

# Enabling Social Innovation in Lao People's Democratic Republic

## Country Snapshot

**Social innovation: "the processes and outcomes of developing novel approaches to address societal challenges facing people and planet." <sup>1</sup>**

This snapshot represents a descriptive, non-exhaustive overview of key highlights from Greenland's social innovation ecosystem.

✓ Direct focus on social innovation    🔗 Connected but indirect focus on social innovation    ✗ No focus on social innovation

## INSTITUTIONAL FRAMEWORK

### Official Definition of Social Innovation 🔗

While a standalone, formally adopted national definition of 'social innovation' was not identified within publicly available policy sources of Laos, adjacent concepts are more substantively articulated across related domains.

Official language is comparatively more developed in areas such as small and medium enterprises (SMEs), business incubation, science and technology, innovation, cooperatives, and startups, which collectively reflect elements aligned with social innovation practice <sup>2 3 7</sup>

### Government Body for Social Innovation ✓

Public evidence of a dedicated government body for social innovation was not identified. Relevant roles sit mainly with the Ministry of Technology and Communications on digital transformation and innovation, the Ministry of Industry and Commerce on SME promotion, and agriculture-sector institutions on cooperative development. <sup>2 4 5 6</sup>

The Ministry of Technology and Communications was formed in 2021 through a merger of the former science and telecommunications ministries, giving it a central role in the digital economy agenda. <sup>5</sup>

### Government Strategy for Social Innovation ✓

While no standalone social innovation strategy was identified, the national digital economy vision, strategy, and plan provide a connected framework. These documents support technology, innovation, digital public services, data infrastructure, digital payments, and human capital development. <sup>4 5</sup>

### Policies, Laws & Regulations ✓ 🔗

The main enabling laws are indirect but relevant:

- the 2011 SME Promotion Law, which defines business incubation centres and establishes an SME Promotion Fund; <sup>2</sup>
- the 2013 Science and Technology Law, which provides for grants, low-interest loans, and incentives for science and technology activities; <sup>3</sup>
- the 2024 Law on Cooperatives, which updates the legal basis for cooperative enterprise. <sup>4</sup>

Official public-private dialogue records also show policy attention to startup promotion, e-commerce, and association rules affecting ecosystem actors. <sup>7</sup>

### Official Statistics



Public evidence of a dedicated official statistical series for social innovation, social enterprise, or the social and solidarity economy was not identified. The Lao Statistics Bureau publishes national statistical materials, while the Science and Technology Law requires science and technology statistics. <sup>3 8</sup>

### Government Programs



Public evidence points to enabling funds and reform programmes rather than a single flagship social innovation scheme. The SME Promotion Fund, the Science and Technology Fund, and digital economy implementation initiatives form the clearest public support architecture, although recent public disbursement figures were not identified in the reviewed sources. <sup>2 3 4</sup>

## ECOSYSTEM

### Stakeholders



The ecosystem is shaped by public, university, and development partners. Important actors include UNDP in Lao PDR, the National University of Laos, the Economic Research Institute for ASEAN and East Asia, the Laos-Japan Human Resource Development Institute, and the TUI Care Foundation. <sup>10 11 12 14</sup>

### Support Initiatives



Support is visible through practical programmes:

- UNDP's Youth Innovation Challenge combined grants and mentoring for young entrepreneurs in agriculture and handicrafts; <sup>2</sup>
- the UNDP Accelerator Lab provides experimentation and systems-learning support; <sup>10</sup>
- LJI SUSU offers startup scale-up support, mentoring, and competition-based funding; <sup>11</sup>
- the National University of Laos has hosted innovation workshops and student-oriented training initiatives. <sup>12 22</sup>

### Collaboration



Collaboration is a visible strength. The National University of Laos and ERIA have launched cooperation on digital innovation and sustainable economy work, while LJI SUSU brings together business support institutions, investors, and public agencies. <sup>11 12</sup>

Official public-private dialogue has also surfaced proposals on startup definition, tax support, skills, and technology promotion. <sup>7</sup>

## FINANCE

### Financing Schemes



Financing is available through a mix of public funds and development-supported mechanisms. On the public side, the SME Promotion Fund and Science and Technology Fund provide a formal basis for support, while digital economy implementation measures point to wider investment in infrastructure and systems. <sup>2 3 4</sup>

On the ecosystem side, the main publicly visible schemes include Youth Innovation Challenge awards of LAK 22.5 million per winning project, the 2025 LJI SUSU competition with a USD 60,000 prize pool, the SDG Investor Map to mobilise private capital, and TUI Futureshapers Laos with small matching grants and technical support for green MSMEs. <sup>9 11 13 14</sup>



### Financing Inclusivity

Inclusivity is one of the clearer strengths of the current landscape. The best-evidenced target groups are youth, women, and rural or community-based enterprises: Youth Innovation Challenge focused on agriculture and handicrafts, while TUI Futureshapers Laos aims for half of participants to be women and supports green MSMEs and community-based tourism. [9][14]  
Public evidence of a dedicated financing line specifically for minority communities was not identified in the reviewed material. <sup>9 14</sup>

## SOCIETY



### Public Awareness of Social Innovation

The term “social innovation” appears to have limited visibility in official discourse. Even so, innovation, startup development, science and technology, and digital transformation are present in policy discussion and national reform narratives. <sup>3 4 7</sup>



### Research

Research capacity is developing through university and policy partnerships. Collaboration between the National University of Laos and ERIA, together with university-led innovation activities, indicates an emerging knowledge base relevant to innovation and entrepreneurship. <sup>12 22</sup>



### Education & Human Capital

Education policy recognises technology and innovation as part of the wider education mission. Innovation-oriented human capital is also being strengthened through university workshops, digital entrepreneurship training, and youth-focused support programmes. <sup>21 11 22</sup>



### Entrepreneurship



**Business Environment:**



**Innovation capacity**

The entrepreneurship environment is mixed but improving. Lao PDR ranked 109th out of 139 economies in the 2025 Global Innovation Index, while the World Bank’s B-READY 2025 profile shows relative strengths in financial services and labour compared with weaker results in insolvency and some public service dimensions. <sup>15 16</sup>

Global Innovation Index (GII) 2025



**Social entrepreneurship prevalence**

Current country-specific GEM results were not identified in the reviewed sources, suggesting a useful evidence gap for future monitoring. <sup>23</sup>

Global Entrepreneurship Monitor

## Social & Environmental Consciousness



### Solidarity

Available indicators show both social potential and environmental need. The 2025 World Happiness Report appendix records measurable volunteering, donation, and helping behaviours; the Inter-Parliamentary Union reports 98.0% turnout in the February 2026 National Assembly election; and the Yale Center for Environmental Law & Policy ranks Lao PDR 178th in the 2024 Environmental Performance Index. <sup>17 18</sup>  
<sup>19</sup>

Environmental  
Performance Index



### Political Participation:



### Volunteering



### Sustainability

On climate resilience, the Notre Dame Global Adaptation Initiative gives Lao PDR a country index score of 42.5, underlining the relevance of continued innovation in adaptation, livelihoods, and sustainable resource use. <sup>20</sup>

