

---

## **Social Innovation in Portugal**

Prepared by Sair da Casca

Social Innovation in Portugal is characterised by a number of up and coming projects created by a variety of stakeholders. The panorama is shared by companies, public institutions, non-profit organisations, foundations and media.

The social economy represents approximately 5.6% of the Portuguese GDP and employs over 270,000 people. This sector has ingrained roots in Portugal due to entities like the misericórdias, cooperatives, mutuels, community groups, trusts and foundations that have been delivering organised actions to address some of the most prominent social issues of the Portuguese society.

The business sector is also playing an important role towards social innovation. There are several examples of companies that are looking into their core businesses and investigating how they can have more social impact in the communities they operate. Companies do so mainly in two ways: (1) in terms of day-to-day management by deploying more responsible business practices regarding its employees and operations; (2) in terms of product development, by creating new products and services adapted to the needs of the most vulnerable segments of the populations.

The key elements of social innovation in Portugal generally include: (1) promoting social entrepreneurship; (2) building a favourable legal framework for social organisations; (3) improving the role of the business sector; (4) creating awareness and sharing best practices; (5) working towards more cohesion in the social sector; (6) financing social impact; (7) mobilising for social innovation; and (8) building a knowledge base for future action. In all these fields there are remarkable examples operating in Portugal.

### **Promoting Social Entrepreneurship**

IES (Social Entrepreneurship Institute) is a non-profit organisation that identifies, supports and encourages training among organisations and individuals that promotes the social entrepreneurship agenda in Portugal. Its areas of intervention are essentially research and development, training and outreach (conferences and seminars).

IES focuses much of its work on training and building a skill-set for social entrepreneurs, using a combined approach of academic research and fieldwork. It does so through its own training programmes in partnership with INSEAD, and specific programmes for universities, where it works with students.

### **Building a favourable legal framework for social organisations**

In 2011, the Portuguese Parliament approved a legal framework for social economy that aims to build a favourable legal structure that supports the work of social organisations.

This legal framework clearly states the different types of entities encompassing the social economy in Portugal, offers guiding principles that differentiate social organisations, identifies sector associations and organisational structures that are in place to support the sector, and describes the relationship between social

organisations, its users and the state. Furthermore, it also includes the description of a specific fiscal status for organisations operating in the social sector.

### **Improving the role of the business sector**

In early 2011, the Business Council for Sustainable Development in Portugal brought together a number of companies to join forces to encourage more social impact from the business sector. This led to the creation of the Action Tank Business and Development.

The Action Tank is a business-led initiative that aims to foster the creation of social and inclusive business models among its members. This project is comprised by companies from a variety of sectors - financial, oil and gas, utilities, food and beverages – working on different projects – social finance, employment, active ageing, social entrepreneurship and energy poverty.

The objective of this project is to incentivise companies to look into their core business and value chains and understand in which areas they can maximise their social impact. Through monthly meetings, companies adopt a learn-by-doing process and share with other members the barriers and enablers of their projects.

### **Creating awareness and sharing best practices**

Impulso Positivo is one of the main platforms for information about social innovation in Portugal. Its mission is to create a platform that shares information for social organisations, companies and public institutions.

IP magazine is fully dedicated to promote social innovation and it is released every two months. This magazine contains news, articles, projects and case studies of social innovation in Portugal.

### **Working towards more cohesion in the social sector**

Entrajuda is a social organisation that supports other social organisations in their day-to-day management in order to improve their performance and social impact. Its services have supported over 1000 organisations.

Entrajuda audits social organisations in terms of their challenges and needs and provides recommendations based on several years of experience. As a result, social organisations have access to a range of products and services adapted to their needs. It offers services in the areas of strategy, organisational capacity, IT, financing, human resources, management control systems and legal advice.

### **Financing social impact**

The Lisbon Social Stock Exchange is the second of its kind in the world and the first in Europe. It replicates a traditional Stock Exchange and works as a blender between two different sectors: the social sector and the investors.

The Social Stock Exchange promotes concepts such as social investment and gives organisations access to a different type of capital: not based on philanthropy or charity but based on an investment that creates social value. There is a variety of social projects listed in the Social Stock Exchange that work to attract social investment through a process that promotes more accountability between investors and investees.

### **Building a knowledge base for future action**

PORDATA is a database of statistical information about Portugal on a broad range of areas: demographics, health, education, employment, economic indicators, housing, well-being, social security, culture, justice and others.

This project is a public service that promotes a universal access to information about Portugal. It represents a fundamental base of information for companies, entrepreneurs, students and politicians, among other stakeholders.