

Enabling Social Innovation in Luxembourg

Country Snapshot

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

This snapshot represents a descriptive, non-exhaustive overview of key highlights from Luxembourg'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 🔗

Luxembourg has no formal legal definition. The 2025 Luxembourg Declaration defines social innovation as novel approaches to societal challenges ¹.



Government Body for Social Innovation ✓

- The Ministry of Labour (MTEESS) oversees social innovation through its Social and Solidarity Economy Department, active since 2009 ². This department develops strategy, programs and stakeholder coordination.



Government Strategy for Social Innovation ✓

A national strategy for social economy and social innovation is under development (2024–2026) through multi-stakeholder working groups ³. Social innovation is also embedded in existing social economy action plans.



Policies, Laws & Regulations ✓ 🔗

- The 2016 SIS Law created a legal status for social enterprises with mission-driven and reinvestment requirements ⁴.
- SIS companies are eligible for tax exemptions and public programs ⁵.
- Broader social economy policies and government commitments indirectly promote innovation ².



Official Statistics 🔗

In 2020, SSE entities accounted for 2.2% of GDP and 4% of employment. Of 51 social economy entities created between 2015 and 2020, 25 had received SIS accreditation ⁶.



Government Programs ✓ 🔗

- The Social Business Incubator (SBI) provides training, mentoring and co-working for SIS start-ups ². The Impact Luxembourg label certifies SIS enterprises ⁴. Other national and EU-backed programs offer project grants and practical guidance.

ECOSYSTEM

Stakeholders



- Entrepreneurs d'Impact Luxembourg (formerly ULESS) represents SIS and SSE actors and co-manages the SIS label ¹.
- Sector networks such as COPAS and FEDAS support coordination and policy dialogue.
- Research institutions like LISER and the University of Luxembourg contribute analysis and data.

Support Initiatives



SBI and MESIS offer incubation, coaching and networking. Mainstream startup hubs such as the House of Startups support social ventures, while mentoring is available through Business Mentoring Luxembourg ²

Collaboration



Luxembourg is part of a European consortium building a social innovation competence centre ³. It co-founded the Government Council for Social Innovation (GCSI) in 2025 and regularly partners with civil society on SIS initiatives.

Events & Awards



Luxembourg Impact Days (since 2023) and the Social Innovation Lab raise awareness and connect actors ⁴. The national Social Entrepreneur of the Year award was launched in 2024 to celebrate impact-driven ventures.

FINANCE

Financing Schemes



- SIS enterprises benefit from tax exemptions and are eligible for EU funds such as ESF+ ⁵.
- Microlux provides microloans and coaching to excluded entrepreneurs.
- Impact investors and foundations provide early-stage capital, alongside philanthropy and CSR funds.

Financing Inclusivity



SIS enterprises must serve a defined social purpose, often targeting underserved groups. However, smaller initiatives rely on philanthropy, donations or local grants to fill financing gaps.

SOCIETY

Public Awareness of Social Innovation



Awareness is increasing through events, campaigns and education, though the term remains less widely used than social economy.

Research



University of Luxembourg and LISER contribute to social economy research and participate in EU and OECD studies on social innovation ⁶.

Education & Human Capital



Training is available via SBI, MESIS and university courses. Although no dedicated degrees exist, social innovation topics are embedded in entrepreneurship and sustainability programs.

Entrepreneurship



Business Environment

Luxembourg has a strong startup environment.



Innovation Capacity



Social entrepreneurship prevalence

Social enterprises are growing in number, supported by SIS legislation, incubators and general startup infrastructure ⁶.

Social & Environmental Consciousness



Political participation



Volunteering

Volunteerism, social inclusion and sustainable development are widely supported across sectors.



Sustainability

Luxembourg ranks highly in environmental performance and civic engagement.