

Social Innovation in Slovenia

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What sectors are seeing growth in social innovation or increased interest in the field?

- Non-governmental organizations/the third sector;
- Private sector/business

What challenges are social innovators facing?

Health, environment, community (community building, political influence), financial (ethical banking, a good exchange, round up mechanisms), the ageing population (care, support and active aging).

What are the sources of the biggest obstacles to social innovation?

Probably the greatest obstacle in the development of social innovation and social entrepreneurship in Slovenia is the fact, that the concept of social economy and social innovation are still very new in Slovenia and are just starting to establish themselves as generally recognized. Support organizations and mechanisms for the development of social innovation do not exist yet (except general public funds, few foundations – none specifically targeted at social innovation), although on behalf of active and ambitious individuals things are accelerated in the right direction recently. In preparation for the Law on Social Enterprise, which was adopted in March 2011, many ideas for (co)funding opportunities, the first incubators and other support services were born. Social Innovation and the wider social economy, have many opportunities and potential for development. Some areas and specific sectors are already presenting their good practices and social innovations, although for now but with almost no support, (co)financing and investments.

What is the historical context of social innovation in the region? What social, political and cultural factors influence the way social innovation looks in the region today?

The Republic of Slovenia is a civil law country with three primary forms of not-for-profit organizations (NPOs): societies, institutes, which can be private or public and foundations. Two other special forms are humanitarian organizations and organizations for the disabled. Other not-for-profit legal forms include religious organizations, political parties, political movements, interest associations, trade unions, and professional chambers. The most common form of NPOs in Slovenia are societies, followed by trade unions, private institutes, religious organizations. In year 2008 there were 21.640 (almost 75 % of all NPOs) societies and associations of societies, 209 foundations (1,8%) and 1.744 private institutes (6,1%). In last decade in Slovenia intense growth of third sector has been recorded, however the number of organizations is growing faster only in the most developed regions. On the other hand, the real power of third sector is not very significant. Its proportion in GDP, which was 1,92% in 1996, has grown up only to 1,99% in 2008. Also the number of persons employed in third sector is relatively low: in 2008 there were only 0,66% of all working population employed in third sector. The main fields of third sector's activity are culture, sports and social assistance.

The main proportion of third sector's income is generated by economic activities, that is with the sale of goods and services. The proportion of self generated income is 44%, followed by donations (29%) and income from public resources (27%). Slovenian tax legislation encourages donations with tax incentives. In 2008 almost 33,0 mio EUR were donated from the business sector. Taxpayers of personal income tax can designate 0.5% of their tax owed for financing activities in the public interest or for financing political parties or representative trade unions. In 2008 this opportunity was used only by 25% of taxpayers, which designated to the third sector organizations 3,1 mio EUR. Slovenian society has a long tradition of interest associations and self-regulation of the people. From historical point of view a development of crafts associations, religious humanitarian organizations and foundations in 14. Century meant the beginning of today's third sector. In later periods a church had significant role in developing charity and social activities on Slovenian area. The first legal act regulating third sector was Act on Right to Association in Societies and Political Societies adopted in 1867. Before the World War II there were around 8.000 NGOs (app. 1.700 cooperatives). However, the stagnation of third sector occurred after the war due to the socialist system. Important turning point was the year 1974, when a new Societies Act has been adopted, but then societies did not have many members. In eighties new social movements (peace, ecology, feminist, human rights etc) have emerged. Part of those movements overgrew in political movements, others stayed and continued work in the NGO sector. Further development and empowerment of third sector was enabled with Slovenian independency from former Yugoslavia after year 1991.