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#### **SOCIAL ENGAGEMENT AND ENTREPRENEURIAL ACTION**

#### **SOCI(ET)AL ENTREPRENEURSHIP AND DIFFERENT FORMS OF SOCIAL**

#### **ENTERPRISES IN CURRENT SWEDISH DEBATE**

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## INTRODUCTION

During the last decades there has been an active discussion about definitions, issues at stake, and the development of the entrepreneurship research field (Sexton and Smilor 1997, Landström 1999, Sexton and Landström 2000, Bird Schoonhoven and Romanelli 2001, Carter and Jones-Evans 2000, Gartner 2001, Steyaert and Hjorth 2003, Gawell 2006). Entrepreneurship research is still rather young compared to many other disciplines but not as new as often referred to during the late 1900's. It is, however, debated whether this means that it must be disciplined and structured in similar ways to other academic fields. In 2001, Gartner discussed the development of the field through recognizing the retention factors of focused definitions of entrepreneurship (Gartner 2001). However, he argued for another approach to theory development where theory was developed through communities of scholars elaborating on specific sets of problems and issues. Further he argued that the various topics in the field of entrepreneurship do not constitute a congruous whole, but contribute to theory development on the specific topics elaborated on. As a consequence, there is a need to "try to think of how to live with the consequences of the idea that there is not one entrepreneurship but that there are many entrepreneurship" to connect and relate to, as suggested by Steyaert and Hjorth (Steyaert and Hjorth 2003 p 4). One way to do this is through an understanding of different dimensions in the entrepreneurship discourse and theory. These can be commercialization and growth, the creation of a new organization, a form to organize work life, and topics of management and business skills in entrepreneurial phases (Gawell 2006).

Adding the attribute social or societal to entrepreneurship does not clarify the phenomenon nor theoretical definitions. During the last decade we have seen a number of initiatives in practice and in academia to promote, understand and analyze "social entrepreneurship" (Dees 1998, Palmås 2003, Mair, Robinson and Hockerts 2006, Nicholls 2006, Perrini 2006). We have also seen a number of similar initiatives with references to "social enterprises" (Borzaga and Defourny 2001, Laurelli 2002, Borzaga, Galera and Nogales 2008). Even though these initiatives partly refer to different concepts, different aspects and practices they all basically deal with social engagement combined with entrepreneurial or enterprising action. Currently we see an increased interest in these issues among practitioners including policy makers, students and researchers, partly as a response to auspicious promises in the discourse. But we also see a great confusion about definitions, "what is meant" and "what it means". The overall aim of this paper is therefore to contribute to the understanding of this emerging field. This will be done through mapping and analyzing the current Swedish debate. More specifically, the aim is to contribute to the understanding and recognition of entrepreneurial and enterprising social engagement without diverting critical discussions on differences, priorities, desirable outcomes, undesirable outcomes in spite of good intentions, or even shady intentions.

This paper is grounded first of all in a study of entrepreneurial processes for social change conducted 2001-2005 (Gawell 2006). It is further related to continued research in the field (described below) with attention to the theoretical development but also to the emerging practices "on the field" but also within public policy. Firstly in this paper the theoretical field is discussed and research questions are specified. Secondly, this is followed by a methodological account and a presentation of the Swedish current discussion. Finally there is a concluding discussion.

The main argument in this paper is to rather accept the problems with having a variety of definitions of social and societal entrepreneurship and social enterprises than developing a strict but limited definition of the same.

## **1. THE FIELD**

There is not an obvious definition of "the field" referred to in this case. As in every field there are historical roots, different paths and detours. At times they are institutionalized as well organized highways. At times much more winding. With a basic interest in social engagement and entrepreneurial action the field can currently be described as follows.

### **1.1. Composites of Entrepreneurship Theory**

Entrepreneurship research has expanded in the last decades. A number of state-of-the-art books (Kent, Sexton and Vesper 1982, Sexton and Smilor 1986, Sexton and Kasarda 1992, Sexton and Smilor 1997, Sexton and Landström 2000), edited textbooks (Bird Schoonhoven and Romanelli 2001, Carter and Jones-Evans 2000) and journals (Katz, J 2003) aiming at consolidating the field of research and making it available for education and research have been published since the 1980's. There are also a number of books presenting specific approaches or theories about research on entrepreneurship or the roots of entrepreneurship (Aldrich 1999, Hjorth and Steyaert 2004, Landström, H 1999, Shane, S 2003, Steyaert and Hjorth 2003, Swedberg 2000). There is still an active debate about definitions, issues at stake, and the development of this research field. In 2001, Gartner discussed the development of the field through recognizing the retention factor of focused definitions of entrepreneurship (Gartner 2001). However, he argued for another approach to theory development where theory was developed through communities of scholars elaborating on specific sets of problems and issues. Further, he argued that the various topics in the field of entrepreneurship do not constitute a congruous whole, but contribute to theory development on the specific topics elaborated on. As a consequence, there is a need to "try to think of how to live with the consequences of the idea that there is not one entrepreneurship but that there are many entrepreneurship" to connect and relate to, as suggested by Steyaert and Hjorth. (Steyaert and Hjorth 2003, p 4). This study can be seen as one of those "entrepreneurships", or even more specifically as some of those "entrepreneurships" and their relationships.

Research on entrepreneurship contributes to the construction of a "phenomenon" we call entrepreneurship. Its contributions highlight different aspects of entrepreneurship by focusing on different topics, questions and frames of references. These aspects can be seen as composites of entrepreneurship and related to not only by the research field itself, but also by other scholars as well as policy makers and practitioners. In an earlier review of the above mentioned literature the following main topics were identified (Gawell 2006).

- Entrepreneurship as organization creation
- Entrepreneurship as business start-ups
- Female, ethnic, or industry-specific entrepreneurship
- Entrepreneurship as recognition and exploitation of opportunities
- Entrepreneurship and innovation
- Entrepreneurship and growth
- Entrepreneurship and entrepreneurs
- Entrepreneurship and management

The most common context for entrepreneurship research is the business setting. Most of the time, this is also the academic home institution for entrepreneurship research as well as entrepreneurship education. In business schools, the management perspective dominates ideas about organizations and leadership and when entrepreneurship emerged as a research field, it was closely connected to small business management. Entrepreneurship has developed into a separate research field, even though there are still several overlapping issues. From time to time, there is some tension between the two fields. But entrepreneurship is commonly seen

more like the process of carrying out dynamic changes, while management is rather to manage and administrate an already existing organization.

Entrepreneurship as an academic field has also spread rapidly in management books and articles and not only as a separate field of research. This increase is suggested by Hjorth, Johannisson and Steyaert to be understood through the attention to the enterprise discourse in research and among policymakers where the language of enterprising replaces the language of management where the focus is rather on administrating what is "already there" (Hjorth, Johannisson and Steyaert 2003). However, Hjorth, Johannisson and Steyaert argue that through the entrepreneurship-discourse "the manager is therefore – like the Emperor in H C Andersen's story – dressed up in 'entrepreneurial clothes'" rather than approached from an entrepreneurial perspective (Hjorth, Johannisson and Steyaert 2003, p 96).

Within this field, and also partly parallel to mainstream entrepreneurship research, entrepreneurship has been combined with social aspects in different ways both in theory and practice. In the next passage entrepreneurship described as a societal phenomenon and related to different spaces in society. This discussion will then be related to the concepts of social entrepreneurship and social enterprises.

## **1.2. Entrepreneurship as a Societal Phenomenon**

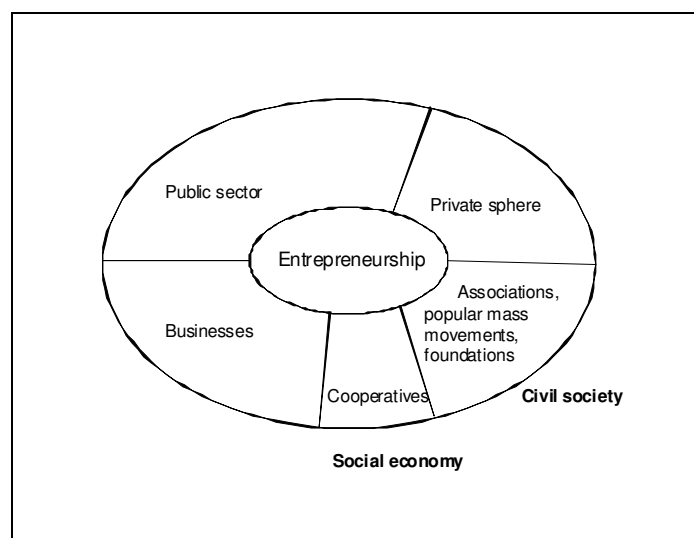
Even though many scholars during the last decade approach entrepreneurship as a concept beyond business, and the fact that one of the most important historical scholars; Joseph Schumpeter, argued that entrepreneurship relates to "all social phenomenon" (1934), theories are still mainly emedded in an economic discourse with businesses as a central point of reference (Hjorth 2001, Steyaert 2005, Gawell 2006). But more and more often we see entrepreneurship theory addressing issues related to other fields such as research on non-profits, civil society, public sector or issues based on social work and development studies. At times these studies are specifically based on analysis of the different theoretical fields (Hisrich, Freeman, Standely, Yankey and Young 1997, Gawell 2006). At times specific studies relate to notions well known in "other" fields without a thorough elaboration on these notions. There are examples of this in the emerging field of social entrepreneurship where "social" are used without extensive appreciable reviews from other disciplines in social science such as social work, sociology or political science. However, currently we see an emerging systematic debate on "social" combined with entrepreneurship and with that follows signs of an emerging theoretical development grounded not only in entrepreneurship and business theory but also in a broader social science theory (Swedberg 2006, Dey 2006, Gawell 2007).

Basically, from the point of viewing entrepreneurship as a societal phenomenon, social entrepreneurship, is about social engagement and entrepreneurial action. At times entrepreneurial action is performed in business like models, at times it is performed in the form of associations. At times it is rather performed in intrapreneurial or informal forms which can make it difficult to grasp and to study. However, these difficulties can also include aspects of importance to the understanding of entrepreneurship and should therefore, I argue, not be left aside.

One way to contribute to the understanding of entrepreneurship seen as a societal phenomenon is to relate entrepreneurship to the different sectors, or spheres if one wishes to raise attention to social processes or cultural aspects, in society and to contextualize entrepreneurship in these different spheres theoretically as well as empirically. In a way there are obvious differences between the public sector, businesses and non-profit organizations regarding practices, rationalities, organizational models and structures (Sjöstrand 1985, Lundström and Wijkström 1997, Wijkström and Lundström 2002). However, the demarcation

lines between the different spheres are not necessarily clear nor are practices within the different spheres necessarily formed according to the general typification. Entrepreneurship seen as a societal phenomenon can in different ways relate to all these different spheres and then with rather different expressions more or less similar, or innovative, to existing practices.

*Figure 1: Entrepreneurship as a societal phenomenon related to different sectors and spheres in society.*



Reviewing literature relating to social engagement and entrepreneurial action, there are currently primarily two fields of research, other than related to businesses, that commonly appear. One is entrepreneurship related to social economy (Stryjan 2006) and one is entrepreneurship related to civil society (Gawell 2006).

The concept of social economy has emerged since 1980's. It has been an official term within the European Union since 1989 and it is primarily a policy related conceptualisation with references to co-operatives, mutual societies, associations, and nowadays also to social enterprises (Swedish Ministry of Interior 1998). The term social economy refers to entities not with a primary purpose of obtaining return to capital, but a purpose of common need. These entities are considered as accountable to those served and they are generally managed by the principle "one member, one vote". They are mainly based on voluntary participation and membership commitment (European Union DG Enterprise 2005). These EU principles of social economy are not limited to legal forms even though the EU definition is expressed in legal forms (Co-operatives, Mutual Societies, Associations and voluntary organizations, Foundations and lately also Social Enterprises). However, legal forms for these kinds of organizations vary. In some cases, like in Sweden there are no specific legal forms for co-operatives or social enterprises and the definition of social economy is not based on legal forms (Swedish Ministry of Culture 1999). To identify a social economy entity such as a co-operative can then be done through self identification of the different initiatives or external application of the definition. The lack of formal criteria makes it, however, difficult to study co-operatives with quantitative comparative methods across countries. There are however research also on social economy (Westlund and Westerdahl 1996, Pestoff 1998, Stryjan 2001).

The emergence of the field of social economy, both in practice, policy wise and theoretically, is highly influenced by the co-operative movement. The organizational models and ideas within this movement have quite different background than what can commonly be found in the field of business. Co-operatives are, according to the International Co-operative Alliance (ICA), autonomous associations of persons voluntarily united to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise (The International Co-operative Alliance (ICA) 2008). There are seven co-operative principles:

- Voluntary and Open Membership
- Democratic Member Control
- Member Economic Participation
- Autonomy and Independence
- Education, Training and Information
- Co-operation among Co-operatives
- Concern for Community

Partly overlapping the field of social economy, and partly with other specific traditions is research on civil society. Civil society is a notion that has figured in academic and political discourse for most of the past decade (Ehrenberg 1999). References to civil society include aggregations of organizations as well as other conceptualisations such as movements, interaction and action in a sphere in society differentiated from the state and the market (Amnå 2005). Research on civil society describe a multi faceted and restive field of research (Amnå 1999, 2005, Svedberg and Trägårdh 2006). Topics in research vary from political participation, social work, organizational matter, relations within society and economic issues. In the Nordic context issues related to traditional popular mass movements like the labour movement or temperance movement and their role in societal development has been central in several analysis. Currently there is partly a renewed discussion on civil society's role in the welfare system (Linderyd 2008).

Finally, there is a "border land" between businesses and the non-profit sector where the demarcation between "business entrepreneurship" and "non-profit based entrepreneurship" is challenged by non-profit organizations' fundraising ventures and corporate social responsibility. Several non-profit organizations have branches of activities that are set up to raise funds and executed in order to maximize the revenues for financing the activities of the organization. Corporate social responsibility (CSR) has emerged as a term referring to businesses support and, at times, initiatives that are set up with social aims, with arguments for a responsibility to also participate in social development in society. CSR is about combining the aim of profit measured in financial terms with aims of social values in businesses and can take several different forms (Morsing, Midttun and Sahlin-Andersson 2007).

### **1.3. Social Entrepreneurship**

Through partly a parallel detour, the conceptualisation "social entrepreneurship" has emerged. Entrepreneurship discourse reached research on non-profit organizations during the 1990's, but was preceded by an increasing use of a managerial discourse and practice. In an analysis of non-profits, Powell, Gammal and Simard show how managerial practice circulates and is received through close encounters within communities where a managerial practice has become increasingly dominating (2005). And with the managerial discourse followed entrepreneurship. In the US, "social entrepreneurship" has primarily developed in relation to management of non-profit organizations according to business management skills (Dees 1998). Education and training have been set up by different organizations and within business

schools during the last few years. The individual social entrepreneur defined by Dees and Economy as an innovative, opportunity-oriented, resourceful, value-creating change agent, is in focus (Dees and Economy 2001). And training provided primarily draws on business management adjusted to a social sector.

In the UK, "social entrepreneurship" has emerged embedded in a political discussion of privatisation and free enterprises. Social entrepreneurship can, according to Palmås, be seen as a solution "loved" by the major political stands from Thatcher's argumentation on free enterprises to Blair's new labour (Palmås 2000). In the UK as well as in the US, and also in other countries, the interest in "social entrepreneurship" has attracted a large interest from policymakers, practitioners and, during the last few years, also from researchers. The literature on social entrepreneurship approaches and achievements has claimed aspirational and prescriptive notions. According to several researchers "ahead of grounded analysis", it is rather promoting a specific practice than analytically reflecting on an empirical development.<sup>1</sup> As the concept social entrepreneurship turns back into entrepreneurship research, it is met with curiosity but also with a confusion of what social entrepreneurship and other related concepts means (Gawell, Johannisson and Lundqvist 2009).

#### **1.4. Social Enterprises**

In the term social enterprise, the variation in references of purpose and organizational forms that has been mentioned above appears at an enterprise level. In a comparative study of the emergence of social enterprise in Europe, it is shown that the meaning of, the status of, the policies for, and the practices of social enterprises vary considerably between countries (Borzaga and Defourny 2001). There are several different definitions. Some of them are in accordance with specific legal forms as is the case in Belgium, Finland, France, Italy, Poland, Portugal, Spain and the UK (Laurelli 2002, Nutek 2008). Others are based on ideals and/or more or less commonly agreed principles. Defourny suggests that a social enterprise continuously produces/sells goods/services, has a significant level of economic risk and a minimum amount of paid work. It has an explicit aim at benefiting the community, a high degree of autonomy. Further, it is an initiative launched by a group of citizens and has a decision-making power that is not based on capital ownership (Defourny 2001). As can be seen, this definition differs from the definition of co-operatives, not least on the issue of democratic open membership structure. Still, it includes a collective foundation, which is at times, but not always, the case in references to social enterprises.

Laville and Nyssens, however, argue that the emergence of the terminology of social enterprises in Europe should not be seen as a conceptual break with institutions of social economy, but rather as a supplementary dimension broadening possible organizational forms in the field of social economy (Laville and Nyssens 2001).

We can see variety of perspectives on entrepreneurship, social entrepreneurship and social enterprises. To further contribute to the understanding of these concepts that all include element of social or societal engagement and entrepreneurial action these discussions are in this study related to the current Swedish debate. The research question guiding this study is *How, and by who, are these issues addressed currently in Sweden?*

## **2. METHODOLOGY**

This paper is primarily based on two different studies; A study that lead to the dissertation *Activist Entrepreneurship. Attac'ing Norms and Articulating Disclosive Stories* (Gawell 2006), and a continuing study on social entrepreneurship and social enterprises in policy and

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<sup>1</sup> See discussion in The Association for Research on Nonprofit Organizations and Voluntary Action ([www.arnova.org](http://www.arnova.org)).



practice. In the first study the creation of the organization Attac Sweden were studied as an entrepreneurial process and related both to entrepreneurship and organization theories as well as to theories on non-profit organizations, social movements and civil society. This study was conducted in a narrative approach. The second study of the current emerging Swedish field of practice as well as the increased policy interest is studied and analyzed through participative observations, interviews and document analysis. The public policy interest studied is primarily related to policies in the field of small business, social economy and non-profit organizations (both social services and democratic participation). Partly the study is done with an action research approach. This study is still ongoing.

The analysis is conducted in an interpretive approach with a focus on discourse and narratives related to everyday practices. The method has been developed in the lines of the linguistic turn in social science, narrative approach to organizational and entrepreneurship studies (Czarniawska 1997, 1998, 2004, 2005, Steyaert and Bouwen 1997, Silverman 2001, Steyaert 2004, Gawell 2006).

### **3. THE CURRENT SWEDISH DEBATE**

There are partly parallel debates relating to social entrepreneurship and social enterprises in Sweden. These debates are to a large extent grounded in the different spheres elaborated on above. And even though the demarcation lines between these spheres are far from clear there are differences. I relate these differences to differences between subcultures within the same society and their practices, rather than specific formal characteristics. The following description of the current debate both include discussions related to an organizational level, policy level as well as the more public discourse.

The current Swedish debate can be divided into the following partly parallel discussions<sup>2</sup>:

- Social economy, entrepreneurship and social (work integrating) enterprises
- Popular mass movements based third sector and non-profit enterprises
- Business based social entrepreneurship and social enterprises
- Entrepreneurship in and close to public sector
- Societal entrepreneurship
- Nondisciplined Entrepreneurship

#### **3.1. Social Economy, Entrepreneurship and Social (work integrating) Enterprises**

In this field the terms entrepreneurship and social enterprises are used. Some relate, generally speaking, also to the term social entrepreneurship. However, most of those do not express familiarity to the anglo-american literature on social entrepreneurship. The use of the term vary with the large variety of organizations. Many relate to social service or to community based development. However, other kinds of activities are also noticeable. Within this field there are no specific legal forms even though there is one form of economic association that carries many co-operative traits. But co-operatives can, in Sweden, also be run as limited companies or non-profit associations. It is therefore very difficult to identify these organizations in the public statistics.

One specific characteristic of the Swedish case, shared more or less with other countries, are that both the primarily fields of activities mentioned above are to a large extent financed through public funds. Social economy actors are primarily financed on the same principles as other private for-profit service providers through public procurement or user/customer choice models. The existence of a large public welfare sector has also meant that the need of and/or the state of this field is not so developed in Sweden compared to other countries where social

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<sup>2</sup> The order is not based on ranking in importance or value etc since that has not been compared.

economic actors have a large role in the welfare system (Pestoff 1998, Stryjan 2001). In the Swedish case, these organizations have rather played a complementary role, and at times even a challenging role in relation to the publically service provision.

These organizations are many times rather small and share in that way experiences with many other small business regarding difficulties to respond to large public procurement, financial constraints due to smallness etc. They also experience a somewhat "alternative" status in relation to first of all publically organized social services or community development but also in relation to the growing numbers of private for-profit service providers and the policy/support system focused on trade, industry, entrepreneurship, innovation and growth.

In 1997-98 the concept "social economy" was addressed in a governmental working group and has since then been a concept referred to in for example local and regional development. Apart from more general initiatives with focus on economic development and growth or minor initiatives such as certain financial support to advisory service for co-operative start-up, there are no specific public programs in this field. However, social economy is addressed by the EU regional and social fund. Social economy actors have benefited from project support from both these funds. The extent of means provided to social economy actors is however difficult to give account for since the definition of social economy and social economy actors are not a common point of reference.

Since the year of 2000 issues of co-operatives and social economy has been handled by the Ministry of Enterprise (at that time Ministry of Industry) and the Swedish Agency for Economic and Regional Growth (NUTEK). Earlier these issues were to a large extent handled by Ministry of Interior and also Ministry of Culture. Focus on economic issues has become more apparent. Whether this depends on a shift in policy interest or other aspects is difficult to tell without a more extensive analysis. However, social economy and co-operative issues are still not integrated and "fully accepted" within all spheres of business, business policy programs and actors.

The shift during the last decade also includes an emerging use of concepts like entrepreneurship and enterprise. Lately it has been more common to combine these concepts with the prefix "social". In this field, or at times subculture, of social economy "social entrepreneurship" and "social enterprise" refer basically to co-operative and community based models. One example is the use of "social enterprise" referring to social work-integrating co-operative enterprises that have caught an increased attention. These social enterprises focus on people with great difficulties, at times even exclusion, on the labor market. Primarily people involved have reduced social or psychological working functions. These social enterprises sell products and services on the market, create workers participation, re-invest profit and are managed independently from the state. 2007 Nutek was commissioned by the government to develop a program to promote new and growing social enterprises according to this definition. The Swedish Public Employment Service, The Swedish Agency for Social Insurance and the National Board for Health and Welfare, among others, participated in the development of the suggested program that was presented to the government in May 2008. Political decisions are now being prepared.

### **3.2. Popular Mass Movements Based Third Sector and Non-profit Enterprises**

In the Nordic countries, the popular mass movement model with an ideology and advocacy role, open and widely based membership, democratic structured decision making, and an independent role in relation to the state (Svedberg 1981), has been "marinating" the view of

what a non-profit organization is (Hvenmark and Wijkström 2004)<sup>3</sup>. But this is not the only model for organizing a non-profit organization. There are different types of charity, philanthropy, voluntary, community development, or non-governmental organizations. Different terms relate to different specific features of these organizations or, at times, they simply relate to the vocabulary of a specific practice; different labels of non-profit organizations often have a positive "touch". However, each and every one can be exposed to questioning. Wijkström has reminded us that hate groups are also part of the non-profit sector according to most definitions, as are outlaw groups, depending on what definition is used (Wijkström 1998). Not quite as radical are Boström, Forsell, Jacobsson and Hallström as they problematize "voluntariness" in relation to voluntary work and raise the question of how voluntary it is and for whom (Boström, Forsell, Jacobsson and Hallström 2004). All these different organizational models can be specified, modified and analysed from different perspectives. They are represented differently in legal structures in different countries. In most cases, they refer to associations and foundations. The legal structures for these forms of associations vary between countries. In Sweden, non-profit associations are not regulated in civil law (association law); however, taxation is regulated and since 2001, the accounting act includes non-profit associations.

In research on the Swedish non-profit sector, the role of organizations as interest and lobby organizations has been highlighted in many international comparisons as well as for the sector's relevance for democracy (Wijkström and Lundström 2002). However, during the 1990's, Wijkström and Lundström have observed that organizations in the non-profit sector in Sweden tend to produce services in the welfare state to a higher degree (Wijkström and Lundström 2002). Therefore, a shift has been observed in the Swedish non-profit sector from "voice" to "service" (Wijkström and Lundström 2002). At the same time, it is recognised that new organizations give voice to new ideas within established or new fields, even though these organizations are not sufficiently large (in terms of financial turnover or employment) to have a decisive influence on the sector at large<sup>4</sup>. But even if new organizations do not constitute a large part of the non-profit sector in economic terms, one of the aspects the newness of these organizations might contribute is to bring in new voices and new ways of organizing (Gawell 2006).

Within the third sector, especially among those organizations that to a large extent engage in service provision specially in the social field, there is a gradual adjustment to public procurements, public enterprise policies in the social field as well as the enterprise influenced language in general. The term "företagande på ideell grund" (non-profit grounded enterprises, my translation) has been used among organizations and in policy discussions. This "version" of social enterprise is based on non-profit organizations tradition to run activities combined with economic management aiming to finance activities as efficient as possible. However, many of the Swedish non-profits are not comfortable with "other" discussions on social entrepreneurship or social enterprises in literature since they many times miss a shared ground in ideas of democratic and open membership and the role of organizations in relation to the state.

The public support to popular mass movement organizations and other non-profit organizations has been handled by the Ministry of Culture, Ministry of Interior and currently by Ministry of Integration and Equality. In 2007 a Public Committee presented a review of the policy for popular mass movements and other non-profit organizations. The Committee

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<sup>3</sup> The concept of a popular mass movement marinade was introduced by L-E Olsson during a Nordic PhD course on Civil Society in 2002 and further developed by Hvenmark and Wijkström 2004.

<sup>4</sup> These new 'voice' organizations are recognised by Wijkström and Lundström 2002. However, their analysis containing the sector as a whole shows a shift from voice towards service.

did not address the issue of social enterprises, however, it addressed issues of non-profit organizations relation to the state as service providers through public procurements and business like agreements. In this report the Committee also suggested a public initiative on statistical development and a program for civil society research (SOU 2007:66).

During the last years issues relating to popular mass movements and other non-profit organizations have also been addressed by other policy fields and Ministries. The Swedish Agency for Economic and Regional Growth (NUTEK) have had two different assignments, apart from the assignment to develop a program for social work-integrating enterprises mentioned above, to 1) participate in a dialogue between the government and non-profit organizations in the social field, 2) to regard non-profit organizations in a program for stimulating entrepreneurship in the health sector and the development of a guideline for public procurement within healthcare.

### **3.3. Business Based Social Entrepreneurship and Social Enterprises**

Within the business sector the interest of and discussions on corporate social responsibility, social entrepreneurship and social enterprises have increased the last few years. Some businesses make great efforts to communicate both environmental and social policies. Some rethink their priorities and practices according to these issues. Knowledge and application of double or triple bottom line business have increased. To what extent is still difficult to know since there are great difficulties to measure and very few studies other than exemplifying case studies that have been conducted.

During the last few years attention have also been directed to examples of prominent business leaders that later on in their carrier redirect their own engagement to work as social entrepreneurs or to promote social entrepreneurship as investors, fundraisers or advisors. Former managing director for ABB Percy Barnevik is one of these examples. The fact that prominent people from industry engage in social issues is not at all new. However, it has been, and probably still is, more common for these persons to engage in established popular mass movements rather than appear as social entrepreneurs. Critical voices in the Swedish debate, however, are not quite comfortable with the appearance of what can be understood as charity images that can take, or be giving, a patronizing role. These critical voices are based in a long Swedish tradition of equality and non-hierarchical relations between people no matter of unequal resources and possibilities.

There is also a young generation combining business with environmental or social purposes. They smoothly adopt the Anglo-American approach to social entrepreneurship and social enterprises as being primarily based in business logics and models but including environmental and/or social purposes. One example is fair-trade businesses. However, many of these Swedish social enterprises combine the Anglo-American models again with Swedish traditions of labor policies and management models.

There are no specific public policies or incentives for these kinds of social enterprises. They relay on the same legal structures as other businesses or associations. Neither are there tax assumptions for these kinds of businesses. There are voices noticeable in the debate articulating an interest in specific legal forms. But this has not been addressed by politicians or other policymakers yet.

### **3.4. Entrepreneurship in and close to the Public Sector**

Sweden has a rather large public sector and it is under transformation. It has during the last decade opened up for more private social service providers both in healthcare and in education. Services are still to a very large extent publically financed. There is not a common agreement on entrepreneurship in and close to the public sector. In an anthology on this theme

published in 2008 sixteen authors elaborate on several different versions (Lundström and Sundin 2008). However, two major approaches can be seen in the general debate. One is to link entrepreneurship to privately, preferably new, businesses or organizations in the field where public sector earlier dominated both financially and in carrying out services. The other approach is to see entrepreneurship/intrapreneurship and innovation also being conducted within public sectors organizations or even to see the emergence of the large public sector as one of the major Swedish entrepreneurial projects during twentieth century. The former is the most common in the public debate.

As this is an area in transformation there are tensions between different ideas and principles. The Swedish public sector has had, and still has, the following characteristics (Ringqvist 1996):

- Managed by elected politicians
- Citizens influence is guaranteed through democratic elections
- Responsibility is common and regulated by law
- Financed through taxes or political decisions and not-for profit
- Accessible and equal for all

Entrepreneurship in terms of private businesses or other organizations does not necessary correspond to these characteristics. The private business and some of the organizational models can even imply other characteristics. Therefore there are both ideological tensions as well as practical tensions in the transformation. Discussions on what principles should be transformed and how these principles should be applied is up for a vivid discussion at the moment.

In the debate some businesses operating in the field of health care and to certain extent also in education, have raised arguments that they ought to be seen as social enterprises since they are professionally engaged in social issues and operating in a social field. These businesses relay on regular for-profit models.

### **3.5. Societal Entrepreneurship**

The term "Samhälls-entreprenörskap" (societal entrepreneurship in English) was first used in Sweden in the mid 80's when Johannisson (1985) and Alänge (1987) used it with reference to entrepreneurship with local community development in focus. It was then translated to community entrepreneurship in English. Since then the term has not been frequently used until the last couple of years. In 2006 the Knowledge Foundation in Sweden (KK-stiftelsen) initiated a facility study focusing on societal entrepreneurs. The background story was that the foundation had identified that at times "something special" happened in the different projects they supported. They referred it to entrepreneurship but not limited to any specific sector, venture or purpose. The facility study related societal entrepreneurship to the international literature on social entrepreneurship, civic entrepreneurship and to business entrepreneurship and finally suggested the definition of societal entrepreneurship as "innovative initiatives with public benefits" (my translation) (KK-stiftelsen 2007).

During the fall 2007 the Knowledge Foundation launched a nine-year program for research and competence development aiming to promote societal entrepreneurship and sustainable growth. In 2008 there are two calls, one for financing competence development pilot projects and the other financing research. Both calls will provide funds for the period of 2009-2011 which is the first phase of the overall program. Parallel to these calls researchers have also been invited in an anthology project. In this project there are intense discussions of problemizing different research questions and theories to contribute to the construction of the emerging conceptual and theoretical platform. The anthology highlights several different

examples of society entrepreneurship as individual business and civic initiatives, as cross-sectoral co-operations, as phenomenon in regional settings and as creative irritations in society (Gawell, Johannisson and Lundqvist 2009).

### **3.6. Non-Disciplined Entrepreneurship**

Entrepreneurship, per definition, relates more or less to the grasping and exploring new ideas and new combinations of resources. It is therefore challenging established orders. There are all the time a stream of cheeky and controversial initiatives that is not easily fitted into any specific spare in society. There are entrepreneurial initiatives being undesired and therefore not only neglected but opposed. At times because it is challenging established order, but at times because it is a matter of normative unwished behavior. There are also initiatives that very seldom are highlighted in entrepreneurial terms but have significant meanings for social and/or societal practices. We can here speak about unnoticed, or if one prefer, silenced entrepreneurship. This can be seen for example out of gender aspects (Ahl 2002, Holmquist and Sundin 2002).

## **CONCLUDING DISCUSSION**

The meaning of entrepreneurship and social entrepreneurship is slightly vague. But primarily references are made to the notion of entrepreneurship as a dynamic innovative process, rather than specific forms or entities. This differs, to a large extent, to discussions on social enterprises where references are made rather to entities with special traits, or at least, practices. However, both terms are integrated in discourses elaborating on overarching ideas and principles as well as practical issues relevant for everyday practices in more or less dynamic manner.

As indicated in the initial theoretical discussion entrepreneurship, social entrepreneurship and social enterprises are concepts related to in different spheres even though in slightly different ways. The terms are more or less specifically used. Social entrepreneurship is primarily used in the business setting and then also with references to international (read anglo-american) literature on the subject. However, the concept and basic meaning of social entrepreneurship is related to also within the other spheres.

There is a parallel analysis related to social enterprises. This term is, however, primarily used in two spheres. In the sphere of social economy/cooperatives it has even been ascribed a definition and specific policy initiatives (Nutek 2008). This definition is in line with the European emerging model for work integrating social (co-operative) enterprises (see discussion earlier in this paper). However, there is not a specific legal form, nor specific subsidies besides social or employment allowances to individuals with special needs. These allowances are not predisposed to social enterprises or any organizational form.

References to social enterprises are also being done within the business sphere. There is both a more general discussion and a more intense discussion among certain individuals and groups. Conceptually these references are rather vague. They express rather a mixture of proactive improvement of a business practice and a critique to established institutions (businesses, non-profits and public actors) to deal with social issues.

Discussions within, and specially between the spheres, also comprise rather obvious tensions. At times discussions are conflictual. My interpretation is that these conflicts are partly cognitive in the way that many do not understand the different spheres, and those who do seem not to talk so much about it but rather operate in two or more. But there is also a competitive expression in arguments and storytelling that indicates also other aspects that can be related to ideological believes, hopes for excellence, demand for resources, or even competition over status and social glory. This is an ambiguous setting for entrepreneurial

initiatives as well as for policy makers to operate in. However, further analysis is necessary to elaborate more in depth on these matters.

Roughly two sets of models are identified in the Swedish debate. One is rooted in the Anglo-American tradition and the other is rooted in a Nordic-European tradition. The latter includes aspects of democratic participation and governance, empowerment and collective collaboration including a collaborative "social contract" within the welfare system. The former does not explicitly address these issues, but rather includes engagement, solutions to problems, mobilization of resources (primarily financial and know-how), and efficiency.

The more recent (re-)introduced concept in the Swedish debate, societal entrepreneurship, does not directly correspond with the international discussions. On the one hand, it is confusing and theoretically problematic. On the other hand, it unfolds differences and reveals at least some implicit assumptions that many times are left without questions. Research within this field is at an early stage and further results will be presented during the years to come.

Close to, and within, the public sector there is currently also a discussion on entrepreneurship. However, social entrepreneurship and social enterprises has not, at any larger extent, been discussed even though there seems to be an interest both expressed as curiosity but maybe even more explicitly through certain skepticism to the for-profit entrepreneurship.

We have seen that there are rather intense discussions on entrepreneurship related to social and societal issues. Academics as well as practitioners and policymakers construct experiences and generate knowledge on an everyday basis. Most of us involved see this as an urgent field both to address individuals' social situations and for society at large. Still, notions from the different relating fields are at times used rather briefly. There is, I argue, a need for a continued development of analyses of "social" in social entrepreneurship and enterprises, and "society" in societal entrepreneurship as well as developed analyses of the relation between the terms in the compound concepts. The continued analyses need to be deepened and developed with more haste and less speed.

Social or societal entrepreneurship relates not only to economic aspects but also to a wider societal development. But in the discussion above we see that the different versions of social and societal entrepreneurship relate to rather similar public aims in general terms. However, the different versions carry slightly different principals of what the needs are, what to do about those needs and how to respond to those needs. The most common view from an entrepreneurship or enterprise perspective is that different ventures contribute to the public aims through responding to needs and through creating values in different forms. These can then be more or less accurately measured through social auditing or socioeconomic accounts. Another kind of contribution, primarily being expressed from actors in civil society and organizations involved in advocacy, are aims for change rather than to "add" to a present progression. This aspect is also articulated as a vision in literature on social entrepreneurship. It is rather close to a business model and business ideas. But what is it we "value" in society and how? And are there "values" that we want in society that are silenced in prevailing value structures? These issues are not, I argue, thoroughly problematized from a critical point of view neither in entrepreneurship or enterprise literature, nor in the more general debate. It is very seldom we see discussions on who decides on what is good for the public in relation to social entrepreneurship, if it refers to the public in general or to certain groups. Or how tensions between different groups' needs and interests are addressed and processed.

My suggestion is to continue to develop analyses on social entrepreneurship and social enterprises also from different perspectives and also a critical point of view, even if most of us engaging in studies are more or less positive towards the phenomenon as such. One way to do that is to continue the dialogue with other disciplines such as social work, sociology and

political science. And through keeping a multi faceted approach to entrepreneurship soci(et)al entrepreneurship and soci(et)al enterprises can contribute to an entrepreneurial and innovative societal development where social and societal issues are in focus.



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