these initiatives mainly appear in target audience, innovation scale, and field of activity. Some are institutional or public-sector social innovations, such as projects at the Children's Hospital and ESF healthcare initiatives, which improve the efficiency of public services. Others represent social and cultural innovations—for example, the "LAMPA" festival or "Free Riga," based on civic engagement and community collaboration. "Bourzma" and "Ramala" represent social entrepreneurship, where innovation combines social

[30] Reach for Change. (2025). Impact Baltic: Building a new impact fund for social enterprises. https://reachforchange.org/articles/impact-baltic/

goals with economic viability. “Roboskola” is an educational and technological innovation that encourages youth to practically address future challenges. In some cases, innovations are structural — changing how systems operate (e.g., home care implementation or palliative care decentralization). In others, they are cultural or value-based innovations, as seen in “LAMPA” and “Bourzma,” redefining societal perceptions of participation or the consumer role.

Characteristics of Social Innovations

All ten social innovations selected for in-depth analysis share six main characteristics:

Novelty. These social innovations introduce new solutions or new ways to use existing resources. For example, the “Latvijas Samariešu apvienība,” by implementing home care services and the “employee as a service” concept, created a new approach to social care, placing human needs at the center rather than the system. Similarly, the holistic support model at the Children’s Clinical University Hospital transcends traditional medical boundaries, offering family support from diagnosis to recovery by integrating psychological, social, and educational dimensions.

Social Impact. All innovations are characterized by a social impact objective, creating measurable and positive changes in people’s lives. “Latvijas Skolas soma” promotes children’s cultural experiences and civic engagement; the “LAMPA” festival fosters a culture of democratic dialogue; “Free Riga” and “Viskaļi” activate urban communities and revitalize unused spaces; “Vidzemes bioregion” mobilizes people for environmental change and local cooperation. These examples show that social innovation in Latvia increasingly relies on public engagement and community empowerment.

Target Group Engagement. A key common feature is beneficiary involvement—target groups in all projects are active co-creators, not passive recipients of services or goods. “Roboskola” and “Bourzma” integrate youth as thinkers, creators, and ambassadors rather than just program participants. ESF pilot healthcare projects (mobile palliative care and health points in care institutions) were developed in close cooperation with medical staff and patients, resulting in solutions tailored to patient needs.

Efficiency. All analyzed social innovations achieve greater efficiency with fewer resources, employing creative, cross-sectoral, and participatory approaches. The “employee as a service” model by the “Latvijas Samariešu apvienība” reduces administrative burden and optimizes service delivery according to individual needs. The holistic approach at the Children’s Clinical University Hospital integrates medical, psychological, and social aspects, making the treatment process more efficient by providing comprehensive support in one place. “Roboskola” and “Bourzma” achieve efficiency by combining education, entrepreneurship, and civic engagement—youth simultaneously learn, create, and implement practical projects. ESF healthcare pilot projects demonstrate efficiency by delivering quality services closer to residents, reducing overcrowding in major institutions.

Sustainability. Many Latvian social innovations establish sustainable systems that continue operating after the initial projects conclude. “Latvijas Skolas soma” has become a nationwide program, ensuring ongoing access to cultural activities for students across Latvia. “Vidzemes bioregion” and “Free Riga – Viskaļi” operate

on principles of community responsibility and shared resources, ensuring sustainability. “Ramala,” the creative bread laboratory, ensures economic sustainability by combining business with a social mission, demonstrating that social enterprises can be self-sustaining.

Scalability. The experiences of the aforementioned social innovations indicate that such examples are replicable and adaptable for other municipalities or organizations, with many having the potential to become nationwide systemic solutions. ESF pilot healthcare projects demonstrate potential for nationwide implementation—both mobile palliative care and health points could be adopted across Latvia. “Latvijas Skolas soma” has already been scaled from a pilot to a systemic solution for all schools. The “LAMPA” festival has inspired similar democracy initiatives in other Latvian cities, and the “Free Riga” experience with unused building revitalization is being adopted outside Riga. “Roboskola” and “Bourzma” also have scalable models, easily adaptable to various educational or cultural environments. “Ramala” is developing its social enterprise model to expand as a franchise. These examples show that Latvian social innovations are not isolated projects but potentially reproducible solutions with broad societal impact.

Lessons Learned

First, social innovations emerge most effectively when developed collaboratively—between the public sector, NGOs, entrepreneurs, and residents. Second, small local initiatives can scale to national solutions if supported and trusted by communities. Third, emotional aspects—humanity, empathy, and co-creation joy —often ensure sustainability, not just funding or defined structures. These examples show that innovation is a continuous learning process, where mistakes are used as growth opportunities.

Analysed innovations reveal that in Latvia, social innovation solutions are driving the transition from hierarchical to collaborative society. They demonstrate growing public trust in civic engagement and the desire to transcend institutional boundaries, reflecting people’s ability to generate upward solutions to societal problems and respond to demographic and social challenges.

Financial Support for Social Innovation

The social innovation ecosystem includes not only organizations implementing social innovation projects but also support mechanisms and funding programs that provide resources for developing, implementing, and strengthening organizational capacity. These instruments are essential for the ecosystem, enabling collaboration, social innovation generation, experimentation, and scaling.

At both the European Union and national levels, several support instruments aim to assist organizations across various sectors, such as research, education, social inclusion, health, digitalization, environment, and others. By supporting solutions to social problems, these programs indirectly promote social innovation.

Annex 3 compiles and visualizes information about over fifteen EU and local programs and initiatives offering diverse support for ecosystem participants.

Each support program includes a brief description ("one-pager") covering:

- Program objectives;
- Management model, regulations, and available funding;
- Platforms publishing project calls;
- Contact for national program coordinator or representative;
- Example of a social innovation project implemented under the program.

The review aims to provide practical and methodological support for organizations already involved or planning to engage in social innovation development and implementation. It presents an overview of various public and private funding programs, serving as a significant resource for implementing social innovation projects in Latvia. Note that the compiled information reflects a specific time period and is not a complete list of all available support instruments (compiled in Q4 2025). The review helps organizations identify suitable funding sources and strategically plan social innovation development.

4. MAPPING OF SOCIAL INNOVATIONS IN LATVIA

Thematic Diversity, Geographic Distribution, and Territorial Profile

This chapter summarizes the mapping of social innovations conducted in 2025, providing insight into thematic diversity, territorial distribution, and initiative profiles. The mapping allows for an assessment of how practical initiatives align with policy trends and ecosystem development.

Thematic Diversity

The 2025 social innovation mapping shows a diverse thematic spectrum. Initiatives most frequently represent areas that directly respond to the most pressing societal needs. The selection of these areas reflects both the adaptability of innovations and their development potential. The most significant thematic groups are education/STEAM, parental support and health, sustainability and the environment, and community development.

Education initiatives emphasize the enhancement of digital and creative skills, particularly among children and youth. Parental support projects focus on providing emotional and practical assistance to families. Sustainability-oriented initiatives are dominated by environmentally friendly activities and the use of local resources, while community development projects often strengthen social cohesion and participation. The mapping and its geographic format can be accessed here.

- **Education/STEAM**: Initiatives primarily aimed at educating children and youth, developing digital, creative, or STEM/STEAM skills, and fostering innovation in formal or non-formal education.
- **Parental Support/Health:** Solutions emphasizing emotional, practical, or educational support for families, parents, or health promotion.
- **Sustainability/Environment:** Initiatives promoting green thinking, resource conservation, waste reduction, and environmentally friendly habits.

- **Community Development:** Projects centered on citizen participation, self-organization, community empowerment, the “smart village” principle, or social cohesion.
- **Other:** Initiatives that do not fit neatly into the above categories, such as innovative care or housing accessibility.

Conclusions

The thematic distribution demonstrates that social innovations can flexibly respond to societal challenges. The greatest growth potential may lie where synergies between different areas create new value—for example, the interaction between STEAM and environmental education, or the combination of community development with sustainable management.

Geographic Distribution and Territorial Profile

The innovation landscape in Latvia is geographically multi-layered. Projects in major cities dominate in terms of reach and resource availability. Regional cities serve as contact points between central and peripheral areas, while rural areas often rely on community energy and local identity for innovative solutions.

Approach: Each address included in the mapping was analyzed as follows:

- National city: Riga, Daugavpils, Liepāja, Jelgava, Ventspils, etc.
- Regional city: Valmiera, Jēkabpils, Cēsis, Kuldīga, etc. (medium-sized centers)
- Rural area: If no city is mentioned, or if a parish, village, or municipality is indicated that can clearly be classified as rural.

Conclusions

Territorial diversity reflects both the adaptability of innovations and the challenges faced cities more easily attract resources, while rural areas can have a greater impact on social cohesion and identity.

Impact Level and Innovation Novelty

The effects of social innovations most often manifest in five key benefits. Each represents both a direct benefit for target groups and long-term societal change. The main areas of impact identified in the data analysis are service accessibility, development of new skills, social support, trust, and environmental benefits.

- **Service Accessibility:** New or more easily accessible services closer to residents, “mobile units,” or an expanded range of services.
- **New Skills:** Development of new knowledge and competencies, particularly in digital and creative areas, and educational activities for children and adults.
- **Social Support:** Emotional and practical support for families, crisis situations, or long-term unemployed individuals.
- **Trust:** Community cohesion, closer collaboration between societal groups, and citizens’ trust in local solutions.
- **Environmental Benefit:** Sustainable management, raising environmental awareness, and resource conservation.

Community Participation in the Innovation Process

Active community involvement is one of the most important prerequisites for sustainable social innovation. Latvian examples clearly show that projects structured to maximize community engagement—from idea generation to practical implementation and feedback collection—are more sustainable. This approach fosters a greater sense of responsibility, trust, and shared accountability within the community.

Community participation encompasses all stages of the cycle—from problem definition to solution evaluation. For example, one initiative stated: “In developing ideas, we listened to local families and their needs.”

Institutional collaboration strengthens innovation effectiveness. “We regularly collaborate with NGOs and municipalities, which helps implement activities on a larger scale,” emphasized one project manager.
Participation takes many forms: workshops, surveys, target group interviews, public discussions, and joint decision-making. A direct benefit is the strengthening of community competencies: “Community members themselves became ambassadors and support points for others,” noted one participant.

Approach Steps:

- **Selection:** From survey responses and typical highlighted quotes, the most frequently used words and phrases describing participation, collaboration, self-organization, and community dynamics were identified with the help of AI.
- **Processing:** To emphasize word frequency, some concepts were repeated several times based on their usage across different initiatives.
- **Visualization:** Only the main words/phrases (up to 40) were displayed.

Conclusions

Analysis of the 19 compiled cases indicates that successful innovation outcomes are achieved when an innovation simultaneously enhances valuable service accessibility, develops societal skills and trust, and incorporates sustainable, environmentally friendly thinking. Sustainable innovations most often rely on multi-layered, transparent, and regular community participation, reinforced by open collaboration with institutions and flexible, learning-oriented decision-making structures. However, these are not the only success factors, and the analyzed cases cannot be considered a fully representative data set due to their limited scope.

5.SMART VILLAGES AND COMMUNITY-DRIVEN SOCIAL INNOVATIONS IN RURAL LATVIA

Overview of the Smart Village Approach and Community Innovations

Methodological Approach

To understand the capacity and willingness of local communities to innovatively address societal challenges, 115 empirical records were analysed, provided between 2021 and 2025 by 108 unique Latvian communities.

Each of these communities described development activities based on introducing new approaches, expanding collaboration, or strengthening citizen participation. Considering repeated engagement by some respondents, the dataset also allows for analysis of dynamic trends across different years. Empirical information was collected through surveys, which gathered both concrete practical examples and attitudes toward innovation processes in free-text form. This methodology allows for the identification of both quantitative indicators and semantic narratives that reveal the meaning of innovative actions within self-organized local initiatives.

Social Innovation in the Local Context

In this review, social innovations are understood as transformative practices that not only offer creative solutions to existing problems but also reshape social relations, strengthen local identity, and foster internal capacity for cooperation and participation. This approach aligns with prevailing research perspectives that link innovation to society's ability to self-organize and generate sustainable, context-appropriate solutions (Howaldt & Schwarz, 2010[31]; Havas et al., 2023[32]).

- "*Currently, a new village development strategy is being created.*" (Smart Village – Alsunga)
- "T*his means we can recognize our opportunities and resources, as well as use our knowledge to improve life in the village. As a result, community members are engaged in developing their environment.*" (Smart Village – Ancenes village)

Within the data analysis, four main criteria were defined to characterize social innovation aspects in smart villages:

1. **Presence of Innovation** – whether the community engages in activities that go beyond routine practices;
2. **Form of Collaboration** – how organizations participate in (cross-sectoral) cooperation;
3. **Level of Participation** – the extent to which residents are involved in decision-making;
4. **Resource Utilization** – how local and external resources are mobilized.

The following sections examine these aspects over the years and across thematic dimensions, seeking connections between quantitative dynamics and the conceptual framework that views local communities and their self-organization processes as drivers of social innovation potential in Latvia.

Smart Villages and Social Innovation in Rural Latvia

In local development, social innovation has transformative potential—it can function in both urban and rural areas by filling gaps in public services, introducing new service and business models, and strengthening community cohesion. Policy planning increasingly recognizes that sustainable solutions emerge "on the ground," in the local context. Recent theoretical works particularly emphasize the role of local communities in social innovations. For instance, the concept "by the community, for the community[33]" refers to authentic grassroots' social innovation, where both the initiative and the benefits originate from the community itself.

[31] Howaldt, J., & Schwarz, M. (2010). Social innovation: Concepts, research fields and international trends. IMO International Monitoring.

[32] Havas, A., Schartinger, D., & Weber, M. K. (2023). Innovation studies, social innovation, and sustainability transitions research: From mutual ignorance towards an integrative perspective? Environmental Innovation and Societal Transitions, 48, 100754. Pieejams: https://doi.org/10.1016/j.eist.2023.100754 SSRN+1

[33] Braithwaite, P. (2009). Community development: A critical review of approaches and practices. University of Hull.

Thus, social innovations are often community-driven—they arise as responses by residents to their own needs, mobilizing community resources and cooperation.

Latvian local community experiences confirm these theoretical insights. Data from 2021–2025 quantitatively map social innovation activities at the local level—within smart villages. In total, 115 cases (records) across 108 unique communities document a broad social innovation landscape in rural areas and small towns of Latvia. Initiatives cover diverse domains—from creating new social services and community infrastructure to improving digital environments and promoting local entrepreneurship. Frequently, the implementers of innovations are the community organizations themselves (associations, initiative groups), assuming a leadership role in driving local development processes. This aligns with global trends, where social innovations are often implemented by non-governmental and community sectors, experimenting with new collaboration models and addressing challenges where traditional market or municipal solutions are unavailable.

From the perspective of local leaders, the practical meaning of social innovation is tied to introducing new approaches to solve community problems and assuming responsibility. As a representative from the Kaldarbruņi Smart Village noted:

"*Social innovation essentially means that the real responsibility for village development is taken on by an NGO, not the parish administration or another municipal institution, because such an institution simply does not exist. Yet the system works successfully—the municipality can more easily reach village residents if there is a clear institution to contact*."

This quote illustrates how social innovation at the local level manifests as a non-traditional institutional arrangement—the community itself assumes initiatives and functions that would otherwise fall under state or municipal responsibility.

Therefore, the landscape of Latvian local communities shows that social innovations are not merely theoretical constructs but living practices, where residents themselves become drivers of change in their territories, creating new solutions and strengthening community sustainability.

Dynamics of Social Innovation Aspects in Smart Villages (2021–2025)

In recent years, interest in the so-called smart village approach has significantly increased in Latvia and Europe. This approach is based on the idea of systematically introducing digital, social, and organizational innovations in rural areas. The concept encompasses not only technological solutions but also the strengthening of a culture of collaboration, support for local initiatives, and the development of community capacity. Essentially, a smart village is a living platform for social innovation—a setting where structured changes are implemented to enhance public participation and the use of local resources.

Empirical data from 2021–2025 indicate that elements of the smart village approach are already effectively integrated into many Latvian communities, even if they are not always labelled as such. Innovation activities, collaboration, and resource mobilization appear as constant elements, and in recent years, there has been a noticeable increase in participation, indicating a shift from project implementation to governance participation.

"*To attract financial resources, knowledge and competencies are used, such as project writing, technical expertise, communication skills, creativity, etc. Together, we set goals; we actively build communication with involved partners: (...) (Jaunolaines Smart Village)*"

This quote reflects how social innovations most often emerge from specific practical activities while simultaneously becoming a platform for further collaboration, resource mobilization, and community strengthening. In the long term, this allows local residents to become not only project implementers but co-creators of change. Overall, the dynamics of these aspects suggest that smart village indicators are also prerequisites for the development of social innovation, which in Latvia is becoming more structured, especially in the past two years. Differences in understanding participation still exist, but there is a growing maturity at the community level. This development highlights the need to support the institutional strengthening of local initiatives while also providing targeted support to less structured communities.

The analysis shows that both innovation (84–100%) and collaboration (88–100%) remained at high levels throughout the period, which aligns with the smart village paradigm characterized by cross-sector collaboration and innovative thinking. The resource aspect also maintains a stable presence (>87%), but particular attention should be given to participation data in 2024–2025 (90.9% and 100%), signalling a conceptual breakthrough—from passive participation to the community acting as a co-creator in governance processes. As noted by Anda Šarkovska, project manager at the Latvian Rural Forum:

"*Every year, we increasingly realize how important it is that communities in Latvian rural areas are not afraid to act and can take responsibility for their living environment, organizing their surroundings, creating strong collaborative and creative activities, and even new solutions for service provision (...)*"[34]

Such agency is a key indicator that these communities are moving toward a strategic smart village framework. Already, examples demonstrate the use of digital tools for communication, mechanisms for cross-sector collaboration, and even citizen participation in decision-making—typical features of smart villages according to the European Commission (EC, 2021). At the same time, it should be noted that the lack of participation data in 2022 and 2023 likely reflects a phase of conceptual immaturity—participation was not yet systematically documented or recognized as a distinct quality indicator.

This aligns with literature showing that social innovation maturity manifests with a time lag, as thinking structures and evaluation criteria change (OECD, 2022). Overall, the picture confirms that the smart village as a structured form of social innovation is already being implemented in practice in Latvia—through innovative approaches, community collaboration, and increasingly active participation. To reinforce this dynamic, it would be necessary to more deliberately link existing community activities with policy-level support, developing an understanding of smart village principles as a tool for enhancing social resilience.

[34] Latvian Rural Forum. (2025). Application process started for the "Smart Village 2025" recognition mark. Available at: https://laukuforums.lv/sakusies-pieteiksanas-atpazistamibas-zimei-viedais-ciems-2025

Thematic Diversity as an Expression of Social Innovation

To gain a deeper understanding of the social innovation profile in Latvian local communities, a free-text content analysis was conducted based on descriptions of innovative solutions provided by the communities. Data classification showed that social innovation in Latvia is not limited to a single domain—it spans a wide range of activities, from community mobilization to digital communication forms. This aligns with the European Commission's view, where social innovation is understood as an interdisciplinary, contextually adapted approach aimed at citizen participation, collaboration, and local development (European Commission, 2021).

Analysis of 2021–2025 data indicates that innovative activities are most frequently related to community cohesion and internal organization—identified in 57 cases. This includes both the creation and operation of NGOs and self-initiated forms of participation and the strengthening of mutual trust. This aspect is crucial, as social innovation in practice often manifests as collective problem-solving capacity that exceeds individual action. Cultural and social life activation is also significant (43 cases), demonstrating communities' desire to build identity, strengthen belonging, and use cultural heritage as a development resource. In this context, social innovation often relies on activating existing resources rather than introducing external technology.

Digital communication forms come third (32 cases), including Facebook groups, community websites, WhatsApp groups, and other platforms. These tools serve as structured channels for information flow and participation, thereby promoting collaboration, mobilization, and shared responsibility. Such digital practices also align with the smart village approach, where technological solutions are integrated at the local level within the context of social issues. Other notable thematic areas include environmental and infrastructure initiatives (28 cases), sports and health (24), education and youth engagement (20), and local business and tourism development (15). These examples demonstrate that social innovation is not limited to narrow social policy but encompasses the ability to redefine locally what problems are addressed and which stakeholders are involved.

"*I personally created the Facebook group 'Lībiešu krasta ļaudis,' which brings together all residents of villages along the Livonian Coast and serves as a common communication platform where we inform each other about events in these villages, posting a lot of information (...)*" (Smart Village – Mikeļtornis).

This example illustrates that digital tools are not an end in themselves but a means to enable innovative participation and action. Overall, this thematic landscape shows that social innovations in Latvia emerge "bottom-up," implemented flexibly and adapted to specific community contexts. The diversity of topics also confirms that innovation cannot be reduced to a single sector or activity—it manifests as practical flexibility, combining culture, environment, governance, and collaboration into a unified mechanism for creating public value. These trends indicate that innovations in Latvia often emerge as community-driven and multidimensional, encompassing culture, environment, and governance.

Forms of Collaboration and Networking as a Mechanism for Social Innovation

Collaboration is one of the most important preconditions for the development of social innovation, especially in regions with limited resources and capacity. Experience from Latvian local communities shows that diverse forms of collaboration serve both as a tool and a goal for achieving stronger local change impact.

Based on descriptions of local initiatives and structured observations, several cross-sector collaboration forms were analysed, identified by communities as the most effective in promoting social innovation.

Dominant forms of collaboration and partners

The most frequently emphasized were:

- **Joint projects and initiatives** (75% of respondents): Specific actions involving multiple organizations or sectors. Such direct practical collaboration allows for the development of specific services, events, or infrastructure created from the “bottom-up.”

"*Fifteen years of collaboration have shown that by working together, residents, the municipality, and businesses can provide services to a wide audience with a reasonable investment while ensuring high results (...)*" (Smart Village – Tīraines Gardens).

"*We are in the process of collaborating with the municipality and 'Dari Labu' on installing textile sorting containers (...). The municipality adopted the good practice and immediately installed containers elsewhere in the region, including Olaine city. Now sorting containers are available throughout the region*." (Jaunolaines Smart Village).

- **Information and experience exchange (53%)**: Forums, community meetings, storytelling. This type of collaboration serves as a knowledge transfer instrument and a source of new ideas.

"*Knowledge, skills, and abilities are shared in various ways within the community, through lectures, seminars, study trips, and educational camps. We invite as many villagers as possible to attend, often meeting to discuss what we learned and what can be passed on.*" (Smart Village – Pelēču village).

- **Training and capacity building (45%)**: Joint training events allow representatives from different sectors to share methods and approaches, thus fostering mutual understanding and trust.
- **Regular advisory councils or forums (38%)**: Institutionalized collaboration formats between municipalities, NGOs, and businesses, increasing transparency and coordination.

These data and examples clearly demonstrate that collaboration is not only a means to achieve goals but can itself drive social innovation. This is most evident in villages where residents are ready to take responsibility and leadership. The proactive mindset is emphasized by Ādaži municipality:
"*The smart village community does not wait for change to happen to them—they act*!"

Similar sentiments are expressed by the Kubuli smart village:
"*We are ready to act, not to complain about how bad everything is...*" (Smart Village – Kubuli).

This locally driven paradigm shift—from “waiting” to “doing”—strengthens community agency and mutual trust, builds capacity for sustainable solutions, and transforms social innovation from isolated initiatives into a long-term principle for community development.

Equally important is identifying the main collaboration partners within communities. Note that the term "collaboration partners" refers to those practically involved in service delivery, activities, or support, not the full community collaboration network. Analysis (N=127) shows that the collaboration core consists of the residents themselves (73%; n=93), who contribute ideas and volunteer work. Alongside active community members, educational institutions (52%; n=66), municipalities (50%; n=63), and nearby NGOs (48%; n=61) are typically involved, providing resources and daily contact with residents. Entrepreneurs/private sector partners (42%; n=53) contribute flexible implementation, resources, and practical expertise. Libraries and cultural institutions (33%; n=42) serve as accessible meeting and information hubs, while state agencies/ministries and churches/congregations (each 11%; n=14) are engaged for specific initiatives. LLF/VRG/LEADER (8%; n=10) strengthens network and funding access pathways. Overall, this reflects a broad, practice-based cross-sector ecosystem at the local level, with residents as drivers, schools and municipalities as core infrastructure, and NGOs and businesses providing dynamic synergy.

Local Action Groups Strategies and the Institutionalization of Social Innovation

This section analyses the strategies of Latvian Local Action Groups (LAGs, Vietējās rīcības grupas – VRG), with particular attention to their social innovation and social entrepreneurship components. LAGs, as public–private partnerships, develop and implement territorial development strategies by combining the resources of municipalities, businesses, and non-governmental organizations. Social innovation within these strategies is defined as the creation of new solutions that enhance societal well-being, strengthen community participation, and improve economic resilience. The goal of this analysis is to identify how the concepts of social innovation and social entrepreneurship are incorporated in LAG strategies, assessing their frequency, clarity, and significance in the context of strategic planning documents. Data were obtained from publicly accessible websites.

VRG Strategies 2015–2020

Abulas Rural Partnership – SVVA Strategy 2015–2020

Social Innovation: Defined as "new forms of resident collaboration that enable economic processes."

Social Entrepreneurship: The action plan emphasizes promoting social entrepreneurship among youth and children: "Social entrepreneurship for youth and children (training in various skills, opportunities to apply them practically, organizing charity markets)" (p. 107). This highlights support for initiatives engaging young people in social business activities.

Aizkraukle District Partnership – SVVA Strategy 2015–2020

Social Entrepreneurship: Support is aimed at social activities capable of creating entrepreneurship with market-demanded products or services ("products demanded in the market [social entrepreneurship]"), positioning social entrepreneurship as an example of market-oriented activity.

Cēsis District Rural Partnership – Local Action Group Development Strategy 2015–2020

Social Innovation: Various innovation types are listed, including "social innovation – improvements in the social environment: well-being, employment, cultural environment," demonstrating that social innovation is included in LAG innovation evaluation criteria.

Social Entrepreneurship: The strategy highlights the need to promote social business, e.g., mitigating weaknesses through "development of social entrepreneurship" (p. 21). Promoting social entrepreneurship is emphasized as a distinct direction for enhancing community participation and local economic resilience.

Darīsim Paši! – SVVA Strategy 2015–2020

Social Entrepreneurship: The needs analysis identifies resident involvement in business and promotion of social entrepreneurship: "Resident engagement in entrepreneurship, support for social entrepreneurship." This indicates that the LAG intends to stimulate social business initiatives as part of local economic development.

Community Initiatives: Support is also extended to "activities of local communities, addressing the needs and initiatives of different age and social groups," thus including public-benefit initiatives and community development projects aimed at improving participation and quality of life.

Public–Private Partnership Zied Zeme – SVVA Strategy 2015–2020

Socially Responsible Entrepreneurship: The SWOT analysis highlights raising public awareness about socially responsible entrepreneurship: "Public awareness of socially responsible entrepreneurship is needed. Promote employment of socially vulnerable persons and engagement in social activities." This emphasizes business practices combining economic and societal benefits.

Social Entrepreneurship as a Priority: Social entrepreneurship is listed as one of the supported areas within initiatives to strengthen the local economy.

Public-Benefit Projects: The strategy specifies that only public-benefit projects with non-commercial objectives are eligible for support: "*Within the framework of actions, projects in socially significant locations are supported (…) The project has no commercial purpose*."

From the 35 strategy documents analysed, references to social entrepreneurship and social innovation appear in only four. Additionally, six EMFF (European Maritime and Fisheries Fund) LAGs did not include explicit references to these concepts, likely due to policy requirements, though social innovation may still be present implicitly—for example, via Regulation No. 2021/1139 Annex (CR 14) – Created Innovations (number of new products, services, processes, business models, or methods), which is incorporated in several strategies.

Main Emphases in Strategies:

- **Sector development priorities** (fisheries, aquaculture, coastal tourism, fish product processing);
- **Technological modernization** and **strengthening production capacity;**
- **Environmental sustainability** and **resource management;**
- **Support for small enterprises and cooperatives** from a commercial perspective.

Possible Reasons Why Only 4 of 35 ELFLA Strategies Include References to Social Innovation/Social Entrepreneurship:

- **Diversity of Strategy Goals and Priorities, Risk Level:** Many LAGs focus primarily on traditional rural development topics—such as infrastructure, agricultural modernization, tourism, and environmental protection. Social innovations inherently carry higher risk, similar to any innovation, which may not yield the expected outcome. Public-benefit projects are especially sensitive to this risk due to high public funding shares and minimal co-financing requirements, making LAGs and project implementers cautious about solutions with potentially non-eligible costs.
- **Entrepreneurial Context:** For entrepreneurs, public funding is smaller and co-financing requirements higher, incentivizing innovation and risk-taking. Theoretically, this would make LAG strategies more suitable for promoting social entrepreneurship. In practice, implementing social entrepreneurship and social innovations in rural areas remains a complex and long-term process, even with support centres, NGOs, and other partners, exacerbated by the small number of social enterprises in rural regions.
- **Inclusion Effort:** Integrating social innovation and social entrepreneurship requires additional resources for defining concepts, setting goals, and planning activities. LAGs with limited capacity or a focus on rural economic support may avoid emphasizing the social dimension.

Resource Availability and Expertise:

- Strategy development requires specific expertise in social innovation and social entrepreneurship (legal framework, financial instruments, social solutions), which may not always be available in all LAGs.
- In associations with social sector representatives or public-benefit projects, social entrepreneurship is more easily integrated, as demonstrated by Abulas and Zied Zeme examples.

Previous Support Instrument Orientation:

- Rural Support Service (LAD) funding instruments traditionally focused on farm development, infrastructure, and tourism services. Support for social entrepreneurship is relatively recent and became more established only by 2015–2020.
- Most strategies from this period reflect this minimally or not at all. In some cases, concepts appeared but were not pursued further.

Terminology and Definition Inconsistency:

- In some strategies, social activities may be described using other terms (“community initiatives,” “public-benefit projects,” “citizen participation”) and not linked to “social entrepreneurship” or “social innovation.”

Strategic Target Groups and Regional Specificities:

- Regions with stronger social capital, active NGOs, and community movements (e.g., Cēsis LAG) naturally pay more attention to social innovations, though integration may be subsumed under the broader term “innovation.”
- In regions where economic development is the main priority, the social dimension is considered a secondary activity.

Local Action Group Strategies 2023–2027

In the new planning period (2023–2027), the work of Local Action Groups (LAGs) in the field of social innovation is aligned with the Common Agricultural Policy (CAP) intervention activity "Implementation of actions under the local development strategy," which clearly links local economic revitalization with community participation and social inclusion. Alongside business development and the implementation of innovative (including digital) solutions, the intervention objectives particularly emphasize the engagement of people at risk of social exclusion in the labour market, as well as public involvement in strengthening local social and human capital.

The intervention architecture at the LAG level maintains three pillars — strategy implementation, cooperation, and routine costs/activation. The LAG list with allocated funding (2023–2026) indicates significant support for the implementation of LDS strategies, with €46.799 million allocated. This means that the social innovation approach is no longer episodic — it is institutionalized as a framework for funding, not merely the choice of individual projects.

In the LAD's annual LDS evaluation for 2024, indicator sets include dimensions of social inclusion and innovation. A commonly used indicator is "Promoting social inclusion" — the number of people benefiting from supported inclusion activities — as well as "Created innovations," recording the number of new products/services/processes or methods. These indicators turn social innovation from a declarative goal into measurable impact. The evaluation also includes a section "Identification of innovative solutions," where LAGs define eligibility criteria — from the originality of the idea in the territory to sustainability, use of local resources, and partnership. Thus, innovations (including social) are formally assessed according to pre-agreed quality indicators, not just mentioned in general terms.

Examples of Implementation

A successful example of change can be seen in the Cēsis District Rural Partnership, whose strategy marks a shift toward a structured approach: the strategic section includes "*Identification of innovative solutions" and links objectives with initiatives for community strengthening and diversification of public activities. This shows that social innovation is included in action plans and evaluation principles, rather than remaining a general notion of "innovation.*"

Another example with targeted promotion of social innovation is the Rural Partnership "Lielupe" and its 2023–2027 strategy. The Lielupe strategy sets the strategic goal "Strong local communities," under which several social actions are implemented. For instance, the action "Citizen participation and strengthening local democracy" promotes dialogue in the community and educates residents to feel a sense of belonging and actively participate in social, cultural, and economic processes. Similarly, the strategy includes the action "Community action and resilience in crises," which focuses on developing an inclusive civil protection system and cooperation between residents and state institutions to overcome crises.

These examples show that in new strategies, LAGs purposefully plan community initiatives ranging from the preservation of cultural heritage to citizen engagement in local security, reflecting elements of social innovation. Compared to 2015–2020, when social innovation and social entrepreneurship terms appeared rarely and fragmentarily in strategies, in 2023–2027 they become a routine planning component. While there

is no unified definition of social innovation, LAG strategies define specific innovation criteria and "smart villages" as one framework of social innovation results. This institutionalization, combined with annual published evaluations, deliberately reduces differences between LAGs and shifts the perception of social innovation from formal mention to measurable, funding-linked implementation.

Conclusions

Overall, this period marks a transition from episodic support to a structured social innovation policy: objectives and funding are defined, LAG strategies specify innovation criteria and social inclusion outcomes, and LAD provides visible oversight through annual evaluations. As a result, social innovation in rural development is planned, funded, and measured as systematically as economic and infrastructure projects.

Strategy Indicators:

- 2014–2020: only 4 LAGs out of 35 clearly included support for social innovation in their strategies.
- 2023–2027: this number increased to 27 out of 33 LAGs (≥80%), indicating a significant paradigm shift in LAG approaches to development goals.

Substantive Focus:

Previously, social innovation activities in LAG strategies mainly involved mentioning social entrepreneurship as one type of business, but now they cover a broad spectrum:

- Improving public service availability (healthcare, transport, care centres)
- Community cohesion activities (joint events for youth and seniors to bridge generational gaps)
- Promoting citizen participation in local governance
- Increasing local NGO capacity

Policy Framework:

These changes were influenced by both LAG initiatives and policy requirements. Latvia's Rural Development Plan and CAP Strategic Plan 2023–2027 include objectives to reduce socio-economic disparities in rural areas through community-led initiatives. Thus, LAGs received guidelines to incorporate social inclusion and innovation elements when developing new strategies. State Audit recommendations after reviews also encouraged LAGs to involve citizens more openly and develop activation measures in their territories. Social innovation has thus become one of the cornerstones of LAG operations in the new period.

Social Innovation as a Rural Priority

Building on the above, the smart village approach — digital, social, and organizational solutions, citizen participation, and cross-sector cooperation — is often implemented as part of LAG-coordinated activities that serve as a "transfer mechanism" from community ideas to policy implementation (testing, scaling, monitoring). Simultaneously, social innovation in rural areas gains recognition as a process: moving from individual activities to co-created governance forms (councils, regular consultations, participatory budgeting). This practice and institutional framework are reinforced by the 7th Latvian Rural Communities Parliament (LLKP) resolution, which explicitly defines social innovation as a horizontal priority for the next

The resolution[35] designates social innovation as one of 13 action areas for the next two years, requiring the creation of a cross-sectoral support environment to encourage solutions that reduce inequality and diversify the rural economy. This direction is mentioned alongside other strategic focuses that strengthen social innovation processes (citizen councils, participatory budgets, LAG strengthening, smart villages, etc.), making the resolution a practical roadmap for communities, municipalities, and LAGs: social innovations are linked to concrete implementation mechanisms (networking, participation forms, indicators). Consequently, the observed trend is reinforced — the share of social innovation in rural areas increases, and it is increasingly planned as systemic, locally adapted solutions rather than individual projects.

6. CHANGE IN SOCIAL VALUES AND SOCIAL INNOVATION IN PUBLIC DISCOURSE

Changes in Social Values in Latvia

Over the past decade (2015–2025), Latvia has experienced a clear dynamic of social value change, which has promoted both citizen engagement and the emergence of new solutions. The willingness to donate has increased rapidly, interest in volunteer work has grown, and the use of digital tools for the common good has expanded; at the same time, civic participation has gradually increased, and practices of societal shared responsibility have strengthened. This section briefly summarizes the most significant trends from 2015 to 2025 and their connection to social innovations.

Culture of Giving

During this period, donations have gradually become a widespread and everyday practice. Publicly recognized campaigns and media initiatives demonstrate society's readiness to provide support in times of crisis. In the charity marathon "Dod pieci!" (Give Five!), €896,701 was raised in 2022 to support children of Ukrainian refugees; €451,189 in 2023 for at-risk children and youth; and €1,000,743 in 2024 when the marathon was dedicated to patients with critical and acute health conditions[36]. From December 2022 until the end of 2024, nearly €800,000 was directed to charity via deposit system machines[37]. Reliable digital platforms (e.g., Ziedot.lv) and simple donation methods (SMS, online banking, deposit machines) strengthen the donation ecosystem and allow for faster implementation of new social projects.

Volunteer Work – Growth in Engagement and Participation

The prestige and opportunities of volunteer work are expanding; between 2021 and 2023, about a quarter of the population (around 24%) reported having engaged in volunteer work in the past year[38]. Since 2021, no new comprehensive national studies on volunteer participation have been published, but available data indicates a moderate retention of volunteer activity. For example, a 2024 survey in Riga showed that nearly

[35] Latvian Rural Communities Parliament. Resolution. https://parlaments.laukuforums.lv/rezol%C5%ABcija

[36] Ziedot.lv. (2024). Dod pieci 2024. https://www.ziedot.lv/realizetie-projekti/dod-pieci-2024-5159

[37] Deposit Packaging Operator. (n.d.). Residents have donated nearly 800,000 euros to charity via reverse vending machines. Available at: https://depozitapunkts.lv/iedzivotaji-taromatos-labdaribai-ziedojusi-ga

[38] SKDS. (2021). Volunteering in Latvia — a population survey (commissioned by Society Integration Foundation). Available at: https://www.sif.gov.lv/lv/jaunums/tikai-24-latvijas-iedzivotaju-iesaistijusies-brivpratigaja-darb

one in five residents had regularly participated in volunteer work over the past three years[39]. While volunteer work remains relatively low in popularity, the trend is positive—gradually, more people are engaging in repeated volunteer activities. During crises (Covid-19 pandemic, Russia's full-scale invasion of Ukraine), participation intensity increased significantly, alongside the development of volunteer infrastructure (local databases, portals, helplines)[40, 41, 42].

Civic Participation – From Passivity to Engagement

Civic participation remains mixed—traditionally moderate, but with visible signs of improvement. In the 14th Saeima (Parliament) elections in 2022, 59.41% of eligible voters participated[43]. Digital participation tools continue to lower barriers to engagement. The citizen initiative portal ManaBalss.lv has become a stable channel for participation, helping many ideas reach the parliamentary agenda; the one-million signature threshold was already achieved in 2018[44].

Social Responsibility – From Individual Initiative to Collective Wellbeing

In recent years, practices of social responsibility in Latvia have become more structured at the levels of citizens, organizations, and the public sector. Citizens continue to donate (see Culture of Giving) and provide practical support during crises, while the donation infrastructure (platforms, marathons, deposit machines) operates regularly and at scale. At the same time, companies increasingly implement sustainability management and reporting, participate in the Sustainability Index, and engage in food donation programs. The public sector strengthens participation tools (mandatory participatory budgets) and digital accessibility (e-identity, e-services), which overall promotes shared responsibility and transparency.

- **Corporate practices** – Corporate Social Responsibility; ESG (Environmental, Social, and Governance) criteria; food donations. The 2024 Sustainability Index showed the highest results since 2010: 66 organizations surpassed the minimum threshold, with an average score of 86.3% (state/municipal-owned companies 87.2%)—an indicator that sustainability management is becoming the norm in Latvia[45]. On 26 September 2024, the Sustainability Reporting Act (CSRD adoption)[46] was passed, expanding the obligation to disclose sustainability information; in 2025, amendments were proposed to postpone reporting for some companies by two years, allowing time for adaptation. Alongside financial transparency, companies continue material support for communities: in 2024, the retail chain Rimi donated 488 tons of food to the Food Bank "Paēdušai Latvijai," expanding regular donation opportunities nationwide[47].

[39] Rīgas Apkaimju Iedzīvotāju Centrs. (2024). Social Integration 2024: Resident Survey Report. Riga: RAIC. Available at: https://apkaimes.lv/wp-content/uploads/2024/10/6775_RAIC_Sabiedribas_integracija_2024_FINAL_4.pdf

[40] Movement "I Want to Help Refugees." (n.d.). Project "Volunteer Involvement in Coordinating Aid for Ukrainian War Refugees" (project description). Available at: Ziedot.lv. (2024). Dod pieci 2024. https://www.ziedot.lv/realizetie-projekti/dod-pieci-2024-5159

[41] Brivpratie.lv. (2024). Brīvprātīgā darba informācijas sistēma. Pieejams: www.brivpratigie.lv http://www.brivpratigie.lv

[42] Riga City Municipality. Volunteer Opportunities in Riga: Non-Governmental Organizations, State, and Municipal Institutions Recruiting Volunteers (PDF; list updated August 2025). Available at: https://www.riga.lv/lv/media/51147/download?attachment=

[43] Central Election Commission. (2022). 14th Saeima Election Turnout – 59.41 %.

[44] ManaBalss.lv. (n.d.). Creating Laws Together, Increasingly Thoroughly. Available at: https://manabalss.lv/articles/veidojam-likumus-kopa-aizvien-pamatigak

[45] InCSR. (2024). Sustainability Index 2024: Highest Results Since the Establishment of the Assessment. Available at: https://www.incsr.eu/ilgtspejas-indekss-2024-augstakie-rezultati-kops-novertejuma-izveides

[46] Saeima of the Republic of Latvia. (2024). Sustainability Information Disclosure Law. Available at: https://likumi.lv/ta/id/355381-ilgtspejas-informacijas-atklasanas-likums

[47] NRA. (2024). "Rimi" Donated 488 Tons of Products to the Food Bank "Paēdušai Latvijai" in 2024 and Expands the Campaign Across All Stores. Available at: https://nra.lv/latvija/470273-rimi-partikas-bankai-paedusai-latvijai-ziedojusi-488-tonnas-partikas-produktu.htm

- **Public sector framework (participation, digital governance)** – From 2025, all municipalities are required by law to implement a participatory budget with financing ≥0.5% of the average PIT and property tax revenue (based on the last three years); the Ministry of Environmental Protection and Regional Development (VARAM) provides a unified platform and guidelines for implementation[48]. High e-governance usage also supports public responsibility and citizen participation in digital processes[49] — 78.4% of residents use e-governance, and 70.2% used e-identity for e-services in the past 12 months.

Digital Solidarity – Technology for the Common Good

Digital skills and e-services have become everyday norms, yet Latvia's basic skill level still lags behind the EU average: in 2023, 45% of residents had at least basic digital skills (EU average 56%)[50]. Meanwhile, e-governance usage is high: in 2024, 78.4% of residents used e-governance, and 70.2% authenticated e-services with e-identity (above the EU average)[51]. Crisis experiences have fostered cohesion among citizens and organizations: the hackathon "HackForce" and the team Shield48 produced thousands of face shields for healthcare workers in a few days, and the national-level app "Stop Covid" demonstrated the ability to rapidly mobilize digital solutions for health needs[52, 53]. The digital solidarity ecosystem is complemented by the open data portal (data.gov.lv), which in 2024–2025 provided about 900 datasets from 100+ publishers, creating a foundation for data-driven social innovations[54].

Social Cohesion: Trust and Unity Dynamics

Mutual trust has historically been low: in 2021, only 32% of residents believed that most people can be trusted[55]. Meanwhile, institutional trust at the local level is higher: in 2023, 41.1% of residents trusted municipalities (slightly lower in OECD comparisons but still above trust in central institutions)[56]. These trends indicate that social cohesion relies more on local ties and practical participation, reinforced by digital channels and open governance practices[57].

[48] Ministry of Environmental Protection and Regional Development. (n.d.). Participatory Budget: Mandatory from 2025 (Municipal Law, Article 59; Implementation Materials). Available at: https://www.varam.gov.lv/lv/lidzdalibas-budzets

[49] Ministry of Environmental Protection and Regional Development (VARAM). (2024). Latvia Continues to Lead in Public Service Digitization and e-Identity Usage within the EU. Available at: https://www.varam.gov.lv/en/article/latvia-continues-lead-public-service-digitization-and-e-identity-usage-within-eu

[50] Eurostat. (2023). 56% of EU People Have Basic Digital Skills. Available at: https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20231215-3

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Conclusions

From 2015–2025, the change in social values in Latvia has created a favourable environment for social innovations: society donates and engages more frequently, digital communities can mobilize quickly, and citizen participation tools at the local level are expanding. At the same time, challenges remain—to continue building mutual trust, promote volunteer work, and strengthen social cohesion. Social innovations are both a tool to achieve these goals and a result of them.

LAMPA Discussion Festival and Social Innovation

The LAMPA Discussion Festival traditionally reflects societal trends across a wide range of topics directly or indirectly linked to social innovation. The festival involves active participation from representatives of various themes, fields, and sectors, serving as a "barometer" of societal trends. Examining the LAMPA festival program allows an assessment of changes in societal attitudes and thematic focus over the past five years, particularly regarding the role of social innovation. Analysis shows how the LAMPA program content from 2020 to 2025[58] reflects the maturation of the concept of social innovation (SI) in public discourse. The perspective combines direct themes, where the term "social innovation" appears, with indirect themes embodying SI practice: community empowerment, participation and co-creation, cross-sector collaboration, social entrepreneurship, citizenship, co-creation, and increasing links to technology and public administration reform.

Methodological approach: LAMPA programs from 2020–2025 were reviewed, identifying representative "anchor events" and performing keyword analysis. The result is not an absolute count of events but a qualitative–quantitative indicator of thematic intensity and when the term becomes publicly recognized. Indicators show consistent presence of indirect SI themes across all years, a rapid innovation discourse in 2022–2023, and a clear "leap" in 2025 when the direct term appears in the LAMPA program.

Theme Dynamics 2020–2025

Macro-themes: Analysis shows that three macro-themes form the foundation: "Education/Youth," "Sustainability, Climate, Energy," "Public Administration/Politics," with "Technology/AI" as a cross-cutting component. Diagram analysis shows how the relative influence of the three systemic macro-themes changes over the years: 2022–2023, education and sustainability are in the foreground; in 2024, sustainability and administration peak; in 2025, education regains leadership.

In this overview, "Technology/AI" is considered a cross-cutting theme ("accelerator") connecting education, sustainability, and public administration. Quantitatively, Technology/AI is close to the Top-3 themes by annual share, but qualitatively it is significant for scalability and public service modernization. The heatmap analysis clarifies not only the volume of public interest in a theme but also the point in its circulation when it becomes a first choice. Notably, the festival patron stage focus interacts with thematic dynamics, so macro-themes changed according to the patron-chosen trends.

Example: Swedbank, co-founder and long-time supporter (patron) of LAMPA, emphasized the Education stage until 2020, shifted focus to the Sustainability stage in 2021, and to the Entrepreneurship stage in 2025.

[58] LAMPA. (2020–2025). Conversation Festival LAMPA Program Archive [Internal Document]. Fonds "Dots".

The Education stage in 2025 was supported by the newly established "AUGT" fund, and the Regional stage, overseen by the British Council, promoted community-related themes.

2020–2021: Local Practices and Foundations of Participation

At the start of this period, LAMPA stages focused on community self-organization and participatory culture. Discussions on smart villages, civic participation, and cross-sector collaboration indicate what was not yet called "social innovation" but already constituted its practical content: bottom-up solutions created jointly by citizens, NGOs, businesses, and municipalities. The term itself was rare in the program, but foundational themes—community, collaboration, participation—formed a stable base for future development.

Laying the Foundation (Community, Collaboration, Participation):

- **"Latvian Communities – On the Path to Smartness!"** (smart villages/communities) represents SI "DNA"—local solutions developed with residents.
- **"Development Power Lies in Collaboration!"** (cooperation = cross-sector collaboration) and discussion of civic participation in the arts—an indirect SI framework.
- **"The Role of Innovation in Promoting Sustainable Business"**—innovation enters with clear public utility in business.

2022–2023: Growth through Inclusion, Entrepreneurship, and Technology

After the pandemic, societal discussions broadened. Discussions on social cohesion, sustainability, and urban solutions increased; simultaneously, entrepreneurship and social enterprise gained prominence. In 2023, technology and AI themes stood out, adding scalability and data usage dimensions to social innovation. At this stage, SI discourse moved from "local stories" to a solution portfolio with business logic and clearer impact orientation.

Reducing Gaps, Inclusion, and Entrepreneurship

In 2022, "cohesion/inclusion" was a common topic, alongside energy/sustainability and urban innovation. In 2023, the focus was on social entrepreneurship ("Social Entrepreneurs' Stars" events) and education/IT innovations (Technology and Innovation tent).

2024: Social Contracts and Learning from Mistakes

LAMPA promoted an open learning and experimentation culture: stories of failures, workplace social experiments, and the future of co-living shaped how society changes habits. Here, social innovation is not a "project" but a shared agreement on how to act differently—with safe spaces for idea testing and feedback improving services and organizational culture.

Co-living and "Social Contracts"

Discussions on co-living and workplace social experiments ("Working Should Not Be Punished…")—SI through social (contractual) agreement and labour innovation.

Innovation Culture as Safe Failure

(English term: "FuckUp Nights" – evening of innovation and failure stories) – normalizing learning and change.

2025: Recognition of the Social Innovation Term

In 2025, the term "social innovation" appears alongside governance transformation. Topics highlighted include public administration in the AI era, inclusion and integration solutions, support paths for youth with disabilities, and migration/diversity issues. This marks a shift from local initiatives to a systemic view: social innovation becomes a method for improving public services and policy development.

Social Innovation and Artificial Intelligence (AI):

- **Direct program mention** ("Social Innovation Championship")
- **Public administration in the AI era** ("Robots in Government?")—SI moves to systemic level (services, governance innovation)
- **Inclusion and integration** ("Where Are Youth with Disabilities?", "Integration Guide," "Human Rights Without Taboo")—SI target group line continues to grow

Co-occurrence Processes

The co-occurrence matrix identifies thematic "clusters" appearing together in LAMPA programs. The proximity of AI and governance indicates public service modernization logic, while the link between education, sustainability, and citizenship highlights skills and value connections. These "proximity points" help understand how social innovation is implemented—not separately, but in combinations. In 2020–2021, macro-theme fields (education, health, governance) implemented participatory and community approaches. Moving to 2022–2023, systemic implementation occurs—sustainability, education, and governance are in focus, and technology/AI becomes a scaling instrument. In 2024, the general idea space transforms into a governance and green transition core, while 2025 marks the term's visibility with an educational wave in the foreground. The matrix is based on page-level co-occurrence analysis and indicates potential thematic linkages for discussion direction and policy experiment design.

Crossroads and Trajectory

Since 2020, LAMPA has served as a societal "barometer," first reinforcing indirect SI themes—community, participation, collaboration, inclusion—before the term itself became programmatically visible. The trajectory moves from local community solutions to an entrepreneurship and technology ecosystem, reaching a systemic level in 2025—the governance and AI crossroads. Concurrently, a culture ensuring social innovation sustainability grows: transparency, permission to fail, prototyping, and co-creation with clear public value goals.

Conclusions

Analysis of LAMPA programs indicates the dynamic development of social innovation. It evolves as a process moving from practice to terminology: society acts first and only later agrees on the term. The next step is to continue linking SI with public administration and AI ethics while maintaining a community and inclusion focus. Strategically, this entails more events where not only discussion occurs but also co-creation and prototyping—small pilot projects that, within the festival context, demonstrate how public participation translates into higher-quality services and more durable trust between citizens and institutions.

7. THE IMPORTANCE OF SECTORS AND CROSS-SECTOR COOPERATION, UNDERSTANDING, AND POLICY SUPPORT

Importance of sectors and data availability

The social innovation ecosystem encompasses several interrelated sectors – public, private, and non-governmental – whose successful interaction significantly increases the impact of social innovations. Research shows that today the boundaries between sectors are "blurring," forming new types of partnerships and jointly created value (e.g., the blended value approach[59]). In Latvia, to gain a deeper understanding of each sector's role in social innovation, a cross-sector survey was conducted. However, due to the limited number of responses, which did not reach the statistically significant number required for each sector, the survey data are used as a general overview of the social innovation ecosystem, without sector-specific analysis. A key challenge in ecosystem analysis is not only the accessibility of data but also the availability and accumulation of data. Data collection and information analysis were discussed, for example, with contact points for various EU funding programs, but significant and analytically useful data collection is essentially not carried out in any program except EaSI.

Public sector

As previously mentioned, the public sector in Latvia plays a significant role in promoting social innovation, primarily in policy-making, funding programs, and strategic initiatives. At the national level, the Ministry of Welfare and other institutions have developed the legal framework (e.g., Social Enterprise Law) and launched support programs (grant schemes, incubators) for new social initiatives. Currently (2025), the Social Economy Plan 2026–2029 is also being prepared, demonstrating increasing political attention to social innovation.

At the local level, municipalities and planning regions are increasingly engaged in supporting social innovation – for example, by announcing small grants for community initiatives or including social innovation goals in their development strategies, if not directly, then indirectly creating a favorable framework. Such actions promote the broader dissemination of innovations and provide favorable conditions at the community level.

The public sector also often has to address bureaucracy and coordination issues – ensuring that "bottom-up" initiatives from civil society are heard and integrated into policy. Government institutions and local municipalities are already involved in the ecosystem, but there are opportunities to strengthen their capacity and inter-institutional cooperation. For example, greater cross-sector coordination (involving ministries outside the social field) and feedback mechanisms with NGOs could improve the public sector's ability to respond more quickly to how to promote, develop, and support social innovation ideas.

Overall, the public sector in Latvia provides the strategic framework and resources for social innovations, but its effectiveness depends on the ability to cooperate flexibly with other sectors and adapt to new initiatives.

Non-governmental sector

The non-governmental organization (NGO) sector is a driving force for many social innovations in Latvia. NGOs

[59] Emerson, J. (2003). The blended value proposition: Integrating social and financial returns. California Management Review, 45(4), 35–51.

often first identify social problems and implement new solutions in areas where traditional mechanisms have not been fully effective – for example, reducing social exclusion, environmental sustainability, youth, and community development. The flexibility and creativity of these organizations allow them to experiment with innovative approaches, involving local communities and volunteers.

For example, many associations and foundations implement pilot projects (community centres, youth initiatives, alternative education programs) that may later be scaled up. Survey data confirm the significant role of NGOs – ~30% of respondents (see analysis below) who participated in the survey represented the NGO sector, and another portion represented informal communities operating effectively on NGO principles.

However, the NGO sector also faces several systemic challenges. Financial sustainability is one of the biggest – most organizations operate on a project funding basis, relying on foreign donors, EU funds, or state program support. It is also important to note that civil society activity in regions shows pronounced territorial differences. Regional disparities indicate the need for targeted support and capacity building in rural and less active municipalities to foster more innovations there.

Despite these challenges, the NGO sector remains a vital source and driver of social innovation. It represents the voice of society and can respond quickly to new needs, often using donations, volunteer work, and international projects. It is crucial for the state and municipalities to recognize NGOs as equal partners – survey respondents emphasized that the willingness and capacity of the state and municipalities to listen to NGO ideas significantly affect the development of innovations.

In general, the NGO sector makes a significant contribution to the social innovation ecosystem in Latvia but strengthening it requires both improved access to funding and human resource renewal, as well as closer partnerships with other sectors.

Private sector

Private sector involvement in social innovations in Latvia is gradually increasing but its potential is not yet fully utilized. Traditional companies increasingly incorporate corporate social responsibility elements into their operations – for example, supporting community initiatives, implementing environmentally friendly solutions, or employing socially vulnerable groups.

However, direct social innovations (new services or products with a social goal) are still more characteristic of social enterprises and impact startups. The growing number of social enterprises indicates that more and more entrepreneurs are willing to engage in solving social problems, integrating public benefit into their business goals.

By mid-2025, the number of registered social enterprises continued to grow, exceeding 250 active companies employing more than two thousand people in total. The state financial institution ALTUM (within the Ministry of Welfare measures) provides significant support – in recent years, social enterprises have received grants for the development of new products and services, thereby promoting private sector interest in this field.

Despite this, direct participation of the private sector in social innovations remains relatively low. Survey results show that only about 5% of respondents represented commercial companies or business enterprises (excluding social enterprises), indicating limited involvement of traditional businesses in social innovation ecosystem discussions. Some large companies are indirectly involved – supporting NGO projects, organizing hackathons, or innovation competitions to solve societal problems – but structured partnerships are rare. The main challenges in the private sector are scaling innovations and balancing the business model with the social mission. Many impact startups struggle to attract investment and generate profit while maintaining focus on public benefit.

Respondent distribution by sector and region

In the survey process (hereafter – cross-sector survey, 2025), 60 organizations from various sectors participated, providing a representative reflection of the social innovation ecosystem in Latvia. This study is based on survey data, representing different organizations and sectors in Latvia. The main focus of the survey was to assess the understanding of social innovation, challenges in cooperation, and the vision for the future.

Research method: structured online survey; study period: June – July 2025. The respondent structure reflects the diversity of the social innovation field and its cross-sectoral nature.

Non-governmental organizations (NGOs) form the largest group of respondents (30.0 %), confirming the active role of the NGO sector in social innovation. Municipalities make up 20.0 % of respondents, reflecting the significant contribution of local government to solving social problems. State institutions (13.3 %) and educational institutions (16.7 %) provide institutional and scientific perspectives, while the private sector (11.7 %) represents a commercial approach to social problems.

This sectoral distribution allows for a comprehensive understanding of the perception and practice of social innovation across different sectors of the Latvian ecosystem. Furthermore, the high proportion of NGOs confirms their importance as a driving force for social innovation in Latvia. This sector often acts as a “bridge” between society and state institutions, fostering community capacity building and the implementation of innovations at the local level. The participation of municipalities indicates growing interest in integrating social innovation into policy documents and practice.

Regional distribution of respondents

The regional distribution of respondents reflects the concentration of economic activity in Latvia, with the Riga region as the dominant center in social innovation. The Riga region represents 41.7 % of all respondents (25 organizations), indicating the leading role of the capital region in implementing social initiatives. The Vidzeme region, with 20.0 % (12 organizations), ranks second, reflecting the active civil society and diversity of local initiatives in this region. The Kurzeme region, with 16.7 % (10 organizations), demonstrates stable social innovation potential, particularly related to the maritime economy and tourism. The Zemgale region (13.3 %, 8 organizations) and Latgale region (8.3 %, 5 organizations) account for a smaller share, which may indicate the need for more targeted support in these regions to promote social innovation. Regional inequality data point to the necessity of targeted support programs to equalize social innovation development opportunities across the country. Riga’s dominance can serve as a model and resource centre for other regions, promoting knowledge and experience transfer.

Analysis of knowledge level and understanding

Knowledge level: The knowledge of surveyed organizations regarding social innovation is uneven. Only 13.3 % of respondents consider their knowledge in this area fully sufficient, and another 35.0 % rate it as rather sufficient. Thus, approximately 48 % of organizations feel reasonably confident in their competence in social innovation. However, 30 % admit that their knowledge is only partially sufficient, 16.7 % rather insufficient, and 5.0 % completely insufficient. This unevenness indicates a significant need for capacity building – many organizations lack in-depth knowledge, which may hinder the full implementation of social innovation. The results point to the need for targeted training programs and experience-sharing platforms to balance knowledge levels across sectors and regions.

The uneven knowledge level can hinder the full realization of social innovation potential. It is important to develop systematic training programs and create platforms for knowledge and experience exchange to level the playing field between organizations and regions. These data highlight the need for targeted training programs and knowledge exchange platforms to strengthen social innovation capacity in Latvian organizations.

Diversity of understanding: The survey revealed that the concept of social innovation is understood differently. The dominant understanding (58.3 % of respondents) associates social innovation with new solutions to social problems – a traditional approach emphasizing the practical application of innovation to societal needs. A significant portion (51.7 %) believes that social innovation entails community engagement and participation, emphasizing the participatory aspect.

46.7 % of respondents highlight cross-sector cooperation as a core element of innovation, reflecting awareness of the importance of collaboration. The application of technology in the social field as part of innovation is mentioned by 36.7 % of respondents, reflecting the role of digitalization. Social innovation is less frequently associated with systemic solutions (31.7 %) or social entrepreneurship (25.0 %). This fragmentation of understanding indicates that Latvia still lacks a unified definition – the concept of social innovation is evolving, and clearer communication and a shared understanding of its content are needed.

Existing initiatives and impact assessment: Most surveyed organizations already have some experience in implementing social innovation projects, but systematic evaluation of results is not widespread. Only a small portion (approximately 3 %) of organizations have established a full system for evaluating the impact of social innovations, while about 37 % conduct partial evaluations (for individual projects or aspects) – the rest do not evaluate at all or lack the competence.

As a result, the average regularity of evaluation is low (approximately 2.5 points out of 5), indicating that impact measurement mainly occurs episodically or rarely. The lack of regular monitoring means organizations may lack data on the actual social impact and effectiveness of innovations. This situation reveals the need to strengthen the evaluation culture – developing tools and guidelines to help organizations measure the results of their initiatives more frequently and systematically. Regular impact assessment can serve both as a learning mechanism and to enhance organizations' optimism and motivation to continue innovating.

Policy Support and Cross-Sector Collaboration

Policy effectiveness: Survey results indicate that government policy supporting social innovation has so far been evaluated rather critically. The average rating for policy support effectiveness is only 2.8 out of 5, reflecting partial dissatisfaction with existing support mechanisms. The majority of organizations (41.7%) evaluate policy support as moderate, indicating that some support exists but it is not sufficiently effective or targeted. Only about 25% of respondents positively assess government action in the field of social innovation as effective or very effective, while one-third (33.3%) view it negatively (ineffective). Representatives of the NGO sector, in particular, are critical, likely encountering bureaucratic barriers and insufficient funding. These findings indicate the need to improve policy instruments – increasing funding availability, reducing bureaucratic burdens, and enhancing cross-sector coordination for social innovation support. Current policy inefficiency can hinder innovation development; therefore, policymakers should review and strengthen support mechanisms, particularly focusing on more flexible funding instruments and simplified procedures for project implementers.

Attitudes toward collaboration: The majority of surveyed organizations consider cross-sector collaboration an important component of social innovation. Approximately 30% of respondents indicate that collaboration is an area requiring targeted development, while around 18% already perceive it as a significant resource for more effective problem-solving. Another 13% see collaboration as an opportunity to attract new sources of funding and knowledge. Only about 10% highlight difficulties in collaboration (due to coordination and trust issues), and 17% are currently not involved in cross-sector collaboration or have no opinion. Overall, the attitude toward cross-sector collaboration is predominantly positive – organizations recognize that working with partners from other sectors can achieve better social outcomes. However, some still lack practical experience or confidence in easily implementing collaboration due to coordination challenges and differences in partners' approaches. This indicates a need to promote a culture of collaboration and build trust across sectors.

Existing collaboration: Although attitudes toward collaboration are positive, many organizations report that collaborative projects occur episodically and are not systematically coordinated within a joint network. Partnerships often arise through individual contacts or project competitions, but long-term strategic alliances are rare. The survey shows that collaboration most often begins informally – through personal contacts and networking (~33% of cases), or formally – responding to project calls or official invitations (27%) – while planned strategic partnerships are rare (only ~5% of cases). This situation means potential remains underutilized due to the lack of permanent cross-sector platforms. Current collaboration is fragmented and often dependent on individual informal initiatives rather than systemic support. This highlights the need to develop structured collaboration mechanisms – for example, permanent cross-sector contact points or social innovation coalitions, where representatives from different sectors can regularly exchange ideas, find partners, and jointly plan projects.

Ways collaboration is initiated: The survey reveals that cross-sector collaboration most frequently begins informally. Organizations often start collaborating based on personal acquaintance, for example, through networks, conferences, or informal conversations. Another typical scenario is collaboration arising within a

formal project framework, when a sector recruits partners for a project or responds to a published initiative. Strategic, long-term partnerships from the outset are much rarer, indicating that strategic alliances in Latvia's social innovation field are still in their infancy. To make collaboration sustainable and purposeful, a greater practice of long-term agreements between sectors would be desirable (e.g., memoranda between municipalities and NGOs), though for now, short-term or ad hoc collaboration dominates.

Readiness to collaborate: Despite the challenges mentioned, the survey shows very high readiness to participate in cross-sector collaboration networks. Overall, 80% of organizations expressed willingness and readiness to collaborate: 53.3% are fully ready, and 26.7% are rather ready to actively engage in joint social innovation initiatives. This positive attitude indicates that organizations recognize the benefits of collaboration for solving social problems. Only 13.3% were neutral, and a very small proportion – 6.7% – were sceptical or negative. Therefore, there is a high level of openness to partnership in social innovation, providing a favourable environment for cross-sector network formation. However, as noted, high readiness does not always translate into effective collaboration. To turn this potential into tangible results, it is necessary to develop platforms for initiating collaboration, clear procedures, and intermediary organizations to help connect partners. Readiness to collaborate is a solid foundation, and the next step is to leverage it by creating concrete joint projects and sharing resources among government, NGOs, businesses, and the academic sector.

The role of technology in social innovation development

Importance assessment: In the modern digital era, technology is considered an integral part of innovation. Survey data confirms this – the average rating of the importance of technology in social innovation development is 4.1 out of 5, very high. More than two-thirds of respondents (66.7%) indicated that technology is important or very important in social innovation. Of these, 36.7% emphasized that technology is very important, and 30.0% said it is important. About 25% rated the role of technology as medium, and only a small proportion (~8.3%) considered it insignificant or unimportant. These results clearly show that the impact of digitalization on the social sector is widely recognized. Organizations see technology as a tool that can increase the scale and impact of innovations – for example, IT solutions allow faster information dissemination, more effective remote service delivery, and data analysis on social issues.

However, the high assessment of technology's importance contrasts with practical implementation challenges. As mentioned in the barriers section, many organizations face a lack of funding and skills to fully integrate technology into their work. This indicates a "digitalization gap" – everyone understands the usefulness of technology, but not all have the capacity to use it. To fully harness the potential of technology, it is essential to invest in organizations' digital capacity and ensure that technology is not a luxury but an accessible tool for smaller NGOs and initiatives.

Most significant technologies: Survey participants also identified specific types of technology and approaches they believe most promote social innovation. Digital tools and platforms overall – such as apps, informational websites, and e-governance solutions – ranked first, highlighted by about 63% of respondents. This indicates that universal digital solutions (for communication, information exchange, and service delivery)

are the backbone of social innovation. Second place (52% of responses) went to online participation platforms, such as e-voting systems, citizen idea platforms, and participatory budgeting tools, reflecting demand for technologies that enhance citizen engagement. Third (~37%) were data analysis and monitoring systems – tools that collect and analyze social problem data, measure progress, and assess impact. Artificial intelligence (AI) and AI solutions were mentioned in ~35% of cases, showing growing recognition of AI's potential to personalize services, predict needs, and optimize resource use. Less frequently (~20% each) were sensors and measurement devices (e.g., in smart city technologies and environmental monitoring) and open data/data-sharing platforms. Only a very small proportion (8%) considered technology to have little impact on social innovation – meaning most respondents see technology as positively contributing.

These results suggest that priority should be given to developing and implementing technologies that promote societal participation, improve data availability, and enable more effective online delivery of social services. Examples already exist in Latvia – from e-services in public administration to initiatives like participatory budgeting in municipalities – and the survey shows that the social innovation community values such tools. Therefore, looking ahead, investment in digital innovation should continue while ensuring technologies are accessible and understandable to all members of society, so that digital transformation serves social benefit, reducing rather than increasing inequality.

Social Innovation Barriers, Drivers, and Potential

Drivers: The survey identified key factors driving social innovation development in Latvia. The most important driver, according to respondents, is societal demand for social solutions – i.e., real citizens' needs and problems requiring innovation (~73% mentioned this). This aligns with the concept that citizens' needs and social values are the main engine of social innovation. The second most important driver is the availability of funding and incentives (~62%) – i.e., grants, investments, and financial instruments that motivate the creation and implementation of innovations. Government policy and support (42%) are also considered significant – appropriate political will, strategies, and support programs can substantially promote innovation. Almost 28% of respondents mention technological progress as a driver (digital tools and IT solutions facilitate the implementation of new social ideas).

Less frequently mentioned is the role of academic and research institutions (~17%), indicating the importance of knowledge and evidence. Overall, the data show that social innovation is grounded in real societal needs, which can be realized if appropriate resources are available – funding, technology, government support, and knowledge base. These drivers interact: for example, societal pressure can motivate government action, but without financial and technological support, even good ideas may not be implemented. Therefore, for a sustainable social innovation ecosystem, all these elements need to be strengthened.

Sectors with the greatest contribution: Respondents also indicated which societal areas social innovation can contribute to most. Social welfare (e.g., poverty reduction, social care, inclusion) ranks first – mentioned by ~82% of respondents, reflecting the belief that innovation can directly improve quality of life and reduce inequality. The second most frequently mentioned area is the education system (42%) – innovations in education can help address both access and quality challenges.

Similarly, ~40% of respondents believe that social innovations have significant potential in healthcare and medicine (new services, e-health, preventive initiatives). Inclusion and diversity (~35%) – including minority groups and integration of people with special needs – is another area where innovation can make a contribution. Environmental protection and sustainability (33%) are also considered important, e.g., community energy projects and circular economy initiatives. Less frequently (17%) were digital transformation and accessibility mentioned as a separate area, possibly because digital solutions are viewed more as tools supporting other fields rather than a separate goal. These responses suggest that in Latvia, social innovation is most strongly associated with the social sphere – welfare, education, health – areas directly affecting everyday life. This emphasizes that innovators and policymakers should focus on solutions that improve social services, promote inclusion, and address demographic and welfare challenges.

Barriers: Several barriers hinder social innovation development in Latvia. The most frequently mentioned barrier is lack of funding, with an average "intensity" rating of 4.2 out of 5, indicating it is a very serious problem. Similarly highly rated are the lack of other resources (4.0) and lack of time (3.9) – many organizations report insufficient human resources and time capacity to devote adequate attention to innovation.

Bureaucracy and complex administrative procedures (3.8) are the next significant barrier, especially regarding state and EU fund project implementation. This is closely linked to lack of political support (3.7) – without policy-level prioritization and support mechanisms, innovators face greater difficulties. Knowledge gaps (3.5) and lack of collaboration (3.3) are also noted, meaning not everyone has sufficient skills or information, and information and idea exchange between organizations is not always happening. Relatively less, but still significant, is the lack of digital and technical skills (3.2) – although technology is considered important, not all have the competence to apply it. These barriers are often interrelated: for example, without funding, organizations cannot hire human resources or train staff (contributing to knowledge gaps), and excessive bureaucracy can deter potential funders and partners. Comprehensive solutions are needed – including funding programs, incubators, regulatory improvements, and capacity-building initiatives – to gradually reduce these barriers.

Most Effective Forms of Collaboration: Respondents shared their experiences regarding which forms of cross-sector collaboration they consider most effective for promoting social innovation. Joint projects and initiatives between organizations were mentioned overwhelmingly most frequently (approximately 75% of respondents), indicating that direct collaborative work toward a specific goal is the most effective way to achieve social impact. More than half (53%) also highlighted information and experience-sharing events (conferences, forums, community meetings) as very useful, as they help disseminate best practices and find partners.

Around 45% highly value joint training and capacity-building programs, which allow representatives from different sectors to learn together and develop mutual understanding. Slightly fewer (38%) mentioned regular cross-sector consultation forums or councils – more institutionalized discussion platforms involving the state, NGOs, and businesses. About one-third (33%) pointed to the use of online platforms and tools to facilitate collaboration (e.g., co-creation portals, communication apps). Less frequently mentioned were cross-sector mentoring programs (18%) and cross-sector working groups (13%).

These data show that practical joint work and direct communication are the most effective paths. Joint projects yield tangible results, while knowledge exchange and shared learning build trust and understanding between sectors – a prerequisite for successful partnerships. Therefore, it is recommended to promote these forms of collaboration specifically: create more opportunities for joint pilot projects, provide forums and training where representatives from different sectors can meet, and develop digital platforms for partner search.

Level of Optimism: Despite existing obstacles, the survey revealed a fairly high level of optimism regarding the future of social innovation in Latvia. The average optimism score is 3.68 out of 5, indicating a moderately optimistic overall mood. More than half of respondents (58%) described themselves as optimistic or very optimistic about social innovation development in the coming years, while only ~10% were pessimistic (the rest were neutral).

Interestingly, optimism levels vary across sectors. For example, private sector representatives showed the highest confidence in social innovation growth. The NGO sector is generally optimistic, supported by hopes for broader public engagement and flexible, creative initiatives. Meanwhile, in the public sector (state institutions, municipalities), optimism is often tempered by caution and criticality – possibly due to systemic challenges in public administration, resulting in a lower average optimism level. This differentiation emphasizes the need to find ways to boost belief in innovation potential, especially in sectors where skepticism is higher – for example, in government institutions, by providing positive examples and success stories, as well as support mechanisms that reduce causes of skepticism. Overall, the growing optimism (particularly regarding technology potential) suggests that the ecosystem is maturing and many see opportunities – provided previously identified obstacles are overcome and cross-sector support is strengthened.

Analytical Insights

(This section summarizes in-depth analysis results, providing additional insights into social innovation processes.)

The Collaboration Diversity Paradox: Regression analysis revealed an interesting phenomenon that challenges conventional assumptions about collaboration. Specifically, a “collaboration diversity paradox” was identified – results show that overly broad and diverse collaboration among organizations can negatively affect innovation optimism and outcomes. In the regression model, the overall collaboration diversity index received a strongly negative coefficient ($\beta \approx -2.62$, $p<0.01$), meaning that organizations attempting to engage in very diverse collaborations (with many different types of partners) tend to have lower confidence in social innovation success.

This finding contradicts the common assumption that “the more and more diverse the partners, the better.” It turns out that collaboration quality and focus matter more than quantity. The model showed that some targeted partnerships actually contribute positively – for example, collaboration between the private sector and educational institutions had a statistically significant positive effect ($\beta \approx +1.15$, $p<0.05$) on innovation optimism.

Collaboration between "government ↔ others" (e.g., internal cooperation within state institutions) and municipality–private sector partnerships also showed positive contributions (both coefficients ~+1.0, $p<0.05$). At the same time, the total number of collaborations (regardless of diversity) correlated negatively ($\beta \approx -0.87$, $p<0.05$) with innovation optimism.

These results suggest that broad, diffuse collaboration without a clear strategic goal may be less effective, whereas targeted partnerships provide greater positive contributions. The assumption here is that if resources are wasted on coordination and aligning diverse partners, focus on results is lost. This paradox can be explained by the finite capacity of organizations to collaborate – fewer but strategically chosen partners are better than shallow engagements across many directions. In the Latvian context, organizations would benefit from evaluating their collaboration portfolios and focusing on partners whose engagement genuinely adds value. Policymakers should stimulate high-quality partnerships (e.g., via competition criteria that evaluate alignment with strategic goals rather than partner quantity).

The collaboration diversity paradox does not imply that collaboration is negative – rather, chaotic and scattered collaboration may not be effective. Focused, well-managed collaboration with a few key partners provides higher returns than broad but superficial networking.

Correlation Analysis

The analysis included three numerical indicators: self-assessment of social innovation, optimism about the innovation future, and the importance of technology. These scores were analyzed to identify potential patterns and relationships.

- **Q4** – Self-assessment of how often organizations evaluate their social innovation impact (scale 1–5, where 1 = rarely, 5 = regularly).
- **Q19** – Optimism about the future of social innovation in Latvia (scale 1–5, where 1 = very pessimistic, 5 = very optimistic).
- **Q20** – Rating of the importance of technology for social innovation development (scale 1–5, where 1 = very low, 5 = very high).

Descriptive Statistics

Variable	Mean	Median	Std Dev	Min	Max
Q4 (evaluation)	2.55	3	0.96	1	5
Q19 (optimism)	3.68	4	0.97	1	5
Q20 (technology importance)	4.05	4	0.99	1	5

On average, organizations evaluate their social innovation impact rarely to occasionally (Q4 mean 2.55). The median (3) indicates that evaluations typically occur episodically. Optimism about social innovation's future is relatively high (Q19 mean 3.68), though there is notable variation (std dev 0.97). The highest rating is for the importance of technology in social innovation (Q20 mean 4.05), reflecting organizations' confidence in technological potential.

Correlation Analysis

Variable Pair	Correlation Coefficient	Interpretation
Q4 ↔ Q19	0.46	Medium correlation
Q4 ↔ Q20	0.17	Weak correlation
Q19 ↔ Q20	0.57	(Moderately) strong correlation

Interpretation:

- **Q4 ↔ Q19 (0.46)**: Organizations that evaluate their social innovation impact more frequently tend to be more optimistic about its future.
- **Q4 ↔ Q20 (0.17):** Evaluation frequency has a very weak relationship with technology importance, indicating that regular evaluation does not significantly influence technology perception.
- **Q19 ↔ Q20 (0.57):** Optimism about social innovation's future is associated with a positive attitude toward technology. Respondents who consider technology important are also more optimistic about social innovation prospects.

Conclusions and Recommendations

The study results depict a complex picture of the social innovation ecosystem in Latvia, showing both significant potential and serious challenges. Positively, many organizations demonstrate motivation and willingness to engage in innovation, and there is a generally optimistic attitude toward the innovation future. Knowledge levels vary – approximately half of organizations have sufficient understanding, while others need capacity and comprehension-building. Government policy support is currently assessed as insufficient (average 2.8/5), especially in the NGO sector, indicating the need to improve policy instruments.

Cross-sector collaboration shows high enthusiasm (80% willing to collaborate), but actual collaboration may still be fragmented and requires better coordination. Technology integration is seen as very important (4.1/5), yet a gap exists between recognition and implementation – lack of funding and skills hinders full utilization. Regionally, Riga dominates in social innovation, while Latgale and partly Zemgale lag behind, requiring additional attention.

These conclusions indicate that Latvia has ideas and enthusiasm but needs to organize a supportive environment – strengthen knowledge, funding, collaboration mechanisms, and technological capacity, particularly in weaker regions and sectors with lower optimism. The study confirms that cross-sectoral synergy can significantly expand social innovation opportunities but requires targeted, coordinated support.

Policy and Collaboration Recommendations:

1. **Create a Unified Coordination Mechanism:** Establish a cross-sector coordination centre or council at the national level responsible for aligning social innovation policies and promoting collaboration. This would reduce fragmentation, ensuring ministries, municipalities, NGOs, and other partners work toward common goals and share information and resources.

2. **Increase Funding Availability and Reduce Bureaucracy:** Allocate more funding to social innovations, e.g., through a specialized fund or grant program with simplified application procedures. Reduce administrative burdens – implement "one-stop-shop" principles for project support, digitize and accelerate application processing. Pay special attention to regionally differentiated support, focusing on Latgale and other lagging regions to level opportunities.
3. **Promote Cross-Sector Platforms and Networks:** To overcome fragmented collaboration, establish permanent cross-sector platforms or networks (e.g., online platforms to find partners, share ideas, and coordinate joint projects). Organize regular cross-sector forums or working groups where sectors jointly plan social innovation initiatives. This infrastructure would facilitate partnerships and provide better coordination.
4. **Strengthen Knowledge and Capacity:** Invest in human resources by providing regular training, seminars, and community practice exchanges in social innovation. Establish mentoring programs where experienced organizations guide new initiatives. Focus on enhancing digital skills and technical knowledge in social sector organizations, as technology is essential, but skill shortages hinder utilization.
5. **Support Technology Integration:** Develop initiatives that promote combining social innovation and technology, e.g., a catalogue of digital solutions for social problems, support for technology incubators and startups focusing on social innovation. Provide technical support and consultation to NGOs and other organizations for technology implementation. Promote collaboration between IT companies and social enterprises/NGOs via hackathons, innovation labs, or joint projects.

Implementing these recommendations would strengthen Latvia's social innovation ecosystem, address identified gaps and fully leverage its potential to improve societal well-being. The study emphasizes the need to create favourable conditions for a thriving ecosystem.

8. FACTORS INFLUENCING THE ECOSYSTEM

Social innovation development in Latvia is influenced by economic conditions, demographic trends, technological development, and cultural and institutional attitudes toward social innovation. Environmental factors and cross-sector collaboration quality are also significant. Each dimension can either promote ecosystem development or create obstacles.

This section examines influencing factors that can both stimulate and hinder social innovation. The interaction of these factors, rather than their isolation, is critical when analysing ecosystem potential and trends.

Promoting Factors

Promoting factors are conditions and prerequisites that stimulate social innovation development and support ecosystem growth. In Latvia, research and survey data identify several key drivers:

- **Policy and Institutional Framework:** The Social Enterprise Law in force since 2018 provides an important starting point for promoting social innovation. EU funding in 2021–2027 offers tens of millions of euros[60]

[60] Ministry of Finance. (2022). European Union Cohesion Policy Programme 2021–2027. Available at: https://www.esfondi.lv/eiropas-savienibas-kohezija-2021-2027

to the social economy and innovations, forming a systemic financial foundation for ecosystem growth. Policy researchers emphasize that regulatory clarity and predictable resources are crucial for long-term innovation.

- **Societal Demand:** The most important driver (~73% of respondents) is societal demand for solutions to social problems, linked to demographic and social trends such as aging, migration, and inequality, creating pressure and motivation for innovation. By 2030, the share of the population aged over 65 in Latvia is projected to rise from approximately 18% to 23%[61], placing increasing pressure on the social care system. At the same time, around 22% of the population remains at risk of poverty[62], underscoring the urgent need to address social inequalities and develop innovative solutions to societal challenges. These demographic and social pressures, compounded by migration-related dynamics such as the influx of refugees, create a strong impetus for the development and implementation of social innovations.
- **Funding Availability and Incentives:** Approximately 62% of respondents indicated that available grants, investments, and financial instruments significantly motivate creating and implementing social innovations.
- **Favourable Technological Environment:** Digital development provides tools that accelerate and expand social innovation possibilities. Respondents highly value technology's role (average 4.1/5; 66.7% rated technology as important or very important), enabling effective outreach, better data analysis, and new services. Latvia's high internet penetration (93% of households; 91.4%[63] of population regular users) supports these opportunities. Online participation platforms (e-voting, participatory budgeting) are considered very important by 52% of respondents.
- **Cultural and Societal Attitude Changes:** Positive dynamics in civic activity, growth of volunteering, and charitable giving strengthen the social innovation resource base (human and financial resources). For example, in 2024, Latvia had 27,500 registered NGOs[64], with numbers growing annually. The growth of a culture of giving is illustrated by the fact that in 2022, approximately 145,000 individuals and 2,119 companies[65] made donations through the charitable platform Ziedot.lv, reflecting a high level of societal solidarity. Volunteer work is also gradually consolidating, indicating increasing civic engagement. These trends—the expansion of giving culture and volunteerism—strengthen the resource base for social innovation, including human and financial capital, and foster the emergence of new initiatives within communities. Public responsibility and the willingness to participate in solution-building are becoming increasingly pronounced, as both citizens and businesses engage more actively in community projects and corporate social responsibility practices continue to develop.
- **Effective Collaboration:** Cross-sector partnerships accelerate social innovation, as joint projects are most effective for achieving social goals (~75% of respondents). Experience and information exchange are highly valued (53%).
- **Environmental Factors:** Global and local environmental challenges (climate change, resource depletion, pollution) are increasingly recognized as social challenges, stimulating sustainable social innovations.

[61] Central Statistical Bureau. (2020).Long-term demographic projections of the population of Latvia 2020–2050. Riga: CSB.

[62] Central Statistical Bureau. (2024). In 2023, 21.6% of the population was at risk of poverty. Stat.gov.lv. Available at: Ministry of Finance. (2022). European Union Cohesion Policy Programme 2021–2027. Available at: https://www.esfondi.lv/eiropas-savienibas-kohezija-2021-2027

[63] Central Statistical Bureau. (2023). 91.4% of the population regularly uses the Internet. Stat.gov.lv. Available at: https://stat.gov.lv/lv/statistikas-temas/informacijas-tehn/ikt-majsaimniecibas/preses-relizes/14303-iedzivotaju-interneta?themeCode=EK

[64] Latvijas Pilsoniskā alianse. (2025). Monitoring of the association and foundation sector 2024 [Report]. Available at: https://nvo.lv/uploads/bn_sektora_monitorings_2024.pdf

[65] Ziedot.lv. (2023). Ziedot.lv: 20 years in Latvia. Available at: https://www.ziedot.lv/ziedot-lv-20-gadi-latvijai-4509#:~:text=Ziedot,tad%2C%20ja%20k%C4%81dam%20ir%20gr%C5%ABti

33% of respondents identified environmental sustainability as a key area for social innovation. Examples include community energy cooperatives, waste reduction initiatives, and urban gardening projects.

Summary
Latvia's social innovation ecosystem develops when there is clear societal demand, available resources (funding, technology, knowledge), political and institutional support, and active collaboration. These elements interact and reinforce each other: strong societal demand motivates government funding; technology increases engagement, enhancing demand; successful collaboration optimizes resource use. Therefore, it is essential to simultaneously strengthen all promoting aspects – economic and technological foundations, human capital, and attitudes.

Inhibiting Factors

Despite the positive prerequisites mentioned above, the development of social innovation in Latvia is simultaneously constrained by a number of obstacles and inhibiting factors. These reflect areas where the ecosystem has weak points or underdeveloped resources, creating situations in which innovative ideas cannot be fully realized or disseminated. Survey results and other publicly available data allow identification of the main obstacles in each area.

Insufficient funding is the most frequently mentioned barrier to social innovation in Latvia. According to the survey, financial shortages received the highest intensity rating (an average of 4.2 out of 5) among all obstacles. Many organizations indicate that they lack stable sources of funding to maintain innovation projects in the long term. Social initiatives are often based on short-term projects and grants, which creates financial instability. Financial sustainability of the Latvian NGO sector overall is a challenge—most organizations operate on a project basis, relying on foreign donors, EU funds, or state programs. Such dependence on short-term resources means that maintaining long-term innovations is difficult due to the lack of continuous funding for personnel, service maintenance, and capacity building.

In addition, other resource shortages are frequently mentioned—such as the **availability of material resources or facilities**. In the survey, "insufficient other resources" was rated 4.0 out of 5, indicating that innovators do not always have access to the necessary tools, equipment, or infrastructure. Lack of human resources and time also hinders development (rated 3.9)—in many cases, active individuals and organizations are overburdened and lack staff or volunteers to fully implement their ideas. These economic factors are interlinked: without funding, organizations cannot attract personnel or dedicate time to innovations, resulting in good ideas remaining partially implemented. Therefore, financial and resource constraints form a significant inhibiting factor that must be addressed for the ecosystem to function fully.

Demographic challenges also create obstacles for social innovation. The long-term decline and aging of the Latvian population means a shrinking pool of potential innovators. In 2024, Latvia's population decreased by approximately 18.4 thousand, or 1%, while the proportion of working-age individuals fell to 63.0%, and the proportion of seniors (65+) increased to 21.9%[66]. This structure implies that the share of younger, innovation-oriented generations is shrinking, while the number of people requiring social services is rising.

[66] Central Statistical Bureau. (2025). Press release: Number of population of Latvia in 2024 [Press release]. Available at: https://www.stat.gov.lv/en/statistics-themes/population/population/press-releases/22900-number-population-latvia-2024

Youth emigration and brain drain further reduce the local human resource base. As a result, some areas lack initiative-driven individuals willing to take leadership roles in innovation projects. Demography also affects the regional aspect: uneven population distribution and rural depopulation mean that outside large cities, there is often a lack of a critical mass of activists and NGOs capable of initiating and sustaining social innovations. As noted in previous analyses, ~42% of all NGOs are concentrated in Riga, while civic activity is low in many rural municipalities. These regional and demographic disparities are significant inhibiting factors: if rural areas lack young people and organizations capable of implementing innovations, social problem-solving there may lag. Addressing demographic barriers requires a comprehensive approach—retaining and attracting young people (return migration), utilizing senior potential (e.g., involving seniors in volunteer networks), and adapting innovations to the needs of less populated regions.

Technological inhibiting factors are mainly related to **uneven distribution of digital skills and resources**. While technology potentially offers significant benefits, in practice many organizations struggle to fully integrate it into their work. The survey identified a "digitalization gap"—most innovators understand the usefulness of technology, but not all have the competence or funding to use it. For example, NGOs may lack the funds or specialists to implement new IT systems, so potential benefits remain unrealized. Only a relatively small part of society can actively use modern technologies: in 2022, only 51% of Latvian residents (ages 16–74) had at least basic digital skills, well below the European target (80% by 2030)[67]. Digital skills lag especially among older people and in rural areas. Among innovators, lack of digital and technical skills was also cited as a significant obstacle (average rating 3.2). This means that even well-intentioned projects sometimes fail to be implemented effectively due to a lack of knowledge on data use, programming skills, or inability to find IT partners. Technical infrastructure can also be a barrier in some cases—such as insufficient internet coverage in certain rural areas or outdated devices in schools and NGOs.

Additionally, **perception barriers sometimes hinder innovation**—some target audiences may distrust digital solutions (e.g., seniors reluctant to use e-services). Overall, technological barriers highlight the need for prepared users and resources to ensure technology is fully utilized in the creation and maintenance of social innovation. To mitigate this factor, investment in organizational digital capacity, training, and access to technology for small initiatives is recommended.

Otherwise, there is a risk of ecosystem fragmentation—more advanced organizations progress rapidly with technology, while others lag behind.

In terms of culture and societal attitudes, the main inhibiting factor is the **lack of knowledge and understanding, as well as societal inertia**. The survey revealed that only half of organizations feel sufficiently knowledgeable about social innovation—only 13.3% were fully confident in their knowledge, 35% considered it rather sufficient, and the rest acknowledged partial or complete insufficiency. This competence gap means many potential innovators are unaware of opportunities, methods, and best practices. Without a shared understanding of what constitutes social innovation (the concept is understood

[66] European Commission. (2021). 2030 Digital Compass: The European way for the Digital Decade (COM(2021) 118 final). Available at: Central Statistical Bureau. (2025). Press release: Number of population of Latvia in 2024 [Press release]. Available at: https://www.stat.gov.lv/en/statistics-themes/population/population/press-releases/22900-number-population-latvia-2024

[67] European Commission. (2021). 2030 Digital Compass: The European way for the Digital Decade (COM(2021) 118 final). Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021DC0118

fragmentarily—some associate it with community involvement, others with technology or entrepreneurship), it is more difficult to build collective direction and mutual support in the ecosystem. In addition, societal passivity and caution toward change persist. RTU focus group discussions concluded that one of the main inhibiting factors is the passivity and lack of openness among individuals and society[68].

Some segments of society prefer the status quo, are unwilling to engage, or do not believe innovation can improve the situation. There is also a lack of creative thinking skills[69] — traditional problem-solving methods dominate over innovative approaches. These barriers are further reinforced by scepticism and lack of trust: new social projects may be met with suspicion (e.g., "this is just another project that won't change anything"), reducing support and motivation for participants. Public awareness of social innovations remains low—media and public discourse have only recently begun to address the topic more regularly. Consequently, it is not yet a norm that any citizen can be a social innovator, and many do not realize how they themselves can get involved. These cultural factors slow the spread of innovation—even if tools and funding are available, the ability to take on social innovation development and societal support may be insufficient for new ideas to gain wide resonance. Solutions lie in education and communication—explaining social innovation, demonstrating positive examples, and building innovator communities that encourage others.

At the **institutional level**, main inhibiting factors relate to **policy and governance deficiencies**. While a legal framework and individual programs exist, overall support efficiency is insufficient. In the survey, government policy supporting social innovation was rated only 2.8 out of 5, with a third of organizations rating it negatively. This indicates dissatisfaction with existing mechanisms—regulations and strategies are not sufficiently effective, funding is not easily accessible or suitable, and support programs do not reach all target users. A specific barrier is excessive bureaucratic burden. Social innovation implementers often face complex project application procedures, administrative oversight, and reporting requirements, which consume significant time and resources. Bureaucracy was rated 3.8/5 as a significant obstacle, especially regarding state and EU-funded project implementation. This is closely linked to lack of political support—if social innovation is not a priority at the policy level, procedures are not adapted to innovators' needs (e.g., no simplified small-grant mechanisms, no flexible rules for experimental projects). Municipal support is also uneven—some actively support innovations, others less so, with no mechanism to promote the dissemination of good practices from one municipality to others.

These institutional deficiencies create a **fragmented ecosystem framework**, where much depends on individual active citizens rather than systemic stimulation. Respondents pointed to specific areas for policy improvement: increasing funding availability (long-term funds and grants), reducing bureaucratic burden (simplifying application and reporting procedures), and improving cross-sectoral coordination.

Environmental factors can become inhibiting if not properly integrated and addressed. While there is demand for sustainable innovations, there is often a lack of resources and knowledge to direct social innovations toward

[68] Oganisjana, K., Grīnberga-Zālīte, G., Surikova, S., Kozlovskis, K., Līcīte, L., Laizāns, T., Monge-Iriarte, N., Koķe, T., Jeroščenkova, L., Eremina, Y., Gvatua, S., Ngongo Kabwende, B., & Chukwu, O. (2019). Social innovation: Challenges and solutions in Latvia. Riga: RTU Press. https://doi.org/10.7250/9789934222290

[69] The same as above

solving environmental problems. Green technologies and initiatives require specific expertise, which may be insufficient among social innovators—for example, knowledge of renewable energy projects or environmental science. Therefore, the environmental innovation niche in the social sector is currently narrower than in traditional social areas (welfare, education). Funding for environmentally and climate-friendly social projects is not always easily accessible—they often compete with general NGO funding programs, where other themes may be prioritized.

Environmental changes themselves can generate unforeseen challenges that overload social systems—for example, extreme weather events (floods, heatwaves) may create crises where traditional social structures are unprepared, requiring rapid social innovation solutions (e.g., community resilience projects). A weak ecosystem exposes such deficiencies—mechanisms to quickly mobilize residents or resources may be absent. Low public prioritization of environmental issues sometimes manifests as societal behavior: without an acute crisis, people may be reluctant to change habits (e.g., recycling, conserving resources), limiting the societal pressure needed for sustainability-focused innovations. Thus, environmental factors have a more secondary inhibiting effect compared to direct economic or institutional obstacles but should not be underestimated—long-term environmental issues can exacerbate social problems and create new barriers if social innovations cannot adapt in time.

Finally, **lack of collaboration and fragmentation in the ecosystem** is a significant inhibiting factor. While the positive role of collaboration has been discussed, there are situations where coordination is lacking. The survey revealed that information and idea exchange among organizations is not always sufficient lack of collaboration was rated 3.3 out of 5. This indicates a “silo” effect: organizations work in their own “bubbles,” repeating lessons already learned or failing to leverage synergies. One reason is competition for limited resources—NGOs and other initiatives often compete for the same funds and grants, reducing motivation to share information or collaborate.

Another key challenge is mutual distrust between sectors. NGO analyses show that NGOs often do not feel like equal partners with state institutions; stereotypes may exist from the state side about NGO capacity, and vice versa—NGOs are cautious about cooperating with the government. Private sector involvement in social innovation remains limited; language and goal differences between business and NGOs complicate joint collaboration platforms. The lack of coordination mechanisms is also structural—permanent councils or working groups where sectors regularly meet to address social innovation issues are missing; dialogue mainly occurs within project frameworks or in campaign mode.

As a result, as study data show, best practices spread more slowly. There is a noticeable **“collaboration deficit”** in Latvia’s ecosystem (especially between sectors and regions), which slows knowledge circulation and shared resource use. To mitigate this barrier, trust must be strengthened and regular collaboration platforms established. Survey participants suggested: increasing joint pilot project implementation, organizing forums and training where representatives of various sectors meet, and developing digital platforms for partner search.

Conclusions

The social innovation ecosystem in Latvia is defined by the balance between driving and inhibiting factors: clearer political frameworks, societal demand, available digital environment, growing civic participation, and quality partnerships drive the system, while financial instability, demographic and regional gaps, lack of digital skills, cultural inertia, bureaucracy, and fragmented collaboration inhibit it. The decisive factor is not the strength of individual elements, but their interaction: stable and predictable funding becomes effective only with capacity and simplified procedures; technology expands participation if skills and trust exist; regional deficits can be compensated with targeted support and cross-sectoral networking. Development should focus on interactions among elements that create a sustainable resource base, digital skills, reduced bureaucracy, and strengthened partnership quality—so that demand for change consistently translates into resilient solutions with measurable social impact.

9. SCENARIO PLANNING AND FUTURE MAPPING FOR THE DEVELOPMENT OF SOCIAL INNOVATION UNTIL 2035

Latvia's **Sustainable Development Strategy "Latvia 2030"** envisions that by 2030, the country will have a creative, open, and innovative society capable of quickly responding to changes and achieving high quality of life[70]. Social innovation—the creation of new solutions to social challenges—plays a key role in this vision.

To prepare for future challenges, research uses **scenario planning**, which allows for the development of multiple possible development scenarios depending on various driving forces and uncertainties. Scenario development begins with identifying these driving forces—the trends and factors that could significantly impact the social innovation ecosystem. These forces are usually categorized across several domains, often using the **STEEP framework** (Social, Technological, Economic, Environmental, Political[71]).

Next, **critical uncertainties** are identified—those driving forces that are both highly influential and difficult to predict. Around these uncertainties, scenarios are constructed describing alternative futures, allowing analysis of how the social innovation environment might evolve in each case.

These exploratory scenarios are not precise forecasts but rather modelled visions of the future that help decision-makers prepare for a range of conditions over a longer timeframe—up to 2035.

Scenario 1: Policy Change

Driving forces and uncertainties: This scenario is shaped by the development of public administration and the policy environment. Key driving forces include state strategic priorities and political will to support social innovation. There is potential for the government to increasingly integrate social innovation goals into national planning documents and funding programs. However, uncertainty lies in the continuity of political hange—government changes and shifts in political priorities may either slow down or accelerate ongoing initiatives.

[70] Cabinet of Ministers (2023). Latvia's sustainable development strategy until 2030 (Latvia 2030). https://www.mk.gov.lv/lv/latvijas-ilgtspejigas-attistibas-strategija

[71] Nwankwo, N. N. (2024). STEEP systems modelling: A dynamic framework for developing sustainability policies. International Journal of Innovative Business Strategies, 10(1).

A critical factor is the evolution of regulatory frameworks: whether legislation will be amended to clearly define criteria and support mechanisms for social innovation, or if the regulatory environment will remain unclear. Funding availability—through state grants, support programs, and EU fund priorities—also plays a key role, with uncertainty around the amounts and conditions potentially affecting innovators' opportunities. Institutional capacity matters too—whether government institutions can effectively implement support measures and coordinate cross-sector collaboration.

Potential impact on the social innovation ecosystem: If a positive policy change scenario occurs, by 2035 Latvia could have a favourable environment for social innovation, including a well-structured legal framework that formally defines social innovation and provides targeted support tools, for instance, focusing on rural regions. Targeted grants, tax incentives, and other stimuli for social innovation projects would increase the number of initiatives, stabilize partnerships between NGOs, municipalities, and state institutions, and enhance public awareness of the benefits of social innovation.

Conversely, unfavourable policy changes—such as funding cuts or increased bureaucratic barriers—could limit resources and motivation. Without new support mechanisms, innovative solutions may remain at the pilot stage, and ongoing uncertainty could discourage innovators and social entrepreneurs.

Scenario 2: Technology Integration

Driving forces and uncertainties: This scenario is determined by the pace and extent of digital transformation in Latvia. Key driving forces include technological innovations (AI, big data, blockchain, Internet of Things, etc.), society's digital skills, and IT infrastructure accessibility.

Provisional assumptions suggest that by 2035, at least 70% of the population will have basic digital skills, as set by national digital transformation goals[72]. This is a positive driver for leveraging technology in social projects. Uncertainties include digital inequality—whether gaps between urban and rural areas or generations in digital skills and access will narrow or widen—and the adequacy of state digital infrastructure (broadband, 5G, e-services). Cybersecurity and data accessibility are also uncertain: if open and secure data systems expand, innovators can develop new services; if trust in data use is low or major security incidents occur, digital innovation could be hindered. Private sector innovation and global technology trends also introduce uncertainties regarding social projects.

Potential impact on the social innovation ecosystem: In a positive outcome, by 2035 social innovation projects would widely utilize digital tools: mobile apps for assessing community needs, online platforms to coordinate volunteers, AI analytics for social trend data, etc. Digital technologies would foster initiatives relying on digital platforms, such as crowdfunding or online community forums, and NGOs and social enterprises would employ data analytics to measure real-time impact. Negative outcomes—unequal digital adoption, low trust in digital solutions, or fragmented systems—could limit scalability and accessibility of social innovations. Overall, successful technology integration would accelerate and enhance the efficiency of the social innovation cycle, while insufficient integration could leave much potential untapped.

[72] Cabinet of Ministers. (2021). Guidelines for digital transformation 2021–2027. https://likumi.lv/ta/id/324715-par-digitalas-transformacijas-pamatnostadnem-20212027-gadam

Scenario 3: Economic Transformation

Driving forces and uncertainties: This scenario examines how markets and finance influence social innovation. Key drivers include the dynamics of local markets—whether regional economies will grow to demand and support social solutions, e.g., increased demand for care services in an aging society—and the growth of social entrepreneurship.

Since the adoption of the Social Enterprise Law in 2018, the number of social enterprises in Latvia has risen annually. In 2025, over 270 active social enterprises were registered, up from ~226 the previous year. Uncertainty lies in whether this growth continues exponentially or plateaus, depending on whether social enterprises can become financially sustainable and competitive. Innovation financing models also play a role. Traditionally, social innovations in Latvia are funded by state grants, subsidies, donations, and private sector involvement. New funding models, such as crowdfunding platforms, social impact bonds, microcredits, and community funds, could emerge—but their adoption is uncertain. Macro-level drivers include national economic growth and availability of EU funds.

Potential impact on the social innovation ecosystem: A positive economic transformation scenario would result in a sustainable social innovation ecosystem by 2035, with diverse funding sources. Social innovators and enterprises would become an important part of the economy, creating jobs and services, particularly in local markets. Public financial instruments combined with private philanthropy and impact investments would provide startup and development capital, supporting self-sufficiency and scaling of social innovations. Negative economic outcomes could fragment the ecosystem, create chronic funding shortages, and limit project implementation, forcing innovators to seek international cooperation or abandon initiatives.

Scenario 4: Changes in Societal Values and Behaviour

Driving forces and uncertainties: This scenario focuses on changes in attitudes, culture, and participation. Key drivers include the level of civic engagement, societal responsibility, and solidarity. Will citizens increasingly see social problem-solving as “also my responsibility” or rely solely on the state? Trust in others and institutions is another crucial factor—high trust fosters collaboration, low trust hinders it. Education and awareness about social innovation influence empathy, initiative, and creativity in society. Demographic changes, such as younger generations being more open, digitally competent, and value-driven, also impact social entrepreneurship and volunteerism.

Potential impact on the social innovation ecosystem: If societal values shift positively, by 2035 Latvia could see a thriving civic movement and co-creation culture. NGOs would flourish, volunteer participation would be high, and communities would take initiative to solve local problems. Social innovations would become embedded in society, quickly responding to challenges like senior isolation, youth skill gaps, or environmental pollution. Conversely, if societal values deteriorate, participation and volunteerism would be low, ideas from communities would be scarce, and social innovation would struggle to gain traction.

Negative societal trends could exacerbate emigration of active, socially responsible citizens and leave problem-solving to the state's bureaucratic mechanisms, reducing trust and social cohesion, and slowing economic and political development.

Summary

The four outlined scenarios—**policy change, technology integration, economic transformation, and societal values change**—are not mutually exclusive. The future will likely combine elements from all scenarios. Scenario planning maps a future opportunity space, helping understand how policy, technology, economic, and societal factors together will shape the social innovation ecosystem by 2035. Using methods like STEEP analysis, expert input, and scenario matrices allows preparation for multiple development pathways.

A scenario matrix is used as an example, modelling futures based on two variables, ensuring that strategic planning accounts for uncertainty and complexity, making policies and initiatives more flexible and resilient. Scenario analysis contributes to informed decision-making and long-term planning for the development of Latvia's social innovation ecosystem toward 2035.

Scenario Matrix: Interaction Between Societal Initiatives and State Support

Although the four described scenarios (policy, technology, economic, and societal changes) provide a broad and multidimensional view of the future of social innovation, in the next step this information is analytically narrowed by defining **two critical variables: the level of societal initiative and the intensity of state support**. These are factors that repeatedly appear across all scenarios as both the most decisive and the most uncertain drivers of social innovation development. Based on them, a 2×2 scenario matrix is created, allowing the modelling of four strategically distinct development trajectories, transforming scenarios into more concrete and comparable future situations.

Rationale for selecting the critical variables

Although the choice of critical variables can focus on different factors influencing scenario outcomes, the selection here is based on:

- **Convergence across sources:** Policy documents, survey responses, data from smart villages, and other sources repeatedly highlight two key questions: How active is society? How purposeful is state support?
- **Repetition and influence:** Both factors have a high impact on other variables (e.g., intensity of collaboration, availability of resources, implementation of digital solutions) and simultaneously high uncertainty for the future.

The matrix does not replace the scenarios but systematizes their essence, providing a clearer, strategically usable framework for planning. Therefore, the broad scenarios and the scenario matrix are not separate tools—the matrix is a logical next step after scenario development, concentrating the information into four comprehensible development trajectory models.

Four potential development scenarios:

1. **Co-creation 2030** – an optimistic scenario where high societal participation and active state policy create

an integrated, supportive social innovation system. It is characterized by close partnerships between NGOs, businesses, and municipalities, producing systemic impact.

2. **Self-organization** – a scenario in which society itself takes the initiative for innovation, while state involvement is minimal. Community-driven innovations dominate, often emerging as responses to a lack of resources or policy.
3. **Programmatic Modernization** – state-driven innovation with limited societal participation in decision-making, implemented in a "top-down" structure. This model may ensure short-term efficiency but lacks long-term systemic sustainability.
4. **"Inertia Trap"** – a negative development scenario where low civic activity and weak political action lead to stagnation, resource dispersion, and the decline of innovation.

The matrix helps identify which combinations of institutional support and societal agency can lead to a sustainable social innovation ecosystem and formulate recommendations accordingly.

RECOMMENDATIONS

The recommendations are designed for the **Social Innovation Competence Centre (SIKC)** as an ecosystem collaboration platform and implementer of social innovation policy, based on the mapping report data and analysis.

To ensure the sustainability of a national social innovation ecosystem and coordinated development, recommendations are structured into two priority levels: **strategic (3–5 years)** and **short-term (1–2 years)**. This approach allows SIKC to plan sequence, resources, and impact more effectively.

Strategic Recommendations

1. Ecosystem Coordination and Strengthening Collaboration Structures

1.1 Establish a national social innovation governance model with SIKC as the central coordinating institution connecting policymakers, municipalities, NGOs, social enterprises, academia, and the private sector. Analysis shows that collaboration across sectors and levels in Latvia is fragmented, and there is no common system for transferring solutions within and between sectors.

SIKC's work should include:

- Strengthening SIKC as the central coordination hub for social innovation.
- Maintaining regular cross-sector collaboration structures.
- Supporting coordinated policy integration across ministries (LM, VARAM, EM, IzM, etc.).
- Promoting access to social innovation data, indicator analysis, and the exchange of best practices across micro, meso, and macro levels.

1.2 Strengthen regional social innovation hubs. The mapping report shows the ecosystem is highly uneven. SIKC actions:

- Create a network of regional innovation hubs (e.g., SIKC "satellite points" in planning regions).

- Provide standardized methodological materials, mentoring, and consultations.
- Collaborate with NGO incubator programs and other actors active at the community level.

1.3 Develop and maintain a centralized social innovation knowledge platform. Due to the fragmented nature of initiatives, SIKC should create and maintain a digital platform including:

- A social innovation map (linked to the existing atrodas.lv map).
- A database of funding opportunities (continuing current activities).
- Methodological tools for communities, municipalities, and social entrepreneurs.
- Offer indicator sets for measuring social impact in specific sectors.

2. Strengthening Policy Development and Implementation

2.1 Promote coordinated social innovation policy at all levels. Many innovations arise at the micro level but lack mechanisms to reach the policy level for uniform support.

SIKC actions:

- Participate in developing a unified social innovation policy framework for 2026–2035, aligned with the Social Economy Plan, SIKC strategic plan 2027–2029, and related laws and regulations.
- Provide a "policy labs" approach for ministries and planning regions as needed.

2.2 Support implementation of the Social Economy Plan. As the central policy document, SIKC should facilitate effective implementation by supporting ecosystem participants.

3. Improving Support Instruments and Access to Funding

- Establish a Social Innovation Experiment Fund to finance prototypes, high-value solutions, smart village pilots, and scalable cross-sector projects.
- Create a unified funding "roadmap" for organizations to address fragmented funding opportunities.
- Encourage private sector engagement through partnership forums.

4. Strengthening Capacity and Knowledge Across the Ecosystem

- Develop a national social innovation training base.
- Systematically enhance community and municipal competencies for participation and innovation.

5. Promoting Societal Engagement and Value Change

- Raise public awareness about social innovation through campaigns and example projects.
- Foster a culture of participation by supporting community councils and digital participation tools.

Short-Term Recommendations

1. Establish regular collaboration working groups and an expert network to strengthen competence.
2. Secure funding to build SIKC capacity.
3. Monitoring, data collection, and impact evaluation, including a national social innovation indicator system and annual reports on trends, regional dynamics, and policy impact.

Summary

SIKC, as a national social innovation competence centre, can become a **systemic driver** for Latvia's social innovation ecosystem by combining three core functions:

1. **Ecosystem Coordination** – across sectors and levels, facilitating collaboration and knowledge sharing.
2. **Policy and Support Instruments Implementation** – ensuring funding access, policy framework improvements, pilot projects, and monitoring.
3. **Societal Engagement and Community Empowerment** – promoting citizens' and local initiatives' ability to develop social innovations using human-centered solutions and supportive environments.

Implementing these recommendations would position SIKC as a national center of competence, knowledge, and innovation, consistently advancing Latvia toward an inclusive, collaborative, and innovative society.

APPENDICES

Appendix 1 – Theoretical Models for Ecosystem Mapping (more in detail below)

- Actor-centered approaches: focus on roles, values, and social dynamics.
- Network typologies: analyze structure, scale, and collaboration patterns.
- Systemic & institutional approaches: highlight institutional transformation and systemic change.
- Governance & intermediary frameworks: emphasize multi-level governance and intermediary roles.
- Sector-specific & policy-oriented approaches: public sector frameworks and quadruple helix innovation system.

Appendix 2 – Cross-Sector Survey Design, Data Collection, and Analysis

- Quantitative online survey conducted June–July 2025 with 19 questions covering knowledge, policy support, collaboration experience, technology, barriers, and future perspectives.

Appendix 3 – Foreign Financial Support Tools (link to the full version in Latvian is provided)

- Visualizes funding programs as part of the social innovation ecosystem, highlighting that innovators interact with multiple ecosystem elements, not only funding.

Appendix 1 – Theoretical Models for Ecosystem Mapping

Appendix No. 1 compiles and systematizes theoretical models for mapping social innovation ecosystems, which in the academic literature form four complementary research approaches: **actor-centered approaches, network and institutional approaches, governance and intermediary structure approaches, and sector-specific and policy-oriented approaches.** These models provide a multidimensional perspective on ecosystem functioning, encompassing the roles of individual actors and social dynamics, the structures of collaboration networks and institutional change, as well as the importance of the public sector, policy, and regional innovation.

The purpose of this appendix is to provide a conceptually comparable framework that helps to understand the focus, strengths, and limitations of different approaches, thereby facilitating a more in-depth analysis of social innovation ecosystems and their applicability in the research.

Actor-Centered Approaches:

Roles, Values, and Social Dynamics Model

(*Tedesco & Serrano, 2019*[73])

This model focuses on the functions and contributions of actors within the ecosystem rather than on their categorical affiliation (e.g., public or private sector).

Focus:

- **Functional perspective** – analyzes actors' roles, tasks, and contributions to the ecosystem rather than their institutional affiliation (e.g., public, private, NGO).
- **Value creation and diffusion** – emphasizes how ecosystem actors collectively create, maintain, and transform social values.
- **Analysis of social dynamics** – examines interactions, collaboration mechanisms, and changing relationships among different ecosystem actors.
- **Ecosystem resilience and transformation** – focuses on how actors' roles evolve over time in response to internal and external factors.

Network Constellation Typology

(*Pel et al., 2019*[75])

This approach examines different types of social innovation ecosystems, ranging from local co-creation hubs to global movements.

Focus:

- Different social innovation ecosystems according to their structure, scale, and modes of collaboration.
- From local to global networks – including local co-creation laboratories, regional social innovation platforms, and international movements.
- Network dynamics and actor roles – explores how different system actors interact and how local, regional, and global collaboration patterns emerge.
- Diverse governance forms – analyzes how innovation networks are organized, how resources are shared, and which mechanisms and tools support collaboration.

[73] Tedesco, L., & Serrano, J. (2019). Social innovation: A theoretical and empirical overview (CIRIEC Working Paper No. 2019/03). Université de Liège, CIRIEC International. Cohen, J. (1988). Statistical Power Analysis for the Behavioral Sciences (2nd ed.). Hillsdale, NJ: Lawrence Erlbaum Associates, Publishers.

[74] Pel, B., Dorland, J., Wittmayer, J., & Jørgensen, M. S. (2019). Unpacking the social innovation ecosystem: An empirically grounded typology of empowering network constellations. Technological Forecasting and Social Change, 145, 121–132. https://doi.org/10.1016/j.techfore.2019.04.008

Systemic and Institutional Approaches

Conceptual Framework for Social Innovation as a Driver of Social Change

(Cajaiba-Santana, 2013[75])

This framework combines ecosystem actor and structuralist perspectives, positioning social innovation as a driver of institutional change.

Focus:

- **Social innovation as a transformative force** – analyzes how innovations not only address societal problems but also transform institutions, norms, and policies.
- **Interaction between actors and structures** – integrates individual- and organizational-level factors with broader macro-level influences (economic, political, cultural constraints and opportunities).
- **Social innovation as a long-term process** – examines innovation diffusion not only as isolated initiatives but as part of broader processes of systemic change.
- **Institutional and structural change** – emphasizes that social innovation involves changes in norms, laws, and organizational practices, not only new services or products.

Governance and Intermediary Framework

(*Terstriep et al., 2020[76]*)

This model highlights the critical role of intermediary structures (e.g., social innovation centers, labs, accelerators) in scaling innovations and emphasizes the need to integrate governance models across sectors.

Focus:

- **Multi-level governance** – analyzes the role of national, regional, and local levels in supporting social innovation ecosystems.
- **Role of intermediary structures** – emphasizes that social innovation centers, labs, accelerators, and other support organizations act as bridges between innovators and policymakers.
- **Cross-sector collaboration** – examines interactions between public, private, and non-governmental sectors to foster the development and implementation of new social innovations.
- **Transformative innovation strategies** – analyzes long-term innovation strategies that go beyond individual projects and generate broader systemic impact.

Sector-Specific and Policy-Oriented Approaches

Public Sector Innovation Ecosystem Framework

(*Carneiro et al., 2023[77]*)

This framework proposes a seven-dimensional model integrating service innovation, social innovation, and public administration.

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[75] Cajaiba-Santana, G. (2013). Social innovation: Moving the field forward. A conceptual framework. Technological Forecasting and Social Change, 82, 42–51. https://doi.org/10.1016/j.techfore.2013.05.008

[76] Terstriep, J., Rehfeld, D., & Kleverbeck, M. (2020). Fostering social innovation in European rural regions: A conceptual framework and research agenda. Journal of Rural Studies, 73, 24–34. https://doi.org/10.1016/j.jrurstud.2019.10.014

[77] Carneiro, D. K. de O., Isidro Filho, A., & Criado, J. I. (2024). Public sector innovation ecosystems: A proposition for theoretical-conceptual integration. International Journal of Public Administration, 47(14), 937–950. https://doi.org/10.1080/01900692.2023.2213853

Focus:

- **The role of the public sector as an innovation driver** – emphasizes that public administration not only regulates and funds innovation but can also actively initiate and drive it.
- **Integrated innovation ecosystem** – views social innovation in conjunction with public services to ensure more effective and sustainable societal solutions.
- **Strategic cross-sector collaboration** – envisions interaction between public, private, and non-governmental sectors to develop citizen-centered innovation models.

Quadruple Helix Innovation System

(*Pereira & Bittencourt, 2024*[78])

This model emphasizes interaction among social entrepreneurs, investors, beneficiaries, and policymakers, with a particular focus on regional innovation.

Focus:

- **Equal involvement of all four ecosystem sectors** – social entrepreneurs generate innovations, investors provide financing, policymakers create enabling environments, and beneficiaries help adapt solutions to societal needs.
- **Importance of regional innovation** – stresses that innovation development is closely linked to local context.
- **Balancing social innovation and economic growth** – integrates social and economic value creation to promote sustainable development.
- **Cross-sector collaboration and co-creation** – innovations are developed through co-creation and partnerships rather than within a single sector.

[78] Pereira, A. R. G. F., & Bittencourt, B. de L. (2024). An ecosystem of social innovation? Analysis of the role of the actors who make up 4h in the Aveiro Region, Portugal. Revista De Gestão - RGSA, 18(12), e010185. https://doi.org/10.24857/rgsa.v18n12-023

Comparative Analysis of Theoretical Approaches

Author	Focus	Strengths	Limitations
Han & Shah (2020)	Six-element ecosystem model (finance, organizations, technologies, structures, strategies, infrastructure, policy)	Provides a clear and structured framework for analyzing ecosystem components	Does not sufficiently address interaction dynamics among ecosystem participants
Terstriep et al. (2020)	Governance and intermediary structures	Highlights the critical role of intermediary institutions and innovation centers	Pays limited attention to regional heterogeneity
Domanski et al. (2020)	Urban social innovation ecosystems	Offers a multi-stakeholder and cross-sector collaboration framework	Limited applicability in rural or low-density regions
Carneiro et al. (2023)	Public sector innovation ecosystems	Effectively links service innovation with public sector reform processes	Less applicable to private sector innovation contexts
Pel et al. (2019)	Social innovation networks	Conceptualizes both global and local social innovation network models	Does not provide concrete financing or sustainability strategies
Cajaiba-Santana (2013)	Social innovation as institutional change	Well suited for policy analysis and systems-level interpretation	Challenging to operationalize for practical implementation
Pereira & Bittencourt (2024)	Quadruple helix model for regional innovation	Strongly aligned with regional policy development and territorial innovation systems	Limited transferability to national-level innovation frameworks

Ecosystem Resilience and Change in Social Values

(Overlap of actor-role and network-structure approaches)

One of the most important overlaps to consider in the mapping process is ecosystem resilience and the transformation of social values. This overlap shows that actors' roles within a social innovation ecosystem are not static but evolve and adapt depending on network dynamics and interaction mechanisms. Ecosystem mapping should therefore focus on:

- Actors' roles and their transformation over time – how do social innovators, public institutions, and civil society change their functions within the ecosystem?
- Network structures and their impact on social innovation sustainability – how do co-creation spaces, innovation hubs, and accelerators provide sustainable collaboration mechanisms?
- Value transformation within the ecosystem – how do social innovations influence societal attitudes, collaboration culture, and regulatory norms?

Structural Change and the Long-Term Impact of Innovation

(Overlap of actor-role and institutional governance approaches)

When mapping social innovation ecosystems, particular attention must be paid to structural changes arising from interactions between actors and institutional systems. This overlap indicates that social innovations not only create new forms of collaboration but also transform societal norms, laws, and institutional structures. Effective ecosystem mapping requires understanding:

- How social innovations evolve from experimental projects into institutionally embedded solutions.
- How the public sector shapes policies that support the long-term sustainability of social innovation.
- Which instruments of institutional change are used to facilitate the diffusion of innovation across governance levels.

In this context, the active role of the public sector is crucial, as public administration institutions are best positioned to integrate innovations into policy and regulatory frameworks.

Multi-Level Governance and Cross-Sector Collaboration

(Overlap of network structures and institutional governance approaches)

Another key overlap to be included in social innovation ecosystem mapping is multi-level governance and cross-sector collaboration. Social innovations cannot develop without support at both local and national levels, nor without intersectoral interaction. Therefore, ecosystem mapping should analyse:

- Which policy and financial mechanisms promote collaboration in social innovation among public, private, and non-governmental sectors.
- How innovation governance is structured across levels—from municipalities to national institutions and international networks.
- Which resource-sharing mechanisms exist within the ecosystem and how they affect innovation sustainability.

Appendix 2 - Intersectoral Survey Design, Data Collection Process, and Analysis

Research Design

This study was conducted as a quantitative study using a structured online survey. The aim of the study was to obtain a comprehensive overview of the state of social innovation in Latvia by analyzing the experiences, understanding, and needs of organizations across different sectors.

Data Collection Process

The survey was carried out in June and July 2025 using an online platform. The questionnaire consisted of 19 questions covering the following thematic areas:

- Knowledge of social innovation
- Assessment of policy support
- Experience of intersectoral collaboration
- Role of technology
- Barriers and challenges
- Future perspectives

Data Analysis Methods

The following methods were used for data analysis:

- Descriptive statistics
- Correlation analysis
- Regression analysis
- Cross-sector comparative analysis

Study Limitations

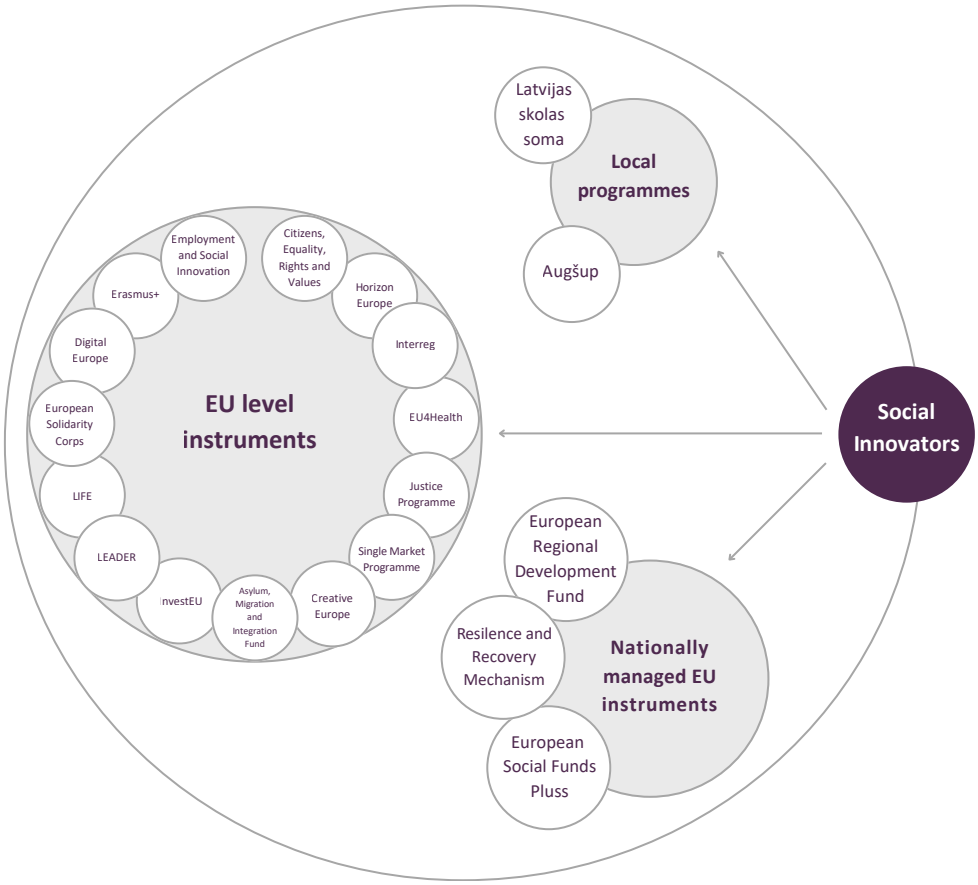
- The sample size (60 organizations) limits the generalizability of the results.
- The partially purposive sampling approach may introduce selection bias.
- The use of self-assessment may affect the objectivity of responses.

Appendix 3 – Foreign Financial Support Tools

Introduction

The full information of the foreign financial support is available in Latvian on the site of the Society Integration Foundation, respective part of the National Competence Centre. There is an intention to keep the information updated regularly.

This handbook has been developed with the aim of providing practical and methodological support to organisations that are already engaged in, or plan to engage in, the development and implementation of social innovations. It offers an overview of various public- and private-sector funding programmes that can serve as a significant resource for the implementation of social innovation projects in Latvia. It should be emphasised that the information compiled in this handbook is not exhaustive and does not cover all potentially available support instruments; however, it may serve as an important initial point of reference in the process of exploring support programmes and funding opportunities.



Target Audience

The handbook is intended for the following target groups:

- **Social innovators** – natural and legal persons who develop and implement social innovation solutions;
- **Supporters of social innovation** – organisations and individuals who provide support for the practical implementation of social innovations;
- **Public sector representatives** – policymakers and institutions seeking a general overview of available support mechanisms and their operating principles.

Scope of the Overview

The handbook provides general, structured information on various types of support programmes and instruments administered by national authorities, the European Union (hereinafter – the EU), and private-sector organisations. The structure of each programme description includes:

- the programme name and implementation period;
- information on responsible coordinators and contact points;
- a link to a website with information on current calls for project proposals;
- practical examples or inspiration stories highlighting projects relevant to social innovation.

Disclaimer

It is important to note that the conditions, available funding, and priorities of support programmes may change over time. Therefore, the information included in this handbook reflects the situation at a specific point in time and should be interpreted as an indicative guide rather than an exhaustive or definitive overview of all available opportunities.