# A Social Innovation Strategic Framework for a Small Island State: A Case Study of Malta

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A strategic framework to enhance social innovation is key to enhancing social wellbeing and is not only about instilling a new cross-cutting method across traditional innovative economic and business fields, but it also needs to stimulate a culture of risk-taking and trust. Small moderate innovators such as Malta and similar jurisdictions find it challenging to boost innovation mostly because of economies of scale that do not lend well to the challenges of migrating to advanced knowledge-based economies. This paper provides grass root empirical feedback to build a strategic framework that a small state like Malta can adopt in order to boost its social innovation ecosystem.

## INTRODUCTION

Social Innovation (SI), consists of new ideas and solutions that address societal challenges [Pol, 2009, Cajaiba-Santana, 2014]. These innovations are social both in their ends and in their means and can be services, products, practices, processes, rules and regulations, organisational forms, new markets, platforms

or business models that target unmet societal needs effectively [Pisano, 2015; Mikhailovich Vasin, 2017; Murray, 2010; Blanke, 2016; Rao-Nicholson, 2017; Tracey, 2017].

In the past few years, more importance is being given to SI due to the fact that it potentially may stimulate employment and solve social issues at the same time. However, there are several challenges related to starting-up, growing and sustaining an SI ecosystem that provides employment and addresses societal challenges. Furthermore, it is becoming more evident that the approach towards SI requires a deep cultural change which inculcates trust and risk-taking to mobilise people's creativity often through technological innovations.

Innovations that address social needs are evidently becoming more critical especially when one considers actions related to climate change, ageing populations and unemployment which if not tackled may lead to severe societal problems like irreversible environmental degradation, crime, social unrest, higher living costs and unsustainable communitiulgan\es or demographic groups [Grimm, 2013; European Commission, 2009; Stern, 2007;].

It is increasingly being shown that investment in social innovation provides major benefits for:

- society which is provided with higher quality and more affordable social products and services.
- governments which make the provision of those products or services more sustainable.
- *industry* by creating new opportunities for entrepreneurship and business.

Hence despite the challenges, SI has tremendous potential and due to this, SI has taken an important place in international policy at the highest levels including in the OECD and all developed countries [Franz, 2012]. In addition, it has become a major element of aid programmes targeted at developing countries [Bortagaray, 2012]. The challenges to boost SI are widely similar for most large countries and these include: the provision of funding through capital markets; drawing up legislation to stimulate private investment; the development of standard methods to measure return to society and impact; scaling-up of SI; public-private partnership promotion; and stakeholders networking.

However, the challenges faced in boosting SI in a small island jurisdiction like Malta are not necessarily the same as those of larger states [Camilleri, 2013]. Malta suffers from a number of disadvantages inherent to its nature [Briguglio, 1995] such as: small size; vulnerability to external shocks; high import content and limited natural resource endowments; limitations on import-substitution possibilities; limitations on domestic competition and a small man-power resource that is vulnerable to brain-drain; limited ability to influence domestic prices; a small domestic market and dependence on export markets and foreign trade; limited ability to exploit economies of scale; dependence on foreign direct investment, and; a narrow range of products. In addition, transport costs, uncertainties of supply for large stock and the degradation of the environment are caused by remoteness and insularity. Funding innovation sustainably [Yang, 2016] is hence difficult for a small island state because of these disadvantages which ultimately lead to diseconomies of scale and the inability to reach critical mass necessary for an innovation ecosystem [Cameron, 2012; Gobble, 2012]. It is hence not surprising that Malta has a very small number of researchers in any given field, very little competition in areas beyond basic provision and very little to invest in research, development and innovation in general. However, a small island state like Malta also has a number of advantages that it can exploit to boost social innovation including: strong social cohesion [Streeten, 1993]; greater flexibility; a relatively low cost of living; multilingualism; favourable geographical location; favourable climate, and; a rich history and culture. Also, market opportunities in themselves may be created by the specialised needs of a small island state [Georghiou, 2014].

This paper is intended to complement the information on the current status of SI in Malta [Sammut, 2020] which is considered to be a moderate innovator on the European Innovation Scoreboard [Hollanders, 2019]. A survey is conducted at grassroot level to identify the needs that are required to boost SI. The data is then used to develop a general direction of a strategic framework that can be employed to boost SI in Malta and possibly also set the base on which other similar small moderate innovative states (like Cyprus, Slovenia and Croatia) can build upon.

### **METHODOLOGY**

Secondary online market research was first conducted in March 2019 and consisted of an extensive literature review, mostly on social innovation and small island state studies, to take stock of the state-of-the-art.

This was followed by a voluntary sampling online questionnaire which was distributed to circa 5000 organisations that are linked to the Maltese economic development agency (Malta Enterprise) and to the national volunteer sector council (Malta Council for the Voluntary Sector). In order to have as wide a reach as possible, the questionnaire was also advertised through a general marketing campaign including press releases, social media, TV programmes, radio and flyers. The questionnaire was filled in by 47 organisations and was designed to identify the needs of entities involved in some form of social innovation. Unfortunately, the information derived from these questionnaires was rather limited mostly because it turned out that awareness of the definition of social innovation is rather limited in Malta. This was further exacerbated by limited detail in the feedback given by respondents. The absolute number of responses was also limited by the fact that organisations tend to be swamped by surveys and questionnaires hence increasing the resistance of organisations to participate in such surveys.

Hence, effort was placed on conducting face-to-face interviews with the goal of tactically explaining what SI is, without influencing the respondents in any way whatsoever. 59 face-to-face interviews with organisation representatives each lasting 90 to 120 minutes were conducted in April 2019 by the authors who are qualified persons with experience in social enterprise, entrepreneurship, organizational management, the voluntary sector and innovation policy. The goal of so many interviews was to approach sampling saturation as much as possible i.e. continuing to sample until no new information or insights are received. These interviews consisted of a superset of the online questionnaires in order to complement the information gathered. The organisations that participated therefore also included some entities from the partner database that responded to the general marketing campaign and the online questionnaire.

Since the status of SI is in its infancy in Malta [Sammut, 2020], we took an inductive qualitative research approach [Thomas, 2006] to determine what SI grass-root level practitioners think Malta should implement to boost its social innovation activity. A semi-structured interview sheet, derived from the secondary market research was used which gave some form of organization to the questions but which kept them open enough to cover as much breadth as possible without channeling respondents. Such an approach is commonly used for such holistic studies that are specifically designed to explore complex human issues [Thomas, 2006]. We chose to use explanatory and mostly exploratory, open-ended and less structured questions to extract as much information as possible. We then analyzed this qualitative data to group and draw out patterns from the concepts and insights that the respondents gave. This approach was adopted so as to ensure that results were produced that give meaning, experience and views that are critical to drawing up an SI strategic framework. The respondents were purposely interviewed in their operative environment free from any control.

The content, discourse and framework inductive analysis consisted of extracting the primary characteristics and messages from the replies, and summarizing, classifying and coding them so as to group and compare similar or related pieces of information and themes. Indexed text was purposely used to comprise all the substantive words and concepts which are developed a priori as part of the secondary research or from issues that emerged from the interviews. The indexed text was then interpreted and mapped in a framework according to the patterns, associations, concepts, explanations and recurrent themes and clusters that emerge. Upper-level and more general categories were differentiated from lower-level or specific categories.

A judgement sampling (purposeful sampling) method was used to select the samples for the inductive qualitative study [Marshall, 1996; Draper, 2011], though admittedly, a small number of opportunistic snowball sampling was also used due to difficulties in identifying organizations involved in SI. Since there are approximately 60,000 companies and organizations in Malta, we actively selected the most productive sample to answer the questions. The contacts were obtained from the database of Malta Enterprise and from the database of the Malta Council for the Voluntary Sector. This selection was made based on the extensive

secondary market research and based on the researchers' practical knowledge and experience in the field. This is the most common sampling technique in inductive qualitative research [Marshall, 1996] and is known to be a more intellectual approach. In addition, an email was circulated to all contacts so that whoever wanted to participate in the interviews could do so, hence including a volunteer sampling element. The latter however, resulted in a very small number of volunteers in practice.

Furthermore, a number of precautions were taken so as to minimize the risks of artificial stratification and to be as inclusive as possible. As indicated in Table 1, a diverse spectrum of entities in different fields with different scope, size, financial status and maturity were purposely included to ensure that the methodology is representative of a wide demographic of entities involved in SI to some degree or other. This can be verified by comparing Table 1 with the documentation presented by Malta Enterprise [Malta Enterprise, 2021] and the Malta Council of the Voluntary Sector [Malta CVS, 2021] on the distribution of organisations in Malta. The sample of participants is relatively evenly spread in the type of activity they are engaged in with about one fifth of the respondents who produce a product, are engaged in a practice, or are engaged in a process; and twice the amount who deliver a service. The large sample of service providers is not surprising especially given Malta's extensive dominance and growth in the services sector [Georghiou, 2014]. Also, we used five different interviewers each with different backgrounds and work experience to minimise having replies skewed towards certain public attitudes or beliefs. These interviewers were also asked to be reflexive i.e. they were asked to recognise their role in the research process via critical selfscrutiny and avoid trying to identify any preconceived opinions or beliefs that they themselves hold about SI. We also included a few outlier respondents (deviant cases), a few politically important cases (notable success stories), a few respondents who had specific experiences and a few respondents who had specialised expertise. We also took care to consider respondents who had emerging explanations and subjects who disagreed with each other. Lastly, the data analysis also required filtering out company-specific and confidential information.

Due to the above methodology used, this study is not intended to generate a sampling strategy that allows statistical generalisation to the large population. It however draws out the main elements that are needed to build a strategic framework for SI in Malta and provides a starting point for further analysis in this field. The data does not indicate that there are any significant differences in attitude from different sectors towards social innovation. However, one must keep in mind the limited number of participants in social innovation in a moderate innovator and small island state like Malta with a population of less than 0.5 million inhabitants.

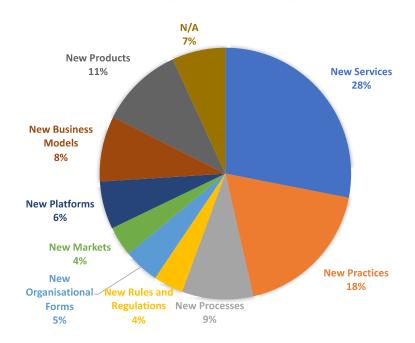
TABLE 1
PERCENTAGE OF RESPONDENTS PER SECTOR

Sector	Percentage of respondents
Food Technology	10%
Education	7%
Sustainable Tourism	9%
e-Health	8%
Financial Services	6%
Communications & Media	3%
Social Sector	20%
Entertainment	2%
Environment	7%
Business and Management	9%
IT	4%
Biotech	2%
Others	12%

### RESULTS

Previous research [Sammut 2020] has demonstrated that the majority of respondents are not aware of the term SI. However, this does not mean that they are not engaged in SI initiatives. In fact, after discussing the definition of SI during the face-to-face interviews, it turns out that four fifths of the participants are actually involved in some sort of socially innovative idea that could be developed and promoted further. Furthermore, this activity is quite recent and most participants indicate that they have adopted or developed new SI or new Corporate Social Responsibility (CSR) initiatives in the last three years. This is indicative that there is a foundation on which SI can grow in Malta. Figure 1 indicates what type of SI or new CSR the participants are engaged in. As one can observe, new services are unsurprisingly dominant though one fifth of the respondents are engaged in new processes which is a surprisingly proportion for this sort of activity in Malta. We also probed further to understand the degree of innovation that the respondents claim to be involved in and we were encouraged to see that whilst half of the respondents emulate something similar that is working elsewhere, the other half introduce something innovative that they came up with themselves. Furthermore, half of the respondents indicate that they base their CSR or SI on international standards and guidelines. These findings are very encouraging and reinforce the indication that there is a relatively good foundation on which to base further SI growth.

FIGURE 1
TYPE OF SI OR NEW CSR INITIATIVES IN WHICH RESPONDENTS WERE ENGAGED
IN THE PAST THREE YEARS



## Financial and Non-Financial Resources

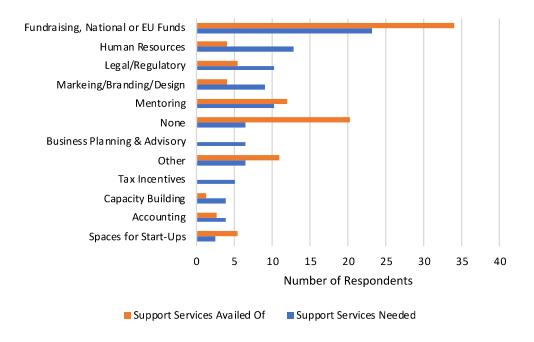
Securing and tapping sustainable resources are known to be the greatest challenges of SI and this is especially true in a small moderate innovator like Malta. Financial sustainability is critical in all SI and it is indeed encouraging to note that almost half of the respondents have a specific budget for SI. Having said that, the rest of the respondents indicate that they either do not have a specific budget line for SI or they do not find the question relevant to their operation. This is indicative that for such cases, SI endeavours are usually project-based with the sustainability aspect being ignored or being taken care of at the project management level.

Having said that, future prospects are relatively positive; Malta has managed to weather the recent economic crises rather well (not factoring covid-19 just as yet) and has also managed to recently be amongst

the top European countries in terms of economic growth [CIA, 2020]. This bodes well for the raising of sustainable SI funds in the future if this trend is sustained. However, may also mean that other resource constraints are bound to arise. In fact, it is becoming increasingly difficult to find enough quality human resources to employ or engage in certain specialised tasks. Malta has recently turned into an employee's market and has started to rely upon the importation of foreign nationals to keep up with the demand for work. It hence comes to no surprise that almost two thirds of the respondents indicate that they find it challenging to find enough people to employ and even more challenging to find the people with appropriate skills for their SI activities.

Given that finances are not the only constraint and that there appears to be a deficit in general human resources and specific skills required for SI activity, respondents are asked what non-financial support services they have availed of in the past to start-up and grow SI ideas. As indicated in Figure 2, over one third of the respondents avail themselves of assistance from experts in fundraising or the tapping of national and EU funds to boost their SI. However, one fifth of the respondents use no support whatsoever to implement their SI initiatives which indicates that these respondents have already managed to achieve a certain degree of sustainability and self-sufficiency. Apart from probing into the past, we also asked the respondents what support services they think they will need in the future to grow or to get new SI ideas up and running. As indicated in Figure 2, almost a quarter of the respondents unsurprisingly indicate that support in fundraising and access to national or EU grants will still be critical for them. Support in the form of general human resources, even as an in-kind contribution, is also considered to be important by one eighth of the respondents. Furthermore, professional services support in the forms of general mentoring; legal and regulatory advice; marketing, branding and design; business planning, and accounting are also considered important to boost SI in the future. Tax incentives, capacity building and space for start-ups are also mentioned as support services that are needed.

FIGURE 2 PERCENTAGE OF RESPONDENTS THAT AVAILED OF OR THAT NEED A PARTICULAR SUPPORT SERVICE FOR SI



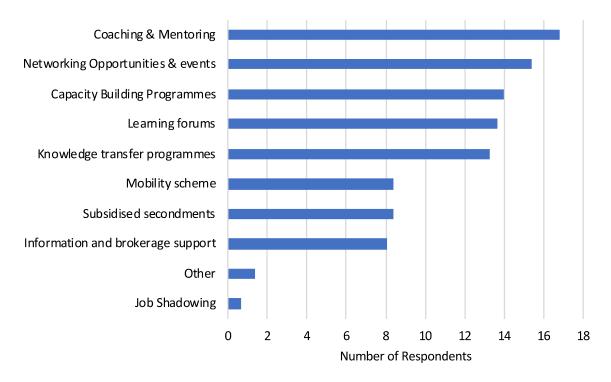
# **Capacity Building**

Since innovation is always in a constant state of flux, capacity building and capacity renewal is critical to any SI ecosystem. Respondents were hence asked a series of questions related to how they cope with learning new skills and how the knowledge is transferred to other colleagues. Participants were asked to vote for the most effective support services to learn SI skills. As indicated in Figure 3, coaching and mentoring are considered to be the most important capacity building support service followed by events and networking opportunities, capacity building programmes, learning forums and knowledge transfer programmes.

Participants were also asked how they would like to improve their SI skills. Mentoring is voted for by a quarter of the respondents whilst one fifth of the respondents voted for dedicated SI courses and funding schemes to cover costs related to consultancy services to run specific capacity building SI programmes. University programmes, subsidised secondments and mobility schemes are also considered to be important vehicles to improve the SI skills by one tenth of the participants.

A strategy for SI capacity building also needs to consider which skills are found in short supply. One third of the respondents mention a number of specific industry related skills that require specialised topic training. However, 42% of the respondents consider certain soft skills to be lacking in the general human resources pool. These include flexibility, efficiency, working independently, attitude, general creativity, self-motivation, common sense, emotional maturity and general people skills. Other general professional skills are also found in short supply including general administrative skills, basic accounting, marketing, sales, entrepreneurship, legal basics and applying for grants.

FIGURE 3
PERCENTAGE OF RESPONDENTS WHO VOTED FOR THE MOST EFFECTIVE
CAPACITY BUILDING SUPPORT SERVICES TO LEARN SI SKILLS. NOTE THAT
RESPONDENTS COULD CHOOSE MORE THAN ONE SUPPORT SERVICE



### Challenges

It is well known that when setting up SI initiatives, one needs to avoid a number of hurdles before reaching sustainability. In the start-up world, this is also commonly known as the 'valley of death' and refers to the difficulty of covering the negative cashflow in the early stages of a start-up before sustainability is achieved from the provision of the product or service. Since this is such a critical phase not only in entrepreneurship but also in intrapreneurship when setting up new SI initiatives, particular focus is placed

on it to understand the current pitfalls and establish possible ways of addressing the common challenges. The participants are hence asked to indicate which are the biggest challenges they find when starting-up initiatives or organisational structures. This information is important so as to identify the barriers that need to be addressed to boost SI strategically. As indicated in Figure 4, about one sixth of the respondents list human resources, marketing, legal and regulatory and securing funds through fundraising and grants as being the biggest challenges that need to be overcome. Business development, IT barriers and finding mentors are also mentioned.

Furthermore, respondents are asked to indicate what are the biggest challenges in operating and sustaining social innovation. As indicated in Figure 5, two fifths of the respondents indicate that fundraising, applying for grants and setting up sustainable revenue streams are the biggest challenges. Almost one fifth of the respondents indicate that retaining skilled human resources is the biggest challenge whilst one tenth indicate that lobbying decision makers and convincing them about their SI idea is the biggest challenge. Sustainable growth, bureaucracy, SI implementation, marketing mentoring, competition and technical issues are also mentioned as big challenges by some respondents.

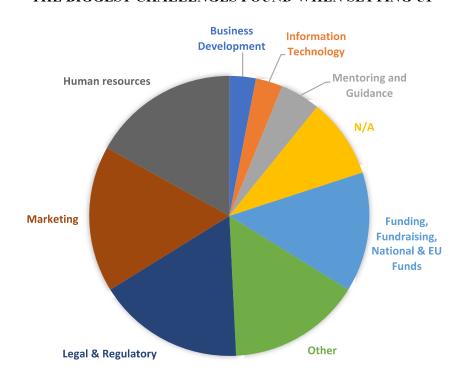


FIGURE 4 THE BIGGEST CHALLENGES FOUND WHEN SETTING UP

# **Impact and Increasing Demand**

Since the positive social impact of society is usually one of the common motivations for SI in general, respondents were asked what they think can be done to increase the impact of SI at a national level. One third of the replies prioritise marketing and public relations whilst one sixth of the respondents consider financial support to be directly linked to SI impact. Increased human resources, crises support, networking, collaboration, mentoring, capacity building, legal support, boosting the SI ecosystem, tax incentives, internationalisation, help in writing grant applications and professional services are also considered to be important by the participants for SI to increase its social impact.

Having more demand is also a common motivation for SI and it is inherently linked with improving SI impact. As indicated in Figure 6, about one quarter of the replies consider campaigning and advocacy to be most effective way of improving SI demand. About one fifth of the respondents consider: tax incentives, subsidies and dedicated budgets; enabling SI through legal frameworks, and; enabling through public policy and developing the knowledge base, to be most effective to increase SI demand.

FIGURE 5
THE BIGGEST CHALLENGE IN OPERATING AND SUSTAINING SI INITIATIVES

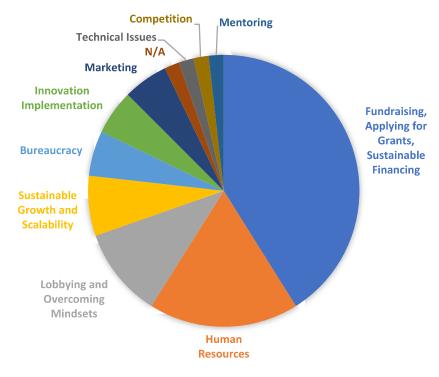
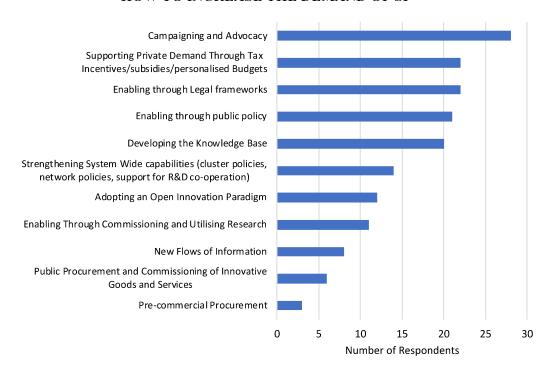
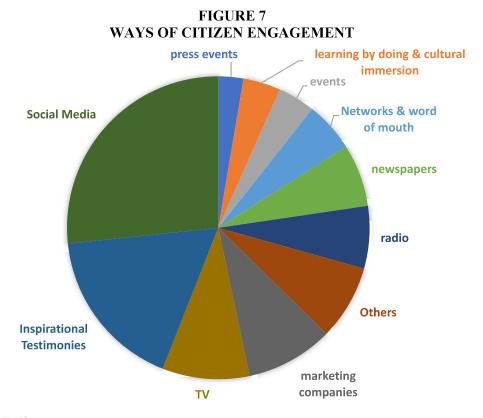


FIGURE 6 HOW TO INCREASE THE DEMAND OF SI



The engagement of the public and marketing in general are important elements in improving impact, increasing the demand, increasing volunteers and increasing the involvement of diverse stakeholders. As indicated in Figure 7, over a quarter of the respondents use social media to engage the public whilst about one sixth of the respondents use face-to-face inspirational testimonies as a method of engagement. Other methods include marketing campaigns and standard media channels including TV, radio and newspapers, reliance on networking and word of mouth as well as the organisation of events and cultural immersion activities.



### **Government Policy**

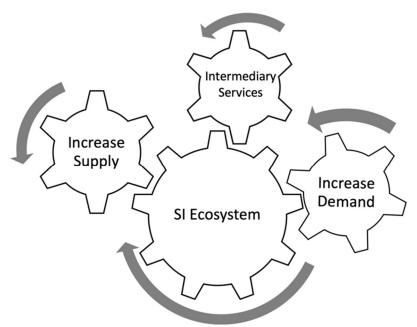
Government innovation policy and strategy can be very effective in boosting a sustainable social innovation system. Providing financial resources and tax incentives have already been identified as ways in which the government may boost SI in Malta [Sammut 2020]. Hence respondents are asked whether there are any policies and processes that the government should involve them in so as to boost SI. Unsurprisingly, most respondents indicate that they think more communication, consultation and feedback are critical to boost SI. This is followed by the recommendation to set up a dedicated SI and social enterprise law and ecosystem. Some replies include suggestions for government to be more open towards collaboration, setting up liquid equity and alternative financing opportunities and more tax incentives geared towards SI.

Respondents are finally asked in which way government procurement could change to improve SI. Over a quarter of the respondents said that they would not change the government procurement system. However, about one fifth suggest the introduction of procurement procedures tailor made for SI whilst one sixth of the respondents suggest less bureaucratic procurement systems to ease the administrative burden and reduce overheads. About one sixth of the respondents also suggest that the cheapest bid policy that has been adopted across the board in all Maltese tenders be revised to include other forms of procurement. This is in agreement with other innovation procurement studies in [Uyarra, 2014].

### PROPOSED STRATEGIC FRAMEWORK

Based on these survey results, and also on the status of SI in Malta as reported in [Sammut 2020], we draw up the main elements of a SI strategic framework to boost the SI ecosystem in Malta and possibly in other similar small states. The goal at this initial stage is to provide a general top-level general starting point which could then be developed in more depth through further studies to develop specific recommendations in the form of a national strategy or roadmap. Particular focus is given to homegrown start-up and incubation, adoption of foreign initiatives, scale-up and particularly towards SI sustainability mechanisms. As indicated in Figure 8, we divide the strategic framework into three main SI drivers. The first driver focuses on enhancing the supply of SI, the second driver focuses on enhancing the demand of SI and the third driver focuses in setting up intermediary services for SI.

FIGURE 8
THE THREE MAIN DRIVERS OF THE PROPOSED SI ECOSYSTEM STRATEGIC
FRAMEWORK



To **enhance the supply** of SI, we can focus on the following elements which we draw from the results of section 3,1 section 3.2 and section 3.3 as well as from the results presented in [Sammut 2020]:

- Funding The survey data consistently indicates the importance of financial mechanisms and access to finance in the embryonic stages of SI endeavours and financial sustainability models for continuous operation. Financial support is managed through a number of SI stimulus instruments including grants for embryonic SI initiatives, SI prizes, SI loans and debt instruments, patient and risk capital instruments, equity finance, SI bonds, venture philanthropy instruments and SI crowdfunding.
- Non-Financial Resources The survey data also indicates that SI can also be boosted by non-financial means. These include incubators and safe spaces for R&D and peer-to-peer support. The survey also indicates that in-kind contribution of professional services of various kinds can be particularly helpful in boosting the SI ecosystem. Such services include legal and regulatory support, governance advice, accounting, administrative aids, support to apply for funds and grants, marketing services and HR advice.

• Mentoring, Coaching and SI Skills – The survey clearly indicates several times that capacity building is key to boosting the SI ecosystem. General entrepreneurship and business management mentoring are key as well as field specific coaching. Furthermore, capacity building programmes, learning forums and knowledge transfer programmes are considered to be very helpful. Programmes that enhance mobility and secondments (even international) are also considered to be useful. SI skills can also be enhanced further through formal training such as university SI courses or diploma courses.

The **demand of SI** can be enhanced by focusing on the following elements which are drawn up from section 3.3, section 3.4, section 3.5 and from the results of [Sammut 2020]:

- **Pre-Commercial Procurement** whilst a number of participants are satisfied with the procurement systems, a sizeable sample indicate that the public procurement and commissioning of SI services and goods can help increase the demand of SI. SI demand can further be boosted through tax incentives, focussed SI service budgets and subsidies for SI projects.
- Strengthening System-Wide SI Capabilities strengthening SI capabilities can also be of great help in increasing the demand of SI. Several survey participants acknowledge that support for network policies, cluster policies and support for R&D cooperation can significantly help jumpstart the SI ecosystem.
- **SI Campaigning, Advocacy and Impact** the survey results clearly show that campaigning, advocacy and marketing the use of SI are critical in getting the general public engaged. Furthermore, proving the impact and outcomes of SI by properly measuring its contribution to society and further enhancing the knowledge base, go a long way in boosting the SI ecosystem in general.

The enhancement of the supply and demand of SI will hence create a push-pull system to turn the wheel of SI. However, a number of other measures need to be put in place to 'oil the wheels' of the ecosystem. These include setting up **intermediary services** which are drawn up from the results of section 3.4 and section 3.5, and from the results presented in [Sammut 2020]. These include:

- SI Hub this is specifically designed to aid start-up, incubation, adoption, scale-up and diffusion of SI. It also helps create SI networks and centres of information and testimonies of SI success stories. The networks can include a database of innovators, stakeholders, evaluators, mentors, experts etc. Hubs create a platform (even digital) for the exchange of ideas and for open data. Furthermore, hubs provide grassroot feedback to policy decisionmakers to boost SI further. Hubs can sometimes also join with other international hub networks to boost the cross fertilisation of ideas and give local SI an international perspective.
- **SI Events** these are be organised by SI hubs and provide networking opportunities, opportunities to hold specific programmes and interventions, hacker events, brokerage and information support, knowledge transfer, learning forums and competitions.
- SI Governance Structure The setup of a governance structure for SI to ensure social cohesion, inter-service coordination and monitoring of mainstream SI with national and EU policy is also of critical importance. Furthermore, such a structure periodically reviews the SI Act and performs SI research to develop SI boosting methodologies, remove SI killers and enhance SI drivers.

## **DISCUSSION**

Governments are increasingly using social innovation to stimulate economic growth and a culture of risk-taking creativity whilst also addressing social issues sustainably. Socially innovative ideas and solutions provide major benefits for society, governments and industry hence increasing the importance of SI in OECD and developing countries' policies. However, it has been shown time and again [Giorghiou, 2014, Briguglio, 1995; Camilleri, 2013] that the challenges of small island states like Malta are very specific

and broadly result in diseconomies of scale and the inability to reach critical mass necessary for an innovation ecosystem. The results obtained in this paper are in agreement with these identified challenges. On the other hand, being small also has other advantages including greater flexibility and strong social cohesion amongst others.

The goal of this paper was to survey grass-root social innovators in Malta to establish what, according to them, a general, broad, strategic SI framework should include to boost social innovation in Malta. We divide the findings into three main SI drivers: a) enhancing the SI supply through funding, non-financial resources and mentoring, coaching and SI skills; b) enhancing the SI demand through pre-commercial procurement, strengthening system-wide SI capabilities and SI campaigning, advocacy and impact, and; c) setting up intermediary SI services like an SI Hub, SI events and SI Governance structures.

Social innovators are often faced with several barriers that are often due to incompatible cultures and regulations. These include traditional, cautious and risk-averse organisational cultures, closed systems designed to aid single-issue solutions, fragmented capacities and skills deficiencies that are needed to stimulate SI. Most importantly, appropriate funding in the adequate form aimed throughout the important stages of the SI ecosystem, remains a barrier and is often left to be raised at grassroots level. Financing systems in moderate innovator jurisdictions such as Malta are currently not well-suited to stimulating, sustaining and scaling innovation in general and this includes social innovation. This is in broad agreement with the challenges of diseconomies of scale mentioned earlier. Funding models for scaling up and continuing SI operations sustainably are few and far in between and this needs to be tackled in order to achieve a sustainable SI culture that stimulates economic growth and addresses social issues. Furthermore, whilst financing is clearly an issue at the various stages of the SI ecosystem, there are also clear gaps in other types of non-financial support. There is also a lack of skills relating to most sectors of the SI ecosystem hence training programmes and initiatives that boost mentoring and coaching are needed. In this regard, the few programmes available lack coherence or an international vision and there aren't enough channels to spread experience, knowledge, best practices and general SI skills. Hence mentoring, coaching and other programmes that are generally aimed at boosting SI skills are important to drive SI forward.

If one were to consider the proposed demand side strategic driver, one can see that in general the results obtained are consistent with the literature. Respondents generally believe that procurement and commissioning structures in Malta are not well suited towards SI endeavours. This is in agreement with general innovation procurement studies [Uyarra, 2014] and hence this avenue represents an opportunity for SI improvement. In addition, respondents have indicated that strengthening general SI capabilities can significantly jumpstart the ecosystem for example by creating clusters of socially innovative organisations or supporting network endeavours that promote R&D cooperation as is done in [Klein, 2013]. Furthermore, as was also found in other studies like [Shane, 1995] championing SI through campaigning and advocacy are considered to be important ways of boosting SI by getting the public engaged.

Fragmentation of general SI endeavours is common place hence intermediary structures like an SI hub are needed to develop networks, organise events and provide policy feedback to decisionmakers. This is in agreement with other studies that identify incubators and innovation accelerators to advance social innovation [Biggs, 2010; Mulgan, 2007].

# CONCLUSIONS, LIMITATIONS AND FURTHER WORK

A strategic framework to boost SI sustainably has been proposed in this paper. It is intended to act as a starting point on which a more detailed strategy and ensuing work plan can be built to boost SI in Malta and possibly other similar moderate small innovation jurisdictions. Further work is necessary to set up a more detailed strategy and work plan so as to boost SI. This includes:

- 1. Establishment and maintenance of an SI national focal point that:
  - 1.1. Building upon this study to prepare a preliminary vision statement and goals for SI
  - 1.2. Preparing draft national goals for sustainable development of SI
  - 1.3. Building upon this study to prepare the rationale for the national strategy and work plan

- 1.4. Establishment of the consultation process for these documents to ensure they gain support and involvement of key government ministries, stakeholders and those with a general interest in SI
- 1.5. Drafting an outline consultation document of the national strategy and work plan in order to communicate its content and scope
- 1.6. Preparing a communication plan and updates, disseminates briefing materials to stakeholders
- 1.7. Undertaking assessments to provide basic information on SI
- 1.8. Establishment of the SI priority areas to maximise the impact of the limited resources available
- 2. Establishment and maintenance of a national SI advisory committee
- 3. Establishment, maintenance and strengthening of a national SI network including expert and working groups
- 4. Establishment of a process and timeline for SI monitoring and evaluation
- 5. Formal endorsement of the National Strategy and Work plan

The observations set out in this study have been drawn from stakeholders at grassroot level. However, we are acutely aware about how much more needs to be known about SI in small island states like Malta. Critical resources like funding and in-kind contributions are important but more needs to be understood about the importance of political recognition and support, the dynamics of voluntary labour and sustainable philanthropic commitment and how these can be leveraged effectively. Such elements surfaced in this study but were surprisingly not as strong as expected and as indicated in [Mulgan, 2007]. Furthermore, more needs to be understood in terms of SI growth patterns compared to profit based enterprise since as indicated in [27] the former tends to grow slower but with more resilience and less susceptibility to market shocks. Such elements also surfaced a little in this study but less pronouncedly than expected probably due to the infancy stage of SI in Malta. Further probing can also be done on what yardsticks are used by SI organisations to measure their impact and success and whether these are influenced by market share and improving the lives of the masses by a small amount or whether they are influenced by intense and contained need and focus hence focus on improving the lives of a few individuals by a much larger extent. Furthermore, the data collected in this study indicates that there is no statistically significant difference in attitude from different sectors towards social innovation in Malta. If SI activity increases in intensity, this may change and the SI national strategy will have to place much more importance on which priority areas to choose to invest in to maximise impact. Such further studies will certainly be of interest to SI and in general especially in studies related to SI in small island states like Malta. Lastly, the methodology used in this study was an inductive qualitative one which was intended to draw out the main elements of the proposed strategic framework. A more quantitative study may however be built on the results of this study to generate a sampling strategy that allows statistical generalisation to the large population.

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