13 Social Enterprises in Sweden

Intertextual Consensus and Hidden Paradoxes

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Introduction

The concept of *social enterprise*, as well as that of *social entrepreneurship*, were introduced in Sweden in the 1990s and have since then become increasingly common in practice, policy and academy. They are often used together with—and sometimes as synonymous with—*societal entrepreneurship*. The debates in which these concepts are used are also often related to discussions on the role of the public sector, civil society and (ordinary) enterprises in the organisation of the commons as well as to the issue of meeting and coping with current and future challenges. This means that these concepts relate, on the one hand, to a debate about society at large, and on the other hand, to discussions within a specific emerging field.

But the “phenomenon”—or “phenomena”—of social enterprise (SE) as such has/have a much longer history in the country. Without going back to the “dawn of time”, the current practice of and debate on social enterprises are based on and palpably influenced by the extensive and strong welfare state that emerged in the region during the early 20th century and has since then characterised the Swedish (and Nordic) society (see Andersen *et al.* 2016).

Methodologically, this chapter is based on many years of research on social enterprise, social entrepreneurship and civil society, as well as work on “mainstream” entrepreneurship, where business logic dominates the field. In total, these studies have covered over 150 cases/initiatives and analyses of policy development related to these phenomena. A more developed methodological account of the approach used here is found in Gawell (2014a, 2014b).

13.1 Concepts in (Swedish) Context

This section starts with a description of Swedish historical trajectory; it is followed by an account of the current context and debate related to social enterprise. This account also includes other concepts than *social*

enterprise, which, in different ways, portray both the historical trajectory and the current context.

13.1.1 Historical Trajectory

During the 19th century, poor people's protests were partly hearkened by an emerging middle class that was influenced by an international humanistic movement. There were several initiatives to reach out to poor people and others in need during this time. Some of those initiatives became the basis for today's large organisations. In Sweden, the labour movement, the temperance movement and the religious revivalist movement played an important role in the transformation towards a democratic welfare society during the latter part of the 19th century and early part of the 20th century. In this transformation, which was highly influenced by the social democratic movement, the state was ascribed an active role in creating a welfare society as a *good home for all citizens based on consensus and equality*. This concept was referred to as "people's home" (*folkhemmet*) and was an important vision in Swedish politics from the 1930s until at least into the 1970s (Larsson 2008). The "spirit" of *folkhemmet* influenced policies in areas such as housing, education, health care, child care, elderly care and taxation (Larsson 2008).

In the "Swedish model", which dominated Swedish society during a large part of the 20th century, hospitals, schools, child care, etc. were only to a limited extent operated by third-sector organisations (Pestoff 1998; Stryjan 2001). Different types of non-profit organisations did exist, however. The most typical type of organisation was what has been named "popular mass-movement organisations" (*folkrörelser*). These organisations were, and still are, membership-based non-profit associations with a broad and open membership base and democratic governance structures. Leisure associations and alternative educational organisations with roots in adult education and other sectors made up (both in terms of number of associations and in terms of financial turnover) for the relatively small size of the third sector in the fields of health and social services, thus providing Sweden with a non-profit sector comparable in size to that of many other Western countries—but with special characteristics (Lundström and Wijkström 1997). These organisations were supported by the state, based on arguments that they fostered democracy and mobilised social values such as solidarity, humanity and public health (SOU 2007: 66). The cooperative movement was also integrated in the development of *folkhemmet*, and the co-operative principles are to a large extent consistent with the principles of *folkrörelser*, even though there are some differences, relating primarily to members' economic interest (Pestoff 1998; Stryjan 2001). It can be argued that cooperatives were a kind of "*folkrörelse*-businesses" in which people mobilised collective economic interests.

The relationship between the (local, regional and national) governments and civil society was, however, paradoxical. On the one hand, this relationship was centralised and corporatist, but on the other hand, Sweden was a democratic society in which citizens had access to politicians through both formal channels and informal networks (Trågårdh 2007). The paradox was partly resolved by governance through formal control. But every so often, a strong emphasis on finding collaborative solutions facilitated a “consensus spirit” with corporatist tendencies.

In the 1980s, and even more explicitly during the 1990s, shifts in debate and policy could be noticed. Deregulations were carried out in the financial sector, rail transport and electricity distribution. In 1992, a school reform facilitated the access of private schools to public funding. The same year, a more general law on public procurement was passed as a part of the adjustments implemented to prepare membership in the European Union (Sweden joined the EU in 1995). Since then health care, elderly care and other related types of welfare services have, to a large extent, become subject to competition through procurements or different client-choice models. As a result, the number of private for-profit and non-profit service providers has increased. These changes were made both under social-democratic-led governments (1982–1991 and 1994–2006) and liberal/conservative-led governments (1991–1994 and 2006–2014).

During these decades, economic, industrial and enterprise policies dominated the political debate (Gawell 2014a). The focus on economic growth almost displaced the third sector from public policies. Competitiveness and commercialisation were highlighted. The third sector, and discussions related to it, still existed, however—even though they were slightly “put aside” until rather recently, when there was a renewed interest in civil society. This time, the interest was, first and foremost, for civil society as a “glue”—holding society together; a creator of social capital, facilitating financial growth, and important for the advancement of innovations (Swedish Government Statement 2008, 2012a).

Parallel to the economic-growth-oriented policies, there was also a shift in terminology of the third sector. The *folkrörelse* concept was to a large extent replaced by the term *ideell organisation* (non-profit organisation), which is more “neutral” in terms of specific characteristics or structures and allowed international comparisons, for example, within the John Hopkins project on non-profit organisations (Lundström and Wijkström 1997).

With EU membership (1995), the term *social economy* was also introduced in Sweden (Swedish Ministry of Interior 1998; Swedish Ministry of Culture 1999). In Sweden, the discourse on the social economy was largely influenced by cooperative principles and the traditional *folkrörelse* model, which share many similarities. By contrast, some other types of non-profit organisations, such as charities, had little

influence; the term *charity* was even taboo in Sweden for decades, since it was associated with inequality and unfair dependency.

The term “civil society” (*civilsamhälle*) has become increasingly common since the turn of the millennium in general discussions, politics and research (Amnå 2005). The government used the concept of civil society when it launched a policy bill in this field in 2009 (Prop 2009/10:55). Even though this bill refers to the more traditional concepts, as well as to social enterprise and social and societal entrepreneurship, it also introduced a policy approach to the organisations that differs from the former focus on *folkhem/folkrörelse* relationship in that it makes a more abstract reference to a sphere of initiatives, without defining specific characteristics (Gawell 2014a).

This briefly sketched historical trajectory of the Swedish setting constitutes the background against which the current debate on social enterprise takes place. There is, on the one hand, an approach explicitly highlighting the aspiration for equality, (democratic) participation and bottom-up processes in which people (i.e., beneficiaries) have a right to represent themselves. This approach has a strong position both among representatives of traditional organisations and in public policies related to so-called disability or user organisations. On the other hand, there is an approach in which the identification of the needs to be met relies on civil servants and/or individuals who do not necessarily belong to the group of beneficiaries nor formally involve these beneficiaries in decision-making processes. The way in which the interventions are initiated and governed is in this case more “top-down”, or “from-the-side”, and beneficiaries’ possibilities to influence these interventions are arbitrary (Gawell 2011, 2013).

Grounded in the historical trajectory described above, competitive bidding within spheres of public and social services has facilitated the promotion of ventures led by private for-profit and non-profit actors. Policy-makers have explicitly argued that competitive bidding and different client-choice models should be neutral and not favour specific types of actors (Gawell 2014a). This means that private actors have entered the welfare scene without having to abide by the traditional principles of the Swedish public sector, such as shared responsibility, citizens’ influence, equality and democracy (Ringqvist 1996), and with the language and practices of businesses (Lundström and Sundin 2008).

13.1.2 Current Context and State of the Art of Social Enterprise in Sweden

The concept of *social enterprise* started to be used in Sweden in the mid-1990s. It was then first and foremost used by groups within the cooperative movement, which started to call social cooperatives *social enterprises*. References were often made to the Italian model(s) (Nutek 2007).

This model of social enterprise has since then developed, partly through support from the European Social Fund (ESF).

One specific project, funded by ESF's Equal programme 2004–2007 and carried out by a so-called “thematic group on social enterprises”, focused on the national development of social enterprise in Sweden. Within this project, the criteria for the initiatives that later came to be referred to as “work-integration social enterprises” (WISEs) were defined. These criteria are to a large extent in line with the EMES Network's¹ indicators for social enterprise. Later on, the thematic group's criteria were adopted by the Swedish Agency for Economic and Regional Growth, as well as by the Ministry of Enterprise (Nutek 2007); they define WISEs as “enterprises conducting business activities [that] have an overarching aim to integrate, into working life and society, people who experience great difficulties getting or keeping a job”. Furthermore, these enterprises are to create participation through ownership or documented participatory working methodology. They are also to reinvest profits in their own or similar activities, and to be organisationally independent from the public sector.² Based on these criteria, the Swedish Agency for Economic and Regional Growth has developed a list of social enterprises, which includes approximately 300 social enterprises.³

But WISEs are not the only type of social enterprise in Sweden. There are discussions (partly parallel) about the concept of social enterprise as well as other closely related concepts such as social entrepreneurship and social innovation among field practitioners, policy-makers and researchers. Apart from the above-mentioned model, at least three other social enterprise models—or rather, sets of models—have been identified (Gawell 2014b). These models will be elaborated on in the next section.

13.2 Identification of SE models

Even though there are no specific legal structures for social enterprises in Sweden, such initiatives do exist, to the extent that some ventures combine a social mission with running some kind of business activity. As mentioned before, four major models⁴ of social enterprise have been identified in Sweden (Gawell 2014b). The model with the strongest policy framework is that of *work-integration social enterprise* (WISE). The second model is referred to here as the *non-profit social enterprise* model; it is closely connected to discussions in and about the non-profit sector. The third model, namely that of *social-purpose business*, is influenced by the so-called business-school approach to social entrepreneurship. Furthermore, there is a fourth model that is highlighted in this chapter; it relates to discussions on *societal entrepreneurship*, which is sometimes used as synonymous with social entrepreneurship, but with a slightly different application (see below).

Figure 13.1 Different models of social entrepreneurship and social enterprise. Source: Based on Gawell (2014b).

Figure 13.1 illustrates the different models of social enterprise that emerge through entrepreneurial processes with different types of characteristics. The choices from which these models result, are sometimes well-thought-out, but in other cases, they rather seem to be based on former experiences, skills or what comes in handy (for further discussions, see Gawell 2014b). The illustration draws on practice, but has been further developed, based on analysis of a large number of social enterprises. The first three models referred to above can be found in the lower part of the figure: symbols in the different areas represent different models of social enterprise, which are further described in the sections below.

13.2.1 Work-Integration Social Enterprises (WISEs)

In the WISE model, Nordic traditional well-known aspects (such as a participatory approach) are combined with (southern) European traditions to organise social services. In the beginning (in this case, the mid-1990s), general social aims, such as empowerment for personal well-being, were highlighted in discussions on WISEs, and work was presented as a tool to reach those social aims. Many of these social enterprises stated that they wanted to work with “the ones that needed it most” (Gawell 2011, 2013). Gradually, a strong focus on long-time unemployed people emerged, partly due to a policy interest to use this SE model as labour-market tools for

on-the-job training and as a way to offer adjusted work opportunities to people with employment problems. Many of these social enterprises still express a broader social aim when interviewed, but they rather stress the “work line” when they position themselves towards public actors (Gawell 2013).

As far as their income mix is concerned, most WISEs combine revenue from the sale of work-rehabilitation services to local or national authorities, public subsidies compensating for individuals’ reduced working capacity (connected to individuals and channelled through employers, be they non-profit or for-profit organisations and private or public employers), and income from the sale of products or services such as carpentry, art work, cafés or hotel accommodation. There are no specific subsidies for work-integration social enterprises. This means that any type of organisation or enterprise can sell the same services as those offered by WISEs and benefit from public subsidies, compensating for individuals’ reduced working capacity. In practice, however, few for-profit enterprises employ people with great needs for adjustment or support.

Among the long-time unemployed, there are many people with disabilities, mental illness, drug problems, etc. Some WISEs target specific groups such as these, but many of them do not. Generally, WISEs do not want to focus on their beneficiaries’ problems, and instead stress the importance of building on everyone’s abilities and the right to work at “100% of one’s capacity”—even though this is only, in some cases, for a few hours a week.⁵

In line with the ideal-typical indicators of social enterprise such as they have been identified by the EMES network (Defourny and Nyssens 2012), these social enterprises support individuals’ possibilities on the labour market in general but also the possibility for their beneficiaries to become co-owners in the enterprise. There is, however, a great variation in how this is being implemented. In some enterprises, most participants only take part in limited training programmes, while other enterprises have systematic on-the-job training and schemes for co-ownership.

The government has commissioned public agencies for enterprises, labour-market policies and social insurance to collaborate to improve the conditions under which work-integration social enterprises operate. In 2013, there were almost 300 WISEs identified by the Swedish Agency for Economic and Regional Growth. Almost 9,000 people participated in their activities (e.g., training programmes), and 2,500 of these were employed.⁶

13.2.2 Non-Profit Social Enterprises

The interest in non-profit social enterprises has also increased recently; this trend is particularly linked to the increased interest in private social-service providers in welfare-policy areas. Non-profit organisations have

to compete with each other as well as with private for-profit enterprises as public authorities manage competitive bidding or different kinds of client-choice models in health care, child/elderly care, education and psychiatry. These services are still basically publicly funded, but non-profit organisations operating in these fields have to adjust to market-like conditions, and can thus be referred to as non-profit social enterprises. There are also several non-profit organisations promoting themselves as (social) enterprises based on non-profit principles (Gawell 2014b); they are also referred to here as non-profit social enterprises, even though not all of them use this specific term. Among these ventures, there is a great variety of organisational/business models (Wijkström and Lundström 2002; SCB 2014). Without going into details, some highlights will be addressed here.

The first model of non-profit social enterprise of interest to current studies of social enterprise is the so-called “user-based organisation” (*brukarorganisation*), in which, for example, people with disabilities organise both service provision and interest-based advocacy. Typical of these organisations is the fact that, as already discussed in the first part of this chapter, the targeted people (e.g., people who are affected by disabilities, or former drug abusers) represent themselves and have the power to influence decision making. In this sense, these organisations are the opposite of charitable organisations, in which resourceful people articulate other peoples’ needs and control how those needs are addressed. These user-based organisations are primarily structured according to the traditional popular mass movements’ principles, with membership and democratic decision-making structures.

Social-service-delivery organisations constitute a second model of non-profit social enterprise. An example is provided by faith-based organisations, which have, for a long time, provided social services at the periphery of the strong public sector. They are now operating on a competitive market for public contracts in health, social care, education, etc. They compete with other non-profit organisations, other models of social enterprise and for-profit enterprises. Activities funded through public contracts are also, of course, regulated by public authorities. Some of these non-profit social enterprises have governance structures based on democratic principles; others do not. Many non-profit organisations, at least among the largest ones, are registered with the Tax Authority since they have business activities to fund their social activities.

13.2.3 *Social-Purpose Businesses*

There is currently a “trend” among (ordinary) enterprises to relate to the SE discourse in their presentations. Some present themselves as entrepreneurs committed to and engaged in social services, for example, in elderly care or education, and therefore state that they run social enterprises.

Others argue that their economic priorities (including making a profit and distributing it to owners) are just a practical means to reach social aims. Some even argue that profit-making and profit-distribution to owners/investors represent an important drive that benefits social aims. These different models of social enterprise cannot be distinguished from each other in statistics, and cases thus have to be identified through qualitative means.

There is an unknown number of smaller and especially new enterprises using the SE terminology. Some present themselves as social entrepreneurs or social enterprises with a double or a triple bottom line—that is, combining economic, ecologic and/or social aims in their business model. They often present a variety of arguments to support these statements. These arguments are sometimes related to the social outcome of their commercial business, or to the entrepreneurs' intentions. Others relate to alternative business models, which differ from those commonly used in commercial enterprises. Sources allowing to determine exact numbers are not available, but the emergence of people (and especially young people) adopting the Anglo-American business-based approach to social entrepreneurship and social enterprise is undeniable.

As yet, there are no public policies for these models of social enterprise. They operate under the same legal forms and are submitted to the same taxes as other businesses.

13.2.4 Societal Entrepreneurship

In the discussions related to social enterprise, another concept is also discussed in Sweden—that of *societal entrepreneurship* (*samhällsentreprenörskap*). The term was first used in the mid-1980s, when Johannisson (1985) and Alänge (1987) used it with reference to entrepreneurial initiatives focusing on local community development. The authors of these articles then translated *samhällsentreprenörskap* to *community entrepreneurship* in English. The term was not commonly used until the early 2000s; from then on, it started to be used with the basic definition of “innovative initiatives with public benefits” (Holmberg *et al.* 2007; Gawell *et al.* 2009).

Societal entrepreneurship has primarily been used as an umbrella concept including what would be referred to, at the international level, as social entrepreneurship, community entrepreneurship, cross-sectoral initiatives or social enterprises, but also for-profit businesses engaging in public activities, such as cultural entrepreneurs (Gawell *et al.* 2009). Societal entrepreneurship, and specific ventures belonging to this sphere, are often presented as responsible actors, with high-profile aims to contribute to the societal/community development and not only to their own performances. Even though individual entrepreneurs are also elaborated on, this “sub-field” is dominated by collective processes, which

often stretch across sectoral boundaries (Gawell *et al.* 2009; Berglund *et al.* 2013; von Friedrichs *et al.* 2014).

There are no statistical accounts or other systematic investigations of this model of social enterprise either. There are, however, studies including several different cases of societal entrepreneurship (Johannisson 1985; Alänge 1987; Holmberg *et al.* 2007; Gawell *et al.* 2009; Berglund *et al.* 2013; von Friedrichs *et al.* 2014).

13.3 Institutional Trajectories of Social Enterprises in Sweden

As mentioned earlier in this chapter, there are no specific legal forms for or regulations addressing social enterprise in Sweden. People operating social enterprises rely on “ordinary” regulations for different forms of business and/or non-profit associations or foundations. Some, but not all, argue that there is a need for an institutional recognition to facilitate the development of social enterprise in the country.

As a result of this lack of a specific legal form for social enterprises, it is difficult to analyse social enterprises’ institutional trajectories in terms of legal structures; however, the SE models identified in section 13.2 relate to overarching discussions of private actors in a welfare society and the “division of labour” between the state, social enterprises and other types of actors/institutions, and evolutions in this regard constitute interesting elements when it comes to analysing the institutional trajectories of social enterprise in Sweden. Policy decisions leading to competition for public contracts during the last two or three decades, in particular, have had a strong influence on the development of social enterprises and other actors in many—not to say most—social branches.

In this section, we will first discuss current explicit policy measures related to social enterprises. These measures provide a framework for social enterprise. Secondly, the observed shifts in the Swedish welfare mix will be related to the “welfare triangle” that has been developed to understand the interplay between sectors in welfare societies. Finally, this chapter ends with a concluding discussion on the state of discussions about social enterprise in Sweden.

13.3.1 Current Explicit Policy Measures

Relevant policies for *work-integration social enterprises* (WISEs) are primarily labour-market policies and enterprise policies at the national level. These two policy fields are also relevant at the regional or local (municipality) level, but at the regional/local level, the way in which social matters are handled varies. Indeed, at this level, the extent of and routines for procurements/client-choice models differ from one region/municipality to the other; this impacts social enterprises as well as

other actors. At the national level, as mentioned above, public agencies for enterprises, labour-market policies and social security have been commissioned to cooperate, to improve information and possibilities for social enterprises to operate within ordinary regulations. It has to be noted, though, that the collaboration between actors at the regional and local levels is also improving.

WISEs are influenced by the conditions and terms under which compensation aiming to make up for the reduced working capacity of targeted workers (*lönebidrag*) is granted; they are also impacted by rehabilitation assignments and other services that they are expected to provide for public authorities. The level of public funding in these social enterprises, primarily through sales, is high—as in any for-profit or non-profit enterprise/organisation providing social services in Sweden. WISEs are, therefore, dependent on the emerging SE market, whose terms are dictated by public policies and public authorities. And WISEs struggle to survive—especially when they target those that need it most (Gawell 2013). Many WISEs have been granted project support from the European Social Fund (ESF) or the Swedish Heritage Fund (*Arvsfonden*) (Gawell 2013).

Non-profit social enterprises are also affected by the shifts in welfare structure and the introduction of public procurements, but also by policy changes, which at times also mean reductions in the grants that previously funded their activities. Some of the well-established organisations had developed (non-profit) business models that relied on policy structures and on the resources that were channelled through these for many years, and the downsizing—and in some cases even disappearance—of these policy structures undermines their sustainability. Depending on how well these ventures fit or adapt to the evolution of policies, the shift means increased opportunities or increased struggle. For some, this has primarily been a shift in routines rather than in actual resources.

An “Agreement” (*Överenskommelsen*)⁷ was launched in 2008 to support non-profit organisations and other “idea-based” organisations (such as cooperatives with a social aim and asset lock), whether they themselves used the term social enterprise or not, to operate in the new welfare structures. This Agreement, which recognises the organisations’ rights to independence, sustainability, dialogue, transparency, quality and diversity, brings together the Swedish government, approximately 70 organisations and the Association for Local Governments and Regions; it was initially limited to the fields of health and social care and later on (2018) broadened to become a more general “agreement”.

Social-purpose businesses are primarily affected by the general business climate, but also by conditions of procurements, depending on their ventures/services. Examples indicate that these social enterprises are more market dependent than other models of social enterprise, and that they attract private investments through owners as well as philanthropic

donations, but since there are no formal criteria to identify social-purpose businesses, it is difficult—and even close to impossible—to give an account of the effects of current policy measures on this model of social enterprise.

Societal entrepreneurship has been increasingly used as an umbrella concept for a variety of models and can, therefore, be affected by all the above structures and institutions, depending on the specific types of activities that the venture engages in.

In addition, regional development policies, including European Structural Funds policies are important for the development of societal entrepreneurship and social enterprises, since these policy measures also address issues emphasised by the third sector. Social enterprises and similar types of organisations sometimes receive project grants from regional funds, mostly through collaborative partnership with, for example, regional universities and other public authorities.

In national innovation strategy, civil society has been highlighted as a driving force for innovations that can “meet future challenges”, alongside businesses, the public sector and academia (Swedish Government Statement 2012b). Social enterprises and social or societal entrepreneurship were also highlighted in this strategy, although not to the same extent as the concept of civil society. This was a clear change compared to former innovation strategies, which did not pay attention to any third-sector-related concept (Gawell 2014b). However, in the grand historical narrative on popular mass movements in Sweden, the innovative role of these movements was highlighted as they initially provided social services and then participated actively in the construction of welfare structures. The Red Cross, for example, provided school lunches and dental care for children; thus meeting the need for better nutrition and health that characterised the first part of the 20th century. Other organisations, like the Temperance movement, at the same time initiated reading groups, alternative education programmes and what later became libraries. These services then became part of the public agenda and the responsibility for their provision was transferred to the public sector as it developed during the 20th century (Gawell 2014a).

13.3.2 *Social Enterprises in the Welfare Triangle*

The evolution of the Swedish welfare state and the shift of roles can be analysed using the welfare triangle, which elaborates on the position of the third sector in relation to the state, market and community (figure 13.2).

There has been a palpable shift towards more market-like conditions for the increased number of service providers in Sweden during the last three decades, due to policy shifts. Many of these new service providers are private for-profit enterprises, but social enterprises also operate to a

Figure 13.2 The third sector and the welfare mix.
Source: Pestoff (1998).

large extent in the market part of the welfare triangle. Labour-market policies particularly affect the market for work-integration social enterprises (WISEs), while health- and social-care policies affect the market for other non-profit social enterprises to a larger extent. Since health and social services are still publicly funded, shifts in policies entail renewed partnerships between the state and private actors.

There are still non-profit-oriented social enterprises that primarily rely on public grants and are therefore positioned as third-sector organisations close to the state in the welfare triangle; however, there are indicators that the number of such organisations and the extent of this type of funding have been decreasing during the last decade. On the other hand, social enterprises that rely on market-based funding, and are thereby positioned closer to the market-based part of the welfare triangle, are increasingly highlighted in the debate.

Even though there is an overall evolution towards more market-like conditions for the third sector and social enterprises, they remain highly dependent on public authorities; paradoxically, the extent to which public authorities control these organisations (through funding conditions) has even increased, and the possibility to propose and try out new and/or alternative activities has decreased in some areas—in spite of a policy rhetoric that highlights freedom of choice and diversity. The arrows added to the welfare triangle in figure 13.3 illustrate the shifts in policies in the last two decades that affect the current situation of social enterprises.

Figure 13.3 The third sector and the welfare mix: illustration of current paradoxes in Sweden.
Based on Pestoff (1998). Modification: Arrows added by the author to illustrate shifts in the early 2000s.

13.3.3 Social Enterprise in Sweden: Intertextual Consensus and Hidden Paradoxes

The discourse on social enterprise has a very positive connotation in Sweden. Liberal and right-wing-oriented politicians argue that these initiatives stand for free enterprising individuals providing diverse welfare services. Socio-democratic and left-wing politicians argue that social enterprises provide participation-based and co-owned services. There is an altogether common, intertextual vision of social enterprise as being part of a “good development”—even though the phenomenon is ascribed slightly different roles by different actors.⁸

Between 2006 and 2014, Sweden had what—in Swedish terms—is called a right-wing government. This government argued that the policy shift it implemented, which led to an increase in the number of private service providers, also benefited the development of social enterprises. There is, however, a paradox: the same government also prioritised financial restraints and even cutbacks in public spending. This resulted in an economic pressure which, combined with competition among enterprises (including private for-profit enterprises), led to opportunities to act, but also to a financially difficult situation for many enterprises, and especially for those ventures dealing with social problems that demand great resources over time.

There is yet another paradox behind the positive rhetoric on social enterprises. Behind the promotion of client-choice models and choices of service distributors is a funding system that is influenced, to a large extent,

by so-called new public management (NPM), which controls in detail what should be done and how this should be accounted for. NPM has influenced the organisation of the public sector for approximately three decades (Jacobsson *et al.* 2015), and it has spread to social enterprises and other types of private actors through the different types of reimbursement systems during the last decade or two, depending on the branch of activity.

Conclusion

Behind the expressed positive intertextual consensus and hidden paradoxes are many initiatives, in a society with relatively good living conditions and a traditionally high level of commitment to social values. Still, not everyone shares a sense of well-being, and many social enterprises struggle to mobilise resources in their search to find solutions to what they perceive to be necessary to act upon. Many involved in social enterprises and the third sector at large raise concerns over increased inequalities and increased challenges in society, due for example, to stricter insurance coverage and migration linked to conflicts and poverty—in Sweden and globally. These concerns are combined with a struggle to mobilise resources, especially for the everyday work with groups that are in need of intense social care. Due to the transformation of the prior general welfare structures, the burden of mobilising resources is at least partly transferred to third-sector organisations and individuals in the community.

Notes

- 1 See www.emes.net.
- 2 See <http://www.sofisam.se/vad-ar-sociala-foretag/definition.html>; author's translation.
- 3 See <http://www.sofisam.se/hitta-sociala-foretag.html>.
- 4 Due to the lack of formal regulations, there are overlaps between the different major models of initiatives; this is why, in prior work, the different models were referred to as “versions” rather than as “categories” or “models”. However, the term “model” is used in this chapter for reasons of coherency across chapters.
- 5 See www.sofisam.se.
- 6 See www.sofisam.se.
- 7 See www.overenskommelsen.se.
- 8 Intertextual refers here to the fact that the vision of the concept is based on various policies, which shape and influence each other. See also the discussion in Gawell Pierre and von Friedrichs (2014) on societal entrepreneurship in local and regional development discussions.

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