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# Soci(et)al Entrepreneurship and Different Forms of Social Enterprise

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## Abstract

For many years there has been discussion about the definitions and issues at stake in entrepreneurship research. Adding a social or societal element does little to clarify matters, even in the emerging field of social or societal entrepreneurship and social enterprises. In this chapter, the use of these conceptualizations in theory as well as practice, is elaborated on primarily in a Swedish setting; however, as we will see, similar expressions are just as relevant in other countries. The aim here is to chart this emerging field with an eye to the critical discussions of tensions and priorities.

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## 2.1 Introduction

For many years there has been an active discussion about definitions, issues, and developments in the field of entrepreneurship research (Sexton and Smilor 1986; Sexton and Landström 2000; Bird Schoonhoven and Romanelli 2001; Carter and Jones-Evans 2000; Gartner 2001; Steyart and Hjorth 2003). It has been debated

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whether it should be structured in similar ways to other academic fields, or whether the theory rather ought to be developed through communities of scholars elaborating on specific sets of problems and issues. Gartner (2001) 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, it has been argued that 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 entrepreneurs’ to connect and relate to (Steyart and Hjorth 2003, p. 4).

In the past decade, we have seen a number of initiatives, both in practical terms and on the academic plane, to promote, understand, and analyse ‘social entrepreneurship’ (Dees 1998; Palmås 2003; Mair et al. 2006; Nicholls 2006; Perrini 2006), or ‘societal entrepreneurship’ (Johannisson 1990a, b; Gawell et al. 2009). We have also seen a number of similar initiatives with reference to ‘social enterprises’ (Borzaga and Defourny 2001; Borzaga et al. 2008). Even though these initiatives partly refer to different concepts, aspects, or practices, they all deal with social engagement combined with entrepreneurial action. These combined conceptualizations increase the ambiguities. The aim of this chapter is to elaborate on the theoretical implications of emerging practices to further our understanding of social entrepreneurship without evading the critical discussions of tensions, priorities, outcomes, and intentions. The point of departure is the fundamental question of what is social entrepreneurship. Is there a single definition, or are we talking about any number of different versions? The analysis in this chapter is based on emerging social entrepreneurship practices in Sweden—a specific context that the same time is highly influenced by international trends.

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## 2.2 An Emerging Field

As in every field, there are historical roots to social entrepreneurship, different paths and detours. At times they are well-organized highways; at times much more winding; but by starting from the point where social engagement first combined with entrepreneurial action, we can chart the course taken by social entrepreneurship.

### 2.2.1 From an Entrepreneurship Nursery

In recent decades, the field of entrepreneurship has grown rapidly and become established both in practice and policy across the world, even though its development differs slightly from place to place. A consolidating phase in the 1980s and the 1990s constructed a relatively common frame of reference for the field (Kent et al. 1982; Sexton and Smilor 1986; Sexton and Kasarda 1992; Sexton and Landström 2000; Carter and Jones-Evans 2000; Bird Schoonhoven and Romanelli 2001). Discussions have included topics such as the recognition and exploitation of opportunities, business start-ups, funding, innovation, entrepreneurship in specific

branches or among specific groups, and entrepreneurship's role for job creation and growth, to mention just some of the most common ones. Discussions were almost exclusively embedded in a business setting, with a primary focus on new and small businesses, and framed by economic theory.

Gartner (2001) has discussed the development of the field by recognizing the retentive factor in focused definitions of entrepreneurship. However, he suggests that there was a different approach to theory, saying that it was developed through communities of scholars elaborating on specific sets of problems and issues. Further, he argues that the various topics in the field of entrepreneurship do not constitute a congruous whole, but contribute to the development of the theory of 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 entrepreneurships' to relate to, as suggested by Steyaert and Hjorth (2003, p. 4).

In one way, as the field has developed, specific—diverse—topics have emerged and been further elaborated on. The worldwide interest in social entrepreneurship and social enterprises can be seen as just such an emerging topic, and this chapter can therefore be seen as contributing to the development of one of those 'entrepreneurships', or as some of those 'entrepreneurships' and their relationships.

## 2.2.2 Entrepreneurship in all Spheres in Society

It was Joseph Schumpeter who argued that entrepreneurship relates to 'all social phenomena' (Schumpeter 1934; Swedberg 2000; 2006), even though it was not acknowledged in the field for many years (Hjorth 2001; Steyart 2005). In the past decade, the field of entrepreneurship has not only expanded, but also now addresses issues related to other sectors and other forms of development more often. This begs the question of what it is about entrepreneurship that relates to other sectors?

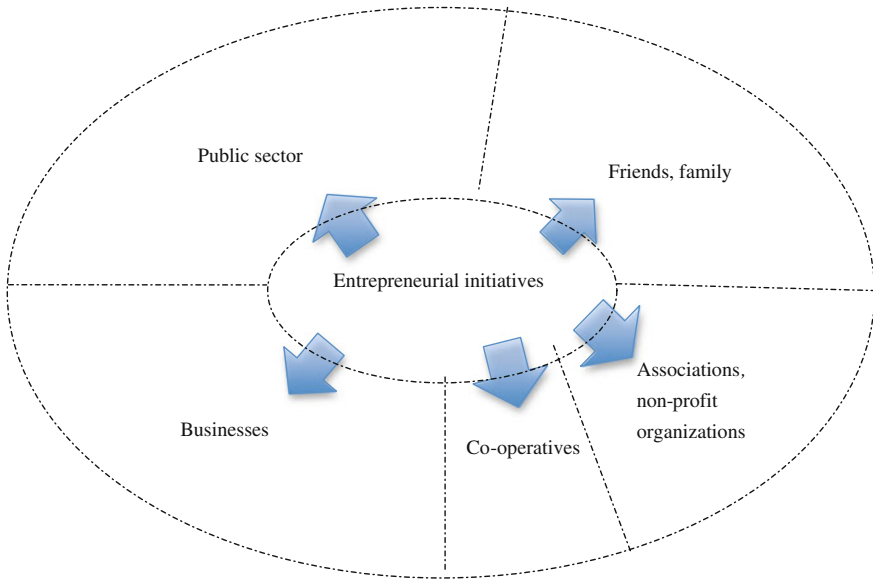
As things stand, the picture is rather fragmented. Entrepreneurship as the creation of new organizations has been related to the non-profit sector (Hisrich et al. 1997), in other words, ascribed other characteristics or even 'logics' than the business sector (Lundström and Wijkström 1997). The non-profit sector is generally not as well represented in statistics or other institutional structures as the commercial or public sectors, even though systematic knowledge has emerged since the 1990s. Among other initiatives, an international classification of non-profit organizations (ICNPO) was developed for the John Hopkins Study on the non-profit sector (Salamon and Anheier 1996; 1997). This and subsequent work has been adopted by the UN in its handbook on non-profit institutions in the system of national accounts and implemented in several countries. Even though a non-profit focus on established formal organizations is characterized by not-for-profit distribution, it is an alternative framework for entrepreneurship related to another context than the business sector.

The demarcations between these two sectors are at times difficult. Many NPOs have sections that specialize in fundraising. Their sector classification then depends on their legal structures and how specific criteria are set as well as implemented. Other organizations run businesses, but with limited profit distribution. There are several such examples within the cooperative movement. Cooperative organizations many times combine business logic with cooperative principles such as voluntary and open membership, democratic governance, membership financial participation, autonomy, education and training, cooperation among cooperatives, and a concern for the community (ICA 2008). In some countries there are specific legal forms for cooperatives, but more generally they are related through the movement's guiding principles. It is therefore difficult to define the cooperative sector in terms of enterprise or social entrepreneurship. They are, however, organizations that in different ways relate to specific characteristics, and, as we will see, they have featured in the emerging field of social entrepreneurship from the start.

In all this, it must be acknowledged that the division of society into sectors in this way is not a given conceptualization. A number of other concepts such as the third sector, social economy, or civil society are also common both in the general discussion and in research. These conceptualizations overlap, but also have differences in definitions, both in meanings as well as connotations. The third sector is used in relation to the public and the for-profit sectors (Evers and Laville 2004). The social economy has been an official term in the EU since 1989, and is primarily a policy related its conceptualization, with reference to cooperatives, mutual societies, associations, and nowadays also to social enterprises. Civil society includes formal organizations as well as networks, informal organizations, and social movements (Ehrenberg 1999), and has gained increased attention in the past decade in research, policy, and practice (Salamon and Sokolowski 2004; Amnå 2005; Heinrich 2005). All give not only general, but also specific contextualizations for societal discussions.

Apart from these various private sectors, there is the public sector that in democracies is governed by elected politicians and primarily funded by tax revenues. The role and size of this sector differs from country to country, not least when it comes to welfare services. Entrepreneurship has been related to the public sector in different ways. Portraits of these entrepreneurs reveal a variety of drives, practices and approaches (Sundin 2004). Entrepreneurship is also related to different dynamic aspects of the public sector (Lundström and Sundin 2008). In this way, new activities or new ways of organizing the public sector as a public sector are also seen as being entrepreneurial in approach.

One sphere remains that is not included in any of these sectors, commonly referred to as the private sphere or household sector. This is where individuals, families, and friends act without any other type of organized structure. Here too it is possible to conceptualize a broad understanding of entrepreneurship as ways to change practices, yet this is not something commonly elaborated on in the literature.



**Fig. 2.1** Entrepreneurship related to different sectors and spheres in society

The different sectors provide cognitive frameworks, practices, and legal structures for entrepreneurial initiatives. These settings have to be coped with, and it is part of the entrepreneurial process to conceptualize, plan, and implement the cognitive aspects (Saravathy 2001) and practical issues such as legal restrictions and so on. The organizational form, legal structure, and/or sector characteristic is not predetermined by the entrepreneurial initiative. For this reasons, entrepreneurial initiatives are best thought of as the element that impinges on all others (see Fig. 2.1): the process develops out from the centre, and, if carried through, develops into an organization that is largely adjusted to the regulations and norms of the established structures. Since the demarcation lines between the different sectors are debatable, the lines in the figure are also broken. There are also possibilities, in spite of institutional pressure, for entrepreneurs to combine logics from the different sectors.

### 2.2.3 Social and Societal Entrepreneurship

Social entrepreneurship has become a concept of increased interest (Leadbeater 1997; Dees 1998; Mair et al. 2006; Nicholls 2006; Perrini 2006; Nicholls 2010), as has societal entrepreneurship at times (Gawell et al. 2009). Assumptions, theoretical, and conceptual approaches as well as different methodological and empirical grounds differ, and it remains a fragmented field.

Basically, social entrepreneurship is about social engagement and entrepreneurial action. Even where entrepreneurship can be conceptualized in all social spheres, as seen above, the development of the field has been highly influenced by resourceful key actors and their views on social entrepreneurship (Nicholls 2010). These actors have promoted a discourse with a hero entrepreneur narrative logic, a business model ideal, and, to a certain extent, community models for social change that have also influenced scholars internationally, partly because of the pre-paradigmatic state of the field (Nicholls 2010). The latter aspect is partly diverted into grass-root approaches and community development, partly into a reform approach where private entrepreneurs replace the public provision of common goods (Nicholls 2010).

There are also other, broader approaches to social entrepreneurship that focus on different aspects of the dynamic process of entrepreneurship, aiming to create social value and/or social change. True, the literature is growing, particularly in periodicals, but there is not yet any agreement on definitions or approaches, and, as will be discussed later, not even a consensus on what concepts to use. Internationally, ‘social entrepreneurship’ or ‘social enterprises’ (see 2.2.4) are used most of the time. But the closely related concept ‘societal entrepreneurship’ is also used—at least in some parts of the world (Gawell et al. 2009). The concept will be elaborated on later in this chapter; here it will suffice to say that societal entrepreneurship largely overlaps in meaning and use with social entrepreneurship, and at times is even used synonymously. However, in some contexts, the way in which society is organized and linguistic overtones give it a slightly different meaning. Apart from including social entrepreneurship, societal entrepreneurship has also been used to refer to local development ‘for the village’ or ‘for the region’ (Johannisson 1990a, b). This version of societal entrepreneurship was at the time translated to community entrepreneurship internationally. It related to the public good primarily in the sense of local small business and economic development. Other cases related to societal entrepreneurship, and not necessarily to social entrepreneurship, are cultural and/or artistic businesses as well as environmental businesses that combine economic aims with artistic or ecological aims. Even if these and many other sorts of venture can be ascribed a social impact and in a broad and general understanding are ‘social’, they have rather been associated with the concept societal entrepreneurship.

### 2.2.4 Social Enterprises

Yet another concept that runs partly parallel and partly integrated with question of social entrepreneurship is the concept ‘social enterprises’. Based primarily on a European tradition, influenced by cooperative ventures with social aims, a field of research has mapped out and analysed these expressions of social entrepreneurship (Borzaga and Defourny 2001; Borzaga et al. 2008; EMES 2013). Defourny (2001) suggests that a social enterprise continuously produces or sells goods and services,

and has a significant level of economic risk, and a minimum amount of paid work. It has an explicit aim of benefiting the community, and 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, but on the principle of shared ownership and one member, one vote (Defourny 2001). As can be seen, this definition differs from the definition of cooperatives, not least in the issue of its democratic, open membership structure. Still, it includes a collective foundation, which is at times, but not always, the case for social enterprises (Nyssens 2006).

There are different definitions and references to social entrepreneurship, but the term social enterprise is distinguished this approach by its focus on individuals and the frequently assumed business ideals that social entrepreneurship has been connected to. The approach is not, according to Laville and Nyssens (2001), to be seen as a conceptual break with the institutions of the social economy, but rather as a supplementary dimension, broadening possible organizational forms in the socio-economic field. And just as indicated above, this and other rather complex conceptualizations mean differences in implementation for example in different countries. In a comparative study of the emergence of social enterprises in Europe, it is shown that the meaning, status, policies, and practices of social enterprises vary considerably between countries (Borzaga and Defourny 2001). In some countries—for example, Belgium, Finland, France, Italy, Poland, Spain, and the UK—they have taken specific legal forms, while in other countries—Sweden, for instance—these ventures have to rely on other, more general regulations.

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## 2.3 Methodology

This chapter is based on empirical research conducted in a Swedish context in the past ten years with a focus on ‘activist entrepreneurship’ (Gawell 2006), ‘social engagement and entrepreneurial action’ (Gawell 2008), ‘societal entrepreneurship’ (Gawell et al. 2009), ‘entrepreneurship and enterprises in employment integration’ (Gawell 2011), and ‘policy development in the field of social entrepreneurship and social enterprises’. These studies contain analysis of basic information of more than 150 ventures and policy processes. The sample includes both for-profit, non-profit, and public-sector initiatives. The sample is not representatively drawn, but consists to a large extent, although not exclusively, on initiatives funded by the European Social Fund. Ten cases have been studied in depth, all predominantly related to the social economy or civil society. They are included in the analysis but not presented as individual cases in this chapter for the sake of a broader-based analysis. The case-studies that this chapter draws on have all been guided by slightly different specific research questions, but they all contribute to the more general discussion about the emerging field of social entrepreneurship and social enterprises.

In this particular analysis, documents produced first and foremost by the different initiatives have been analysed. Furthermore, a number of events arranged by these actors, or in which these actors have participated, have been observed. At these events, a large number of conversations have been held with other participants. At the smaller events, participant input has increased as my role as a researcher was more conspicuous. Furthermore, between five and fifteen longer, semi-structured interviews have been conducted in each in-depth study. In these interviews there has been significant space for open responses and comments.

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

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## 2.4 Current Debate in a Swedish Context

There are overlapping, parallel debates relating to social- and societal entrepreneurship and social enterprise in Sweden. One of the areas where there is currently intense discussion is the provision of welfare services. During the twentieth century, an extensive public sector was developed and public welfare services dominated. In the last twenty years, more and more public services have been subject to competition. The extent of that competition, and to a certain extent the model followed, shifts between municipalities and regions. In some areas national decisions overrule local and regional authorities. Public procurement and client choice have been introduced to schools, primary care, psychiatric care, eldercare, and labour policy measures, while all these welfare services remain publicly funded. This means a gradual emergence of markets for private service providers within the current welfare system.

There are some tensions between the traditional principles of the Swedish public sector, such as on the one hand its direction by elected politicians, citizen influence, common responsibility, accessibility, and equality (Ringqvist 1996), and on the other its commercial, entrepreneurial language and practices. Views of entrepreneurship in and around the public sector vary, and the emerging practice is still fragmented (Lundström and Sundin 2008). Discussions on how these principles should be applied and controlled is the subject of much discussion at the moment. The issue of profit in publicly financed welfare services is one such topic. To date, large businesses, at time multinationals, have been successful in winning procurement tenders. In the last couple of years there have also been initiatives aimed at increasing possibilities for smaller actors and at bringing greater diversity to the emerging market, adding to the interest in what can be termed a form of social entrepreneurship even more.



Entrepreneurial initiatives with social aims not only stem from this shift. There is a long tradition dating back to the first popular mass movements in the second half of nineteenth century, in Sweden in the shape of the labour movement, the temperance movement, and the Nonconformist movement. In the twentieth century these movements were transformed into organizations characterized by a broad membership base and democratic governance. They provided social services of sorts as a complement to publicly organized services, combining that with advocacy of better working conditions, restrictive drug policies to limit drug use, and so on. There were also other expressions of social entrepreneurship throughout the century, even though the term only came into use rather recently.

This partly parallel development is a source of frustration for those who wish to have an overview or clear definitions. The different discussions, not clearly demarcated from one another, are expressed by sets of actors with slightly different assumptions, practices, and interests. Discussions are furthermore related both to organizational and policy levels, as well as a more general discourse. In what follows, the parallel but occasionally overlapping tracks will be analysed according to an overview of the current discussions, such as

- social entrepreneurship as business with a social purpose
- social entrepreneurship and social enterprises based on non-profit principles
- social-economy-based entrepreneurship and work-integrating social enterprises
- social entrepreneurship as societal entrepreneurship.

### **2.4.1 Social Entrepreneurship as Business with a Social Purpose**

In the past decade, the interest for corporate social responsibility (CSR) and social entrepreneurship among businesses and different types of business organizations has been noticeable. Large enterprises in Sweden, as in many other countries, make much of their work to eliminate, for example, child labour in their production chains. References to the UN Global Compact are relatively common. Some have also developed different types of environmental and/or social project that go beyond their specific production or marketing requirements. Some also make it known that they give some of their profits to different charitable causes. The principal arguments highlighted by such businesses are that it behoves them to take responsibility for decent corporate behaviour. Some, however, do push the arguments further, and say that social aims are as important or even more important than the economic trade-off—at least as long as economic outcomes are ‘sound’. The actual details are generally vague. The CSR approach is at times criticized for being used to camouflage rising profits or to ‘clean up’ negative environmental or social outcomes.

Another ‘trend’ is for enterprises to invoke, and partly implement, a social entrepreneurship discourse in their presentations. Of enterprises such as social-service providers in the education sector or welfare services, for example eldercare, some set out to present themselves as entrepreneurs committed to social service and

therefore social entrepreneurs. Among those who represent these ventures or promote this development, there is also a debate on socio-economic priorities and profits related to aims and practices. Some argue that the economic priorities should include making a profit, and that the distribution of profits to owners is just a practical means to a socially beneficial end; however, according to others, profits, and the distribution of profits to owners and investors, are an important incentive, and as important an aim for social entrepreneurship ventures. There is no agreement, and there are no specific regulations or public benefits related to this discussion.

Smaller enterprises too have adopted the terminology, and at times a slight change of model, if not the shift in focus in its entirety. There are a great variety of expressions; so many that at this stage it is not possible to even estimate their number and extent. Some enterprises present themselves as social entrepreneurs with double or triple bottom lines—combining economic, ecological, and/or social aims in their business model—and a variety of arguments are presented to support these statements, at times related to social outcome but still with a basic business model, or with an adjusted business model, at times referring to their entrepreneurial intentions.

In the past few years, attention has also been directed at the occasional business leader who later in his or her career changes tack to work as a social entrepreneurs or to promote social entrepreneurship as an investor, fundraiser, or advisor. The former managing director of ABB, Percy Barnevik, is one such example. Of course, it is not new to find leading figures in industry engaging in social issues. In a Swedish context, philanthropy had a low, almost hidden, profile during the twentieth century, when it was the public welfare system that dominated; still, even then, many prominent people served on the boards of established NPOs or in other capacities, even if they did not choose to be identified as philanthropists or social entrepreneurs. Some voices have welcomed the fact that individual efforts will now be acknowledged more openly. Others are not entirely comfortable with charities' images being associated with such a patronizing role—critical voices that reflect the long tradition of equality and less hierarchical relations between people that has characterized the development of the Swedish welfare model.

These tensions are not as evident among younger people. Instead, it is more common to see examples where young people argue that it is a win-win situation if one were to combine business with environmental and social objectives. They do not hesitate to adopt the Anglo-American approach to social entrepreneurship as primarily based in business logics and in models with environmental and social ends. These individuals and other actors active in this field argue that the benefits are innovation, efficiency, and a win-win situation for individuals as well as society. There is however a lack of data to clarify relations between social entrepreneurship, or here social purpose businesses, and economic aspects as well as systematic analyses of the impact on individuals or society.

In Sweden, there are as yet no general public policies or incentives for these types of social enterprise. They are bound by the same legal structures and taxes as other businesses, or if they choose to become an NPO, there are specific regulations there too. Some voices in the debate have spoken of an interest in specific

legal forms. While this idea has not yet been taken up by politicians, it has been adopted in the international development aid policies of the Swedish International Development Cooperation Agency (Sida), which has launched a ‘Business for development’ programme that includes partnership with businesses as well as social entrepreneurship, which in this context is described as businesses that reinvest their profits in community development.

#### **2.4.2 Social Entrepreneurship and Social Enterprises Based on Non-profit Principles**

Within the Swedish non-profit sector, the interest in entrepreneurship and the enterprise discourse have also attracted greater attention. However, there is some question over how to apply the concepts in practice without compromising values such as the democratic governance structures that are deeply rooted in many NPOs. The popular mass-movement model that has ‘marinated’ the Swedish view of what an NPO is (Lars-Erik Olsson quoted in Hvenmark and Wijkström 2004) differs from the internationally more usual charitable organizations or NPOs with a more commercial executive structure (Wijkström and Zimmer 2011). But there have always been other types of organization in the Swedish non-profit landscape such as foundations, charities governed by small groups of people, or philanthropic initiatives.

The increase of private service providers in welfare services has renewed the interest in Sweden’s NPOs’ role in providing social services, and NPOs themselves have seen a gradual adjustment to public procurement and public enterprise policies in the social field, not to mention enterprise-influenced language in general. The phrase *‘företagande på ideell grund’* (‘entrepreneurship on a non-profit basis’) has been used among organizations and in policy discussions. This version of social enterprise is based on the NPOs’ traditional activities combined with a form of economic management intended to finance their activities as efficiently as possible. Some NPOs have been quick to join this development, while others hesitate for fear of increased commercialization and a weakened advocacy role, even though the combination of service and advocacy has been broadly acknowledged by government (Regeringen 2009) and a compact on social matters between the government, idea-based organizations, and the association for the local authorities and regions (Regeringen 2008).

In Sweden’s historical grand narrative on the popular mass movements, much is made of their innovative and entrepreneurial role. Initially they provided school lunches and dental care for children at a time when there was a crying need for better nourishment and health. Other organizations initiated reading groups and what later became public libraries. These services were then handed on to the public sector as it developed during the twentieth century. Nowadays, established organizations seem to be—cautiously—interested in entrepreneurship and innovations in this field, their concern being that they might risk deviating in focus away from development in existing organizational structures; newer organizations, however,

tend to adopt the conceptualization of entrepreneurship, but many times with the reservation that they do not intend to adopt a business logic in general. Among the new initiatives are those that set up social services, those that primarily engage in advocacy, and those that combine the two roles. It is difficult even to estimate the extent of these new initiatives, because statistics in this field is in an early phase of development, and also because there are no legal obligations to register unless the initiative employs people, has a financial turnover of interest to the tax authorities, or engages in activities for which specific permission is required.

Policymakers have also started to address entrepreneurship issues related to NPOs, even though there is a tendency for public grants to be designed so that only established NPOs that have already been operating for at least two years can apply (SOU 2007, p. 66). But even if entrepreneurship in civil society, together with the social economy and work-integrating social enterprises, is addressed in a governmental Bill (Regeringen 2009), there are only fragmentary references to this type of social entrepreneurship, for example in initiatives related entrepreneurship in the emerging private care sector or in initiatives on work-integrating social enterprises.

### **2.4.3 Social-Economy-Based Entrepreneurship and Work-Integrating Social Enterprises**

There is a third line of discussions about social entrepreneurship and social enterprises, linked to actors identifying themselves and advocating the use of conceptualizations such as social economy and work-integrating social enterprises (WISEs). They rely on and promote the cooperative values, discussed earlier, that to a large extent overlap with the approach of the popular mass movements. There are, however, some differences. In this type of social entrepreneurship, a combination of economic and social aims are to the fore, and most of its proponents are generally more comfortable with business language, especially the social enterprise terminology of WISEs and what in English would be termed community-based entrepreneurship.

The existence of a large public welfare sector has meant that this field is not as developed in Sweden as in countries where social economic actors play a large role in the welfare system (Pestoff 1998; Stryjan 2001). These organizations are frequently quite small, and in that way share the difficulties of many other small businesses in responding to large public procurement tenders, financial constraints due to their size and so on. They also find themselves with an 'alternative' status in relation to publicly organized social services above all, but also to the growing number of private for-profit service providers and the policy-support system focused on trade, industry, entrepreneurship, innovation, and growth.

The WISEs differ in what they do and how they organize. Commonly, the emphasis is on the long-term unemployed and empowerment through enterprise-based work, offering training, employment, and later on part-ownership. The latter

is more or less realized in these enterprises. Most of the WISEs offer work rehabilitation services to the local or national authorities, with public subsidies compensating for individuals' reduced working capacity (connected to individuals and channelled through employers, no matter if it is an NPO or for-profit organization, or a private or public employer), and derive income from sales of products or services such as carpentry and artworks or cafés and hotel accommodation. There are no specific subsidies for WISEs.

The government has commissioned national agencies working with enterprise, the labour market, and social insurance to collaborate to improve the conditions for WISEs. These types of venture are also to a certain extent addressed in regional policies. The European Social Fund, which has a decentralized decision structure, for example, has funded the development of several WISEs with a focus on the long-term unemployed.

#### **2.4.4 Social Entrepreneurship as Societal Entrepreneurship**

The fourth line is related to *societal* entrepreneurship. The term was first used in Sweden in the mid-1980s when Johannisson (1985) and Alänge (1987) used it with reference to entrepreneurship with local community development in mind, translated into English as community entrepreneurship. Since then the term has been rarely used until in 2006 the Knowledge Foundation (KK-stiftelsen), a Swedish research financier, initiated a facility study focusing on societal entrepreneurs, having noted that 'something special' happened in the different projects they supported. They called for research on entrepreneurship that was not limited to any specific sector, venture, or purpose, and the resultant facility study related societal entrepreneurship to the international literature on social entrepreneurship in general, civic entrepreneurship, and business entrepreneurship, and suggested the definition of societal entrepreneurship as 'innovative initiatives with public benefits' (Holmberg et al. 2007).

In the anthology, several different examples of societal entrepreneurship, both individual businesses and civic initiatives, are highlighted as cross-sectoral collaborations in regional settings, and as creative irritations in society (Gawell et al. 2009), all with the common aim of promoting societal development combined in some form with economic aims. Societal entrepreneurship in this way is used as an umbrella term for what internationally would be referred to as social entrepreneurship, community entrepreneurship, cross-sectoral initiatives, and social enterprises, as well as businesses, especially new and small for-profit ventures that have an eye to their social contribution as well as their profits. Some of these would most likely also be viewed as social entrepreneurship ventures, while others would basically be viewed as businesses with more general 'societal' aims. Some actors that are strongly bound to the economic growth discourse tend to favour the concept societal entrepreneurship, but there is currently a relatively open debate about how this term is to be defined or related to in policy.

## 2.5 Concluding Discussion

The current Swedish discussion about social entrepreneurship, and the closely related concepts of societal entrepreneurship and social enterprise, is still fragmented. Some actors—entrepreneurs and those who wish to promote social entrepreneurship in some way—are proactive. In a way, one could say that everyone loves social entrepreneurship or social enterprises—the media, politicians, civil servants, and spokespersons for different private initiatives. But when it comes to actual decision-making, many are more cautious. They may say it is a good thing, but they rarely know what to do about it. Some call for an increased understanding and better-developed tools to relate to different initiatives. Some, however, are reluctant towards social entrepreneurship, because they look askance at its association with commercialization and the current shift in welfare models that accompanied social entrepreneurship's emergence.

Partly, the fragmentary nature of the emerging practice makes it difficult to grasp. The terminology is often found confusing and even misleading, since there are several differences in how it is applied, while the different frames of reference stretch from commercial to non-profit models. At times, the result is a conscious positioning on the part of organizations, but many times references are made to presumptions of efficiency and effectiveness, no matter if it is a commercial or a non-profit model, and not to problematized explanations and solid data. The arguments favouring business-based models highlight self-sufficiency over grant dependency, even though these initiatives tend to be dependent on publicly funded purchases and/or privately funded investments; the arguments favouring non-profit models highlight issues of legitimacy towards public funders, private donors, and the beneficiaries of the organizations' activities. References is made to hybridity, or to a holistic approach that does not fit with established, divided structures such as the social/economical, profit/non-profit, self-interest/solidarity dichotomies. This discussion is also related to a similar confusion about the meaning of terms such as popular mass movements, social economy, non-profit sector, and civil society, and more specifically to how these conceptualizations and practices relate to businesses, enterprise policies, and growth—to economic development, in other words, or just development in a wider sense.

The different versions described in this chapter arise in part from the different frames of references, different values and cognitive understandings, especially to how things are to be attended to and even solved. Apart from cognitive aspects applied in practice, the debate poses crucial tacit questions that challenge the legitimacy and normative aspects of relations between humans, of relations between individuals, organizations, and society in general, and, more specifically, of welfare design. At this stage, these underlying questions are hardly debated in the Swedish discussion on social entrepreneurship or social enterprises, possibly because of the confusion over definitions, but equally because of the attractions of the emerging field. Several people have expressed a wish to discuss these issues

more, but have hesitated to do so in order not to be ascribed a questioning role towards social entrepreneurship as such.

Some of the underlying issues brought up in the interviews on which this analysis is based are the relation between social purposes and commercial models; the relation between intended (social) purposes and outcomes in practice and what other aspects also influence this relation; the role of the target group for the services or change; and the impact the emergence of social entrepreneurship and social enterprises will have on the welfare system. The ones who argue for the need for critical reflection on the consequences frequently refer to client representation and client self-organization, as is almost traditional among NPOs run by and working with people with different types of impairments, disabilities, special diseases, or other types of social concern. It is furthermore related, not only users' say as customer, but the right to set one's own agenda and to represent oneself. These underlying questions are not really addressed in public debate, in which opportunities and ascribed potential are presented without much of a discussion about representation or power structures in social entrepreneurship.

These questions are fundamental in any type of welfare society, however. The Swedish contextualization is just one example of a specific social contract that comprises the paradox of collectivism and individualism (Esmer et al. 2009) in which collective social structures have facilitated individualism. The development and organization of the welfare state is one example (Berggren and Trägårdh 2006). This paradox has long been present, it is now argued (Trägårdh 2007). On the one hand, in discussions the social entrepreneurship and social enterprises are ascribed the role of alert organizers in a Kirznerian way, yet on the other hand they are ascribed innovative and challenging roles even beyond the perceived equilibrium in a Schumpeterian way. The discussions described in this chapter represent primarily initiatives that fit into the existing frames, even though there are smaller changes, and there is some debate about what models are most efficient. There have been very few comparative evaluations thus far, however. The debate about profit challenges earlier dominated the approach to welfare services, and is debated still, with opinions differing among practitioners as well as politicians. Yet entrepreneurship is also related to more radical forms, also intended to broadly change established norms (Gawell 2006).

Referring back to Fig. 2.1, in which the entrepreneurial initiative is surrounded by the different sectors, it is now possible to see that policymakers emphasize entrepreneurship as a part of the subjecting of public welfare services to competition. Procurements are claimed to be neutral for actors with different organizational forms, but in practice different procurements, and indeed client choice models, have proven to influence outcome. Some of the actors in this field represent themselves as social entrepreneurs; others just as entrepreneurs. The other area emphasized by policymakers is the WISEs and their role in providing labour market services to the long-term unemployed. Many policymakers do also speak highly of social entrepreneurship and social enterprises in more general terms, but without implementing specific initiatives.

Among practitioners there are still obvious adjustments to the more or less institutionalized fields such as businesses, cooperatives, and NPOs, even if there a number of predominately young entrepreneurs who rather present themselves as social or societal entrepreneurs. Whether they present themselves as social or societal entrepreneurs varies, and some use both concepts interchangeably. The terms social or societal entrepreneurship is not yet commonly used as expression for initiatives in the public sector or in the private/house hold sphere.

Entrepreneurship, by definition, calls for an openness and willingness to explore new ideas and new combinations of resources. It therefore challenges the established order. There is a constant stream of bold and controversial initiatives that are not easily fitted into any specific space in society. There are entrepreneurial initiatives that are undesired, and therefore are not only neglected, but also opposed, whether because they challenge the established order, or because they display normatively unwelcome behaviour. There are also initiatives that very seldom are highlighted in entrepreneurial terms, but have significant meanings for social practices. We can here speak about unnoticed, or, if one prefers, silenced, entrepreneurship.

So to conclude, the current state reached by the emerging social entrepreneurship field challenges researchers as much as practitioners and politicians to problematize arguments and to deepen our knowledge about crucial relations, causes and effects, and efficiency and effects, as well as accessibility, influence, and the target groups' right to self-determination. We have to live with different versions of social entrepreneurship and social enterprises. The issues as stake—social development and the organization of society—are too complex to fit into definitions that are not thoroughly problematized and related to well-founded theory and practice. Discussions and analyses, however, can contribute to furthering our understanding and use of the different versions of social and societal entrepreneurship as well as social enterprises.

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