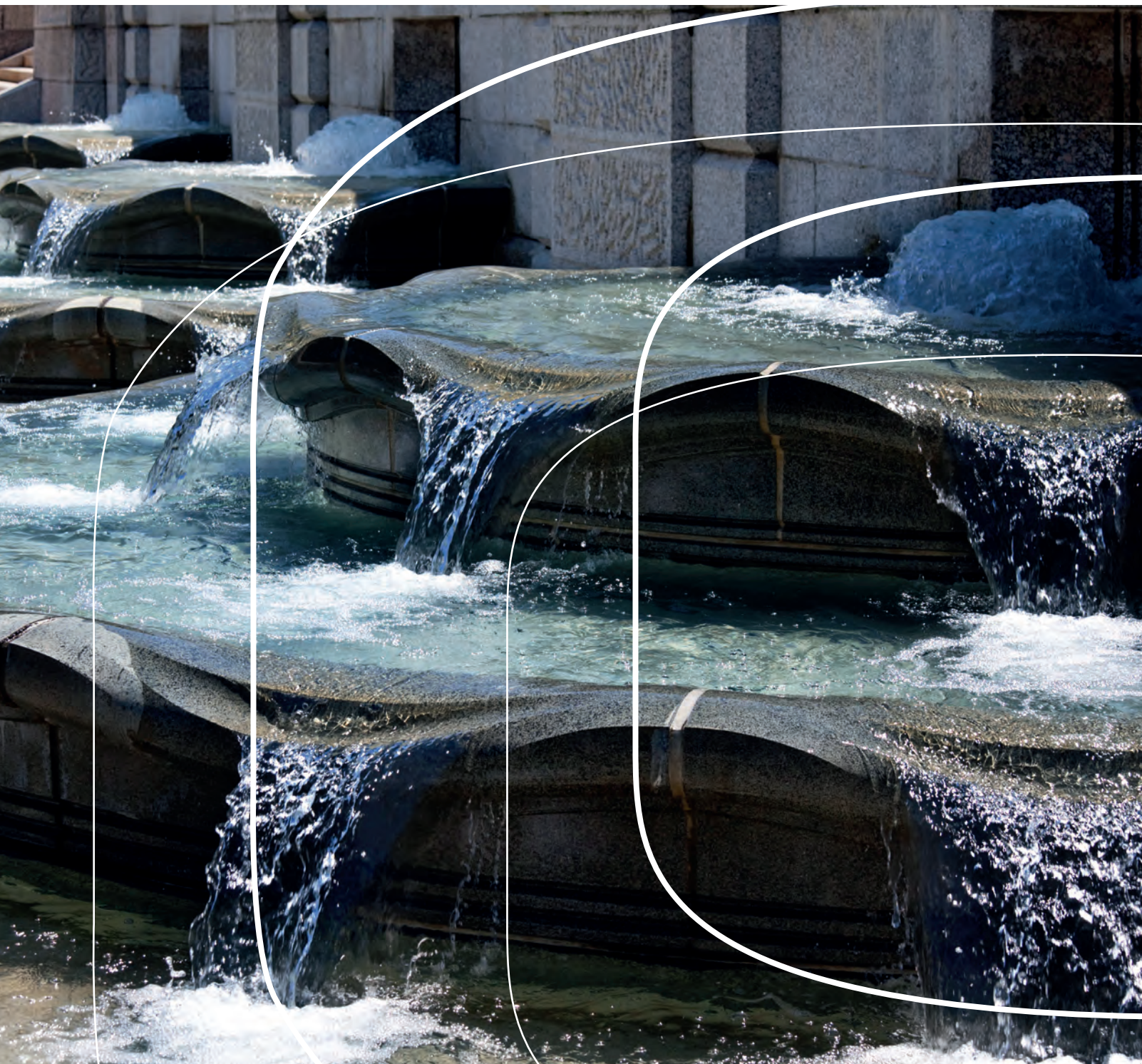


Social entrepreneurship and social innovation

Initiatives to promote social entrepreneurship and social innovation in the Nordic countries





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and social innovation in the Nordic countries

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Summary

This report presents the results from a survey of initiatives to support social entrepreneurship and social innovation in the Nordic Region.

The survey addresses the challenges faced by the Nordic countries with regard to maintaining and further developing social welfare. The Nordic Council of Ministers (NMR) has put these challenges on the agenda on a number of occasions. In autumn 2012 the Norwegian Presidency organised a Nordic seminar on social entrepreneurship. One experience from this seminar was that there are different types of initiative and support for promoting social entrepreneurship in the Nordic countries, so there should also be a potential for mutual learning.

Against this background, NMR decided in summer 2013 to appoint a working group to survey initiatives to support social entrepreneurship and social innovation. All five Nordic countries and the self-governing areas, were invited to take part. Responsibility for the project was assigned to the Norwegian Ministry of Labour and Social Affairs.

Two members from each country were appointed in autumn 2013. The members have a background in administration, research and education. The self-governing areas opted not to take part.

The main purpose of the survey was to increase knowledge of initiatives to support social entrepreneurship and social innovation in the Nordic Region in the work to include disadvantaged groups in employment and society.

The working group's mandate was twofold: In the first phase, the working group was to define terminology and the subject matter for its work, including identifying what part of Nordic cooperation could add value to the work already being done in the Nordic countries and the EU. In the second phase, initiatives to support social entrepreneurship and social innovation in the Nordic countries would be surveyed.

This report presents the results from the work that was carried out. It is made up of three parts.

Part 1 presents the background, purpose and principal contents of the report. Chapter 1 presents the background and main aims of the survey together with the working group's understanding of its mandate and the terms social entrepreneurship and social innovation, while in

chapter 2 the working group makes recommendations for further follow-up.

Part 2 puts the survey in a broader context. Chapter 3, which the working group commissioned Professor Linda Lundgaard Andersen and Professor Lars Hulgård of Roskilde University to write, deals with the terms social entrepreneurship and social innovation. The authors first look at how these terms have been defined in the literature and then present some Nordic perspectives. Chapter 4 provides an overview of the challenges involved in including disadvantaged groups in employment and society in the Nordic Region.

Part 3 presents the results from the survey, with the results from the Nordic material as a whole being presented in chapter 5 and the results for each country in chapters 6–10.

Social entrepreneurship, social enterprises and social innovation

In the working group's mandate, social entrepreneurship is understood as a type of enterprise with the following three characteristics:

- It is targeted at a social objective where there is an unmet welfare need.
- It contributes innovative solutions to these challenges.
- It is driven by the social results, but also by a business model that can make the enterprise viable and sustainable.

We chose to base our work on this understanding and bring in another two characteristics:

- Involvement of the target group for the social entrepreneurial work, the employees and other key stakeholders.
- Cooperation across disciplines and business models.

We have already pointed out that the mandate links social entrepreneurship with business methods. In our assessment, social entrepreneurial processes and work can also be found in established (public) institutions and non-profit organisations. Social enterprises may be characterised by social entrepreneurship, but not necessarily. Social entrepreneurship and social innovation as we know them today are also closely linked, but can also be two totally separate areas. This means that social innovation can be achieved without being preceded by social entrepreneurship. The

terms social entrepreneurship, social enterprises and social innovation are looked at in more detail in chapter 3.

Carrying out the survey

It follows from the mandate that the survey must make a point of bringing out the scope and variety of initiatives, and it must provide a description of the initiatives, not an assessment.

None of the Nordic countries has a register of any sort or other forms of documentation for initiatives to support social entrepreneurship and social innovation. Therefore, respondents were selected by each country's members drawing up lists based on their own knowledge in the field, networks and internet searching. It was also possible for the respondents to suggest other respondents or withdraw if they did not consider their own activities relevant.

A review of the terms used in administration and other practice in the five countries revealed that the extent to which the terms social entrepreneurship and social innovation are known and used varies. The review also revealed that several other terms are used that partly overlap with the understanding in the mandate, but not entirely. We therefore chose an open approach to which initiatives should be included. Thus the survey includes not only initiatives that are targeted directly at social entrepreneurship and social innovation, but also initiatives that may promote them without these terms being used.

The survey was carried out in May and June 2014. We sent a questionnaire out to a total of 193 respondents and received 131 replies, roughly two thirds of the invitees. We have no reliable information on why some invitees chose not to take part. We are nevertheless of the opinion that, overall, the data collected contains good breadth and variety of initiatives. Initiatives in the public, private and third sector, and in all the categories specified in the mandate, were surveyed in all the countries.

The questionnaire contained a combination of structured and open questions. The report not only presents an overview of the types of initiative that exist and their characteristics, but gives examples of how the initiatives work. All the examples used were chosen to illustrate the scope and variety of what a particular type of initiative can mean in practice. An assessment of the various initiatives is beyond the scope of this survey.

The types of initiative surveyed

The survey shows that there is a broad spectrum of initiatives in the Nordic countries.

Examples of the following types of initiative were surveyed in all the countries: Funding, advice/competence development, incubation, network building, research & development, education, increasing visibility, lobbying, legal framework, strategic development work and safeguarding business interests.

The survey also reveals that most respondents have key initiatives that are followed up by other initiatives in order to support the key initiative. All respondents ticked at least two types of initiative, most more than two, with some replying that they offer all types of initiative.

Both the material collected and the data for each country contained most examples of advice/competence development, increasing visibility and network building. Initiatives focusing on advice/competence development include different types of course and other training, conferences, workshops, guidance and advice provided through board membership. Network building involves the creation of fixed structures around defined networks (network associations), ad hoc groups set up in various organisations, and the use of workshops and seminars. Increasing visibility is about several of the same activities and various forms of knowledge sharing.

Examples of initiatives in all the categories surveyed can be found in chapters 5–10.

This general picture conceals considerable variation between the countries. Among other things, this applies to the number of initiatives surveyed in each category and the characteristics of the various initiatives. In some cases a country may have just one example within a category, while other countries have a large number of examples. As in the education category, for example, it might be anything from a master's programme in social entrepreneurship at a university to lesser and shorter courses.

There is also considerable variation in the purpose and target group of initiatives. As previously mentioned, the extent to which the terms social entrepreneurship and social innovation are known and used varies between the Nordic countries. This is also reflected in the initiatives surveyed.

In the Danish, Swedish and Norwegian material we find several examples of both initiatives targeted directly at social entrepreneurship and social innovation in the work to include disadvantaged groups in employment and society, and initiatives targeted directly at social en-

trepreneurship and social innovation in general. Also, in Denmark we see more of the initiatives being associated with the term social enterprises, while the terms work integration social enterprises and social entrepreneurship are used more in Sweden.

The Finnish material collected contains no separate social entrepreneurship and social innovation initiatives, but examples of initiatives to promote employment and business, initiatives to foster social enterprises, and initiatives to include disadvantaged groups in employment and society.¹ The Icelandic material does not contain any separate social entrepreneurship and social innovation initiatives either, but initiatives targeted at entrepreneurship and innovation, and initiatives targeted at third sector organisations working for the inclusion of disadvantaged groups in general. These initiatives can contribute to social entrepreneurship and social innovation despite not targeting them specifically.

It is our general impression that initiatives targeted directly at social entrepreneurship and social innovation in the work to include disadvantaged groups in employment and society are of more recent date.

The extent to which initiatives focus on the characteristics of social entrepreneurship

As previously mentioned, we chose to highlight four characteristics in our understanding of social entrepreneurship. They are the development and trialling of new solutions, involvement of the target group for the social entrepreneurial work, cooperation across disciplines and business models, and sustainability (economic and socio-economic).

The overall material shows that a large proportion of the respondents focus on these characteristics "to some extent" or "to a large extent." The proportion varies from around 80% for involvement of the target group to over 90% for new solutions. There is some variation between countries, but not to any great extent.

The four characteristics of social entrepreneurship therefore seem to be something that the respondents focus on even if the initiative does not target social entrepreneurship directly.

How respondents assess obstacles and the need for new initiatives

The respondents were asked for their assessment of the most important obstacles to social entrepreneurship and social innovation, and the need

¹ The data may be flawed owing to the low response to the questionnaire survey in Finland.

for new initiatives. Their replies can and must be understood on the basis of the national context and the areas in which they work. At the same time, the general impression is that many of the same obstacles and needs are to be found in the answers given by respondents in all the countries. These fall into the following main categories:

- Lack of access to funding and inadequate or non-existent support structures: To deal with these challenges, respondents pointed to the need for better funding options from both government and other sources.
- Regulations and their implementation: Attention was drawn to the particular challenges linked to public procurement regulations and their implementation. Respondents highlighted the need for changes in these regulations and greater emphasis on quality, social responsibility and social value.
- Lack of awareness of social entrepreneurship and social innovation: Respondents pointed to a lack of awareness in society in general and among public authorities in particular. To deal with these challenges, respondents mentioned a wide range of initiatives, including research and education, analysis and exchange of experiences with good examples, and information campaigns.
- Attitude, culture and organisation in government: Respondents say that there is a conflict between the cross-sectoral, interdisciplinary nature of social entrepreneurship and the way public actors are organised in specialised units. They also comment that there is a lack of competence and incentives for working cross-sectorally. To deal with these challenges, they highlight the need for a more detailed examination of how structures and systems can be made less rigid so as not to impede social entrepreneurship. There is a need for closer cooperation between public authorities and the private and voluntary sectors on solving welfare challenges.

The working group's recommendations for further follow-up

Social entrepreneurship and social innovation have been attracting growing attention and interest for several years. The EU has taken the initiative for a number of programmes and measures to promote activity in the area. This report gives a small insight into the initiatives that exist in the Nordic countries to support social entrepreneurship and social innovation with the emphasis on initiatives of relevance to the work to include disadvantaged groups in employment and society.

Our assessment is that the challenges shared by the Nordic countries with regard to further development of the Nordic welfare model make it both relevant and of interest to pursue further joint Nordic cooperation that takes account of the Nordic perspective. The characteristics of social entrepreneurship and interaction with a broad public sector in the Nordic countries may differ from similar interaction in countries with other welfare models. Joint Nordic cooperation can take place in various areas and ways.

In this context we present a number of recommendations for further follow-up. The recommendations are based on our experiences in the course of this work, respondents' replies and the expertise of the working group as a whole.

1. Terms and understanding – establish a better common basis for further cooperation. In our experience, different terms and definitions in this field can in some cases result in difficulties in knowing what is being discussed and whether the terminology is understood in the same way in general and in different countries.
 - Work should be initiated with a view to making terms and definitions used in the Nordic countries in this area better known and understood.
 - NMR should identify some characteristics of social entrepreneurship to be used as a basis for its own work in this area.
2. Practice – promote the exchange of experiences with different types of initiative. The survey presented in this report gives a small insight into the scope and variety of initiatives in the Nordic countries. What about experiences with these initiatives? To what extent do the initiatives contribute to set goals and how well do they deal with the challenges encountered by social entrepreneurs?
 - A Nordic conference should be held with a view to exchanging knowledge and experience regarding different types of social entrepreneurship and social innovation initiative.
3. Research and education – enhance the knowledge base. In chapter 3, Lars Hulgård and Linda Lundgaard Andersen provide a brief status report on research and analysis in the field in the Nordic countries. The field is relatively new, and several topics and problems of common Nordic relevance are pointed up. The need for increased awareness of social entrepreneurship and social innovation is also highlighted by the survey respondents.
 - Work should be initiated with the purpose of strengthening research and higher education in the field in the Nordic countries. The work should be divided into two phases: First, a survey should

be conducted into the research and higher education that already exists. Then an assessment should be made of a possible design for a joint Nordic research programme with the emphasis on topics of special relevance to the Nordic countries, and of possible measures for developing existing higher education provision.

4. Research and development – establish a joint Nordic centre for knowledge exchange and dissemination. The survey provides examples of several communities – both large, well-established and other, smaller ones – that are working on research, knowledge development and the dissemination of knowledge and experiences in the field. Some of these communities have established cooperation with other countries in the Nordic Region, and research cooperation between several of the Nordic countries has also been set up through the SERNOC research network. In our assessment, this cooperation should be built on.
 - A joint Nordic centre for knowledge development and dissemination of knowledge and experiences in the field should be established. The centre can be physical and/or virtual and build on Nordic and/or national structures and cooperation.
5. Policy – increased cooperation between sectors and ministries. Lack of cross-sectoral cooperation and a silo mentality in government is highlighted as an obstacle to social entrepreneurship and social innovation in all the countries. Given the political desire to contribute to the development and enhancement of social entrepreneurship and social innovation, we see a need to address the area at a more cross-departmental and strategic level.
 - National authorities should be urged to address the area at a more cross-departmental and strategic level. Relevant topics for cross-departmental cooperation include experiences and challenges linked to the procurement regulations, and different funding solutions and other support structures for social entrepreneurship and social innovation.
6. Social entrepreneurship, socio-economic enterprises, social enterprises and social innovation as a subject in vocational education. Social entrepreneurship, social enterprises and social innovation are affecting many areas of society, and therefore different professional groups, to an increasing extent. It is our impression that this is not currently reflected in syllabuses, course literature, etc.
 - National authorities should be urged to assess the need for development of this area.

Part 1

1. Introduction

1.1 Background

The Nordic countries are currently facing major challenges with regard to maintaining and further developing social welfare. The Nordic Council of Ministers (NMR) has put these challenges on the agenda on a number of occasions and in various ways.

A Nordic seminar on social entrepreneurship was held in 2012 as part of the Norwegian Presidency of the NMR. The seminar provided an insight into social entrepreneurship in practice and the challenges encountered by social entrepreneurs when starting up and developing their businesses. Different forms of interaction between actors promoting and supporting social entrepreneurship and social entrepreneurs were also presented.

One experience from the seminar is that there are several different types of supportive initiative in the Nordic countries, so there should also be potential for mutual learning.

Against this background, the Nordic Council of Ministers decided in autumn 2013 to appoint a working group to map initiatives to support social entrepreneurship and social innovation in the Nordic countries.

1.2 Mandate and composition of the working group

The working group's mandate states that:

The main purpose of this mapping is to increase knowledge of initiatives to support social entrepreneurship and social innovation in the Nordic Region in the work to include disadvantaged groups in employment and society. Therefore, the main subject matter of the mapping is not the social entrepreneurs, but initiatives for supporting this type of activity and innovation.

It goes on to say that the working group's report will form part of more long-term work, the purpose of which is the exchange of experiences between affected actors and enhancement of the knowledge base for policy development in the Nordic Region.

The working group's work was split into two phases:

In the first phase, the working group will define terminology and the subject matter for its work, including identifying what part of Nordic cooperation can add value to the work already being done in the Nordic countries and the EU. The first phase will be summarised in an information note/sub-report to EK-S and EK-U.

In the second phase, the working group will map initiatives to support social entrepreneurship and social innovation in the Nordic countries. The mapping will be limited to initiatives to support social entrepreneurship and social innovation in the work to include disadvantaged groups in employment and society.

It follows from the mandate that each member country must appoint two members to the working group, one from the civil service and one from practice or research. The self-governing areas were also invited, but opted not to take part.

The working group consisted of members with varied experience of working with social entrepreneurship, social innovation and disadvantaged groups. The members represent the civil service, research and educational institutions. Several of the members have also worked closely with disadvantaged groups and followed social entrepreneurs' work in practice.

The following people took part in the working group:

Denmark

- Lars Hulgård, Professor, Centre for Social Entrepreneurship, Roskilde University.
- Ulrik Boe Kjeldsen, Head of Section, National Centre for Social Enterprises, National Board of Social Services.

Finland

- Harri Kostilainen, Researcher, Diaconia University of Applied Sciences.
- Markus Seppelin, Senior Officer, Ministry of Social Affairs and Health.

Iceland

- Steinunn Hrafnisdóttir, Senior Lecturer, Faculty of Social Work, Icelandic Center for Third Sector Research, University of Iceland.
- Gudrun Sigurjónsdóttir, Senior Advisor, Ministry of Welfare.

Sweden

- Eva Johansson, Administrator for Entrepreneurship, Swedish Agency for Economic and Regional Growth.
- Hanna Sigsjö, Director, Forum for Social Innovation Sweden at Malmö University.

Norway

- Karin Gustavsen, Social Researcher, Telemark University College.
- Aase Lunde, Senior Advisor, Ministry of Labour and Social Affairs (Chair).

The Norwegian Ministry of Labour and Social Affairs was the project owner and responsible for the working group's secretariat. The following took part in the secretariat: Stine Lien, Norwegian State Housing Bank (from the start until March 2014), Tormod Moland, Norwegian Labour and Welfare Administration (from May to the end) and Tor Morten Normann, Ministry of Labour and Social Affairs (June to the end).

1.3 The working group's work

The working group held its start-up meeting in November 2013 and delivered its final report in October 2014. During this period there were eight physical meetings, two each in Malmö, Copenhagen and Oslo, and one each in Helsinki and Stockholm.² In addition to these meetings, a final meeting was held by video conference only.

1.4 The working group's understanding of its mandate

The working group understands the main subject matter of the mapping to be initiatives supporting social entrepreneurship and social innovation, and not the social entrepreneurs.

The mapping is to cover all types of initiative in the public, private and third sector. Examples mentioned in the mandate include education

² Video conferencing equipment was used at four of these meetings.

and training, economic framework conditions and financial support, competence and network building, legal framework conditions and regulations, and strategy and planning.

Importance is to be attached to bringing out the scope and variety of initiatives. These can be initiatives that contribute to social entrepreneurship and social innovation in general or in the work to include disadvantaged groups in employment and society in particular.

The working group perceives this as a desire for a relatively broad approach, with the focus being on the initiatives and how they provide support, and not on the actors.

We see the objective as being not to carry out a complete mapping, but to show scope and variety. Conducting a mapping of all current and relevant initiatives would doubtlessly be an impossible task within the limits set for this work. Showing scope and variety may be simpler on the face of it, but is still no easy task when there is no complete picture.

We chose to base the mapping on a relatively broad understanding of what initiatives to support social entrepreneurship in the work to include disadvantaged groups in employment and society can be.

We tried to include both initiatives targeted specifically at social entrepreneurship and social innovation in the work to include disadvantaged groups and initiatives of broader relevance. We attached importance to including initiatives in the public, private and third sector, and different types of initiative.

The working group understands that it is only to provide a description of the various initiatives, not an assessment. The mandate states that the mapping should primarily have a practical and descriptive purpose. This means that, in the course of this mapping, we did not gather information or make assessments that would enable us to present examples of best practice in this report. All the examples used were chosen to illustrate scope and variety, and what a particular type of initiative can mean in practice.

In the mandate, social entrepreneurship is understood to be a type of enterprise with the following characteristics:

- It is targeted at a social objective/unmet welfare need.
- It contributes innovative solutions to these challenges.
- It is driven by the social results, but also by a business model that can make the enterprise sustainable.

The working group wants to add another two characteristics to this understanding:

- Target group participation – involvement of the target group, employees (may be the same group) and other key stakeholders.
- Cooperation across disciplines and business models.

Target group participation means that the target group of the social entrepreneurial work has influence and is involved. This involvement can happen at different levels through the target group being active in initiative design, co-owners of a business, board members, etc. Cooperation across disciplines and business models, with the parties interacting in new ways, is also an important feature of social entrepreneurship.

We would point out that the mandate links social entrepreneurship with business methods. In our assessment, social entrepreneurial processes and work can also be found in established (public) institutions and non-profit organisations. Social enterprises may be characterised by social entrepreneurship, but not necessarily. In our assessment, social entrepreneurship and social innovation as we know them today are closely linked, but can also be two totally separate areas. This means that social innovation can be achieved without being preceded by social entrepreneurship. The terms social entrepreneurship, social enterprises and social innovation are looked at in more detail in Chapter 3.

In the initial phase of the work, the working group conducted a review of the terms and definitions used in administration and other practice in the Nordic countries. The review revealed that a number of different terms are used that partly, but not entirely, overlap the understanding in the mandate and the additions described here. See Appendix 1 for examples of these.

We therefore judged that it would be most appropriate to choose an open approach to the mapping in order to pick up scope and variety in the initiatives to support social entrepreneurship and social innovation in the Nordic Region.

2. The working group's recommendations

In the mandate, the working group was asked to give recommendations for further follow-up.

Our recommendations will be based on our experiences in the course of the work, respondents' replies and the expertise of the working group as a whole.

2.1 Nordic perspective and joint Nordic cooperation

By taking the initiative for this mapping, the Nordic Council of Ministers has helped put a topic of considerable common interest to the Nordic countries on the agenda.

The Nordic countries are all facing challenges with regard to maintaining and further developing social welfare.

For several years now, social entrepreneurship and social innovation have been the subject of growing attention and interest in the EU, and the initiative has been taken for a number of programmes and measures to support activity in this area. This report gives a small insight into the initiatives that exist in the Nordic countries with the emphasis on initiatives of relevance to the work to include disadvantaged groups in employment and society.

The working group was asked in the mandate to assess whether joint Nordic cooperation in this area could bring something extra, i.e. added value, over and above what is already happening in the EU and the individual countries.

Policy and programmes at EU level provide both a framework and opportunities for the development of this field in the Nordic countries.

Our assessment is that the challenges shared by the Nordic countries with regard to further development of the Nordic welfare model make it both relevant and of interest to pursue joint Nordic cooperation that takes account of the Nordic perspective. The characteristics of social entrepreneurship and interaction with a broad public sector in the Nordic countries may differ from similar interaction in countries with other

welfare models. Joint Nordic cooperation can take place in various areas and ways. Here are our recommendations for further follow-up.

2.2 Terms and understanding – establish a better common basis for further cooperation

The work on the mapping gave us an insight into the multiplicity of terms and definitions used in this field in the Nordic countries.

In our experience, different terms and definitions contribute in some cases to it being difficult to know what is being talked about and whether it is the same.

The terms used include *sosialt entreprenørskap* (social entrepreneurship) and *samhällsentreprenørskap* (societal entrepreneurship), *sosial innovasjon* (social innovation), *sosialøkonomiske virksomheder*, *sosiale virksomheter*, *sociala företag* and *samhälliga företag* (social enterprises), and *tredje sektor/frivillige organisasjoner* (third-sector/voluntary organisations). Some terms are relatively new, while others have deeper roots in the Nordic countries. What is the same, what is different and how do they connect with each other? These questions also apply to several other related terms, such as social economy, solidarity economy and alternative economy.

In the working group's assessment, establishing broader common ground is an important prerequisite for further Nordic cooperation in the field. There is a need to become more familiar with the terms and definitions used in the different countries, and how they are used. In our assessment, it may also be useful to identify some characteristics of social entrepreneurship as a basis for the Nordic Council of Ministers' further work in the field. Such work could also add value at national level.

Proposals

- Work should be initiated to make terms and definitions used in the Nordic countries in this field better known and understood.
- The Nordic Council of Ministers should identify some characteristics of social entrepreneurship to be used as a basis for its own work in this field. Reference is made in this context to the understanding on which the working group based this mapping. In our assessment, it could form the basis for the further development of a common understanding of terms.

The outcome of such work might be an article on NMR's website, for example.

2.3 Practice – promote the exchange of experiences with supportive initiatives

The review presented in this report gives some idea of the scope and variety of the initiatives to support social entrepreneurship and social innovation in the Nordic countries.

What about experiences with these initiatives? To what extent do the initiatives contribute to meeting defined goals and how well do they deal with the challenges encountered by social entrepreneurs?

Answering these questions falls outside the scope of our mandate, but we recommend that further work be done on them.

The answers from the respondents in this mapping give some idea of the obstacles and needs that exist for new initiatives, see Chapter 5. Within the limits of this mapping it was not possible for us to put the same questions to the practitioners/social entrepreneurs.

In our assessment, there is a need to take a closer look in further follow-up at how to support social entrepreneurship and social innovation in a good way, both generally and in the work to support inclusion in employment and society. In this context it would also be relevant to look at the extent to which existing support structures for traditional entrepreneurship and innovation provide support, and whether it might be possible to adapt them to include entrepreneurship and innovation with a social focus.

Proposals

- A Nordic conference on initiatives to support social entrepreneurship and social innovation should be established. Its purpose would be to exchange knowledge and experiences with different initiatives to support social entrepreneurship and social innovation. The conference could be summarised in a brief report, which would be made available on NMR's website.

2.4 Research and education – enhance the knowledge base

In Chapter 3, Lars Hulgård and Linda Lundgaard Andersen provide a brief status report on research and analysis in the field. This shows that social entrepreneurship and social innovation are still a relatively new research field in the Nordic Region, as well as drawing attention to several topics and problems of common Nordic relevance. The need for

greater knowledge of social entrepreneurship and social innovation is also highlighted by respondents in all the countries in response to questions about the need for new initiatives, see Chapter 5.

In our assessment, there is a need to establish a better knowledge base in the field both for further joint Nordic cooperation and for policy development in the individual countries.

This mapping only provided a small insight into higher education provision in the field. In our assessment, there is also a need to obtain more detailed knowledge of such provision.

Proposals

- Work should be initiated with the purpose of strengthening research and higher education in the field in the Nordic countries. The work should be divided into two phases: First, a mapping of existing research and higher education should be conducted. Then an assessment should be made of a possible design for a joint Nordic research programme (4–5 years) with the emphasis on topics of special relevance to the Nordic countries, and possible measures for developing existing higher education should be looked into.

Of the many relevant topics for further research we would briefly draw attention to the need for more knowledge on social entrepreneurship and the Nordic welfare model, including interaction between social entrepreneurship and the broad public sector that characterises the Nordic countries, and the impact and value of social entrepreneurship.

2.5 Research and development – establish a joint Nordic centre for knowledge development and the dissemination of knowledge and experiences

This report presents several examples of communities – both large, well-established communities and smaller ones – that are working on research, knowledge development and the dissemination of knowledge and experiences in the field in the Nordic Region. Some of these communities also have established cooperation with other countries in the Nordic Region, and research collaboration between several of the Nordic countries has also been set up through the SERNOC research network.

In our assessment, this cooperation should be built on and developed further.

Proposals

- A joint Nordic centre for knowledge development and dissemination of knowledge and experiences in the field should be set up. The centre can be physical and/or virtual and build on Nordic and/or national structures and cooperation. Practitioners in the field should also be part of such a centre.

Relevant tasks for a centre would include supporting and coordinating research from other actors. The development and dissemination of knowledge and experiences regarding how to support development in the field should be a key focus.

2.6 Policy – increased cooperation between sectors and ministries

Given a political desire to contribute to the development and enhancement of social entrepreneurship and social innovation, the working group sees a need to address the area at a more cross-sectoral and strategic level.

Cooperation across disciplines and business models is a characteristic of social entrepreneurship that is highlighted in many definitions. Answers by respondents in this mapping to the questions concerning obstacles and needs for new initiatives reveal that many perceive the lack of cross-sectoral cooperation and a silo mentality in government as a challenge. This is something that also comes out in other contexts.

Proposals

- National authorities should be requested to address the area at a more cross-sectoral and strategic level.

A relevant topic for cooperation between sectors and ministries would be experiences and challenges linked to a competitive market and procurement regulations. The procurement regulations are seen as an obstacle to social entrepreneurship and social innovation by respondents in all the countries. Relevant questions include the extent to which the challenges are linked to the regulations themselves or how they are implemented. How much room for manoeuvre do the existing regulations leave?

Another relevant topic would be experiences and challenges linked to different financing solutions and other support structures (in different sectors), and the need for change. The lack of financing solutions and

support structures tailored to the area is another obstacle mentioned by respondents in all the countries. Relevant questions include: To what extent is social entrepreneurship supported by more general entrepreneurship and innovation initiatives? What differences are there in needs and conditions between social entrepreneurs and other entrepreneurs, and what does this mean in terms of the need for separate solutions for social entrepreneurs?

2.7 Social entrepreneurship and social innovation as a subject in vocational education

Social entrepreneurship, social innovation and social enterprises are affecting many areas of society, and therefore different professional groups, to an increasing extent. This is not currently reflected in syllabuses, course literature, etc. Examples include business studies, economics, social work, employment service, career counselling and public planning courses.

Social entrepreneurship is about developing solutions to complex problems that cut across sectors and disciplines. One of the advantages of social entrepreneurship is that the process is cross-sectoral. Introducing social entrepreneurship as a topic in syllabuses, course literature, etc., will help to increase the focus on and understanding of entrepreneurship and different business models in programmes in the housing and social field, but also solving societal problems in commercial and business-oriented programmes.

Proposals

- National authorities should be urged to assess the need for development of this area.

Part 2

3. Social entrepreneurship and social innovation³

Lars Hulgård & Linda Lundgaard Andersen

Social entrepreneurship and social innovation have well and truly made their entry in the international political arena as a sector for the production of welfare services combined with strong and often conflicting values with regard to social benefit, market value, franchising, participation and volunteerism. The largest international work on social entrepreneurship so far (Kickul, Gras, Bacq & Griffith, 2013) pointed out that the first publication on social entrepreneurship came out in 1991, while only six publications on the subject appeared globally between 1991 and 1996. Up until the end of the 1990s, social entrepreneurship was largely a phenomenon that aroused interest among practitioners and consultants, who, like Douglas Henton and his colleagues from Collaborative Economics in Silicon Valley, were beginning to see themselves as civil and social entrepreneurs working to establish arenas for cooperation between businesspeople, government officials and leaders from civil society in order to create local sustainability (Leadbetter, 1996; Henton *et al.*, 1997; Hulgård, 2007).

Then things really took off. As early as 2006 a mapping showed that activities that can be characterised as social entrepreneurship take place more frequently than other forms of entrepreneurship. The phenomenon was followed up in research and education in the form of greatly increased publishing activity (Steyart & Hjorth, 2006). Social entrepreneurship is still an underdeveloped research field and one of its main characteristics is that some of the most important references in the field were written by journalists (Bornstein, 2004) and consultants (Leadbetter, 1996; Mawson, 2008; Elkington & Hartigan, 2008), while the earliest research publications in the field were brief and sporadic (Dees,

³ Thank you to the Nordic working group, including special thanks to Markus Seppelin for important comments.

1998; Austin *et al.*, 2003). In recent years, however, research has started to appear that examines social entrepreneurship as a concept and compares it with other types of entrepreneurship (Steyart & Hjorth, 2006; Mair, 2006; Hulgård, 2007; Light, 2008; Nicholls, 2008; Andersen, Bager & Hulgård, 2010; Fayolle & Matlay, 2010; Defourny, 2010; Hulgård & Andersen, 2012, Kickul *et al.*, 2013). It is only recently that research has started to appear that examines the special characteristics that mark social entrepreneurship and social innovation in the Nordic Region and the Nordic countries (Pestoff, 2009; Levander, 2012; Hulgård & Andersen, 2012; Rosenberg, 2013; Fæster, 2013). Considering the special characteristics of the Nordic countries, there is still a shortage of careful analyses of the interaction between social entrepreneurship, the public sector and the third sector in particular. The fact is that this interaction probably played a key role as midwife to more recent and wide-ranging examples of social entrepreneurship.

Social entrepreneurship (SE) and social innovation (SI) have become strong metaphors for a new form of value creation and solution model, which the world desperately needs. In the wake of the financial crisis Joseph Stiglitz, Nobel Laureate in Economics, has pointed out that social entrepreneurship is just as important as technical innovation when it comes to developing sustainable financial institutions. The Danish consultancy firm *Mandag Morgen* has also described how the European social service models are on a burning platform of mutually opposing trends and so there is a great need to develop socioeconomic institutions and other forms of social innovation. Populations are ageing, resulting in an increasing need for social services. Public budgets are under pressure, however. Populations are becoming more diverse and have different preferences when it comes to “the good life.” This too is putting public budgets under pressure. These trends are packed into an outer framework of increasing cultural diversity, greater inequality and fragmentation of decision-making processes. Both social entrepreneurship and social innovation are often highlighted as measures that can hold back the negative consequences of these development trends (BEPA, 2010). All corners of society are therefore important in connection with the development of new and socially innovative models: Private enterprises are being urged to take their social responsibility seriously. Central and local government are being urged to cooperate with social actors so as to become more innovative in how they tackle their tasks. And finally, civil society is being appealed to, as it is often here that we can find social entrepreneurs starting social innovations in the form of new initiatives and social enterprise.

This part of the Nordic report is based on our research and work in the socioeconomic field over a number of years. We have not conducted any new research in connection with the work of the Nordic working group. Firstly, the sub-report is therefore an introduction to research-based knowledge on the SE field that is already available, including both social entrepreneurship and social enterprise. Secondly, we have tried to place the entire SE field in a context that includes the Nordic welfare states. This is a difficult task, as no comparative study has been made of social entrepreneurship at Nordic level. Nor has comprehensive research been conducted in the field in the individual Nordic countries. Instead of doing each individual country justice with a detailed review of the development that has taken place in the field, we have used examples from the Nordic Region in general and from the individual countries where we found it relevant. This means that none of the Nordic countries are treated with complete justice, as social entrepreneurship and social innovation have played out in many different ways. We do not possess the basis for a detailed review or robust conclusions, however. We nonetheless hope that the sub-report will help to establish whether there is anything specifically Nordic in the field of social entrepreneurship and social innovation.

3.1 Definition of social entrepreneurship and social innovation

We define social entrepreneurship as creating social value through innovation with a high degree of participant orientation, often with the participation of civil society and often with an economic significance. The innovation often takes place across the three sectors represented by state, market and civil society, something that may apply to the Nordic Region in particular. We will return to the specifically Nordic aspect in sections 3 and 4 of this chapter. The definition is based on the most important social entrepreneurship research of the last 20 years. Researchers at *Harvard Business School* have somewhat critically highlighted the differences between commercial and social entrepreneurship with a view to pointing out the special features of the latter in particular. Whereas the key motivation for entrepreneurs in the commercial capital market is to build a profitable company and earn an attractive return, the underlying drive for social entrepreneurs is “to create social value” (Austin, Howard & Skillern, 2003). The Harvard researchers point out that, despite it being possible to operate with many different bottom

lines on the “commercial capital market”, it is, when all is said and done, the financial bottom line that counts, while for the social entrepreneur it is the social bottom line. Gregory Dees is another important researcher in the field of social entrepreneurship. Together with colleagues, he has defined social entrepreneurship as a method for “finding new and better ways to create social value” (Dees, Emerson & Economy, 2002). Finally, Alex Nicholls of *Oxford University* has defined social entrepreneurship as:

The combination of an overarching social mission and entrepreneurial creativity (Nicholls, 2006).

At this point we wish to call attention to three important issues linked to the definition of social entrepreneurship.

Firstly: Whereas social value and innovation occur in the majority of definitions (Dees *et al.* 2002; Austin *et al.*, 2006; Nicholls, 2006; Light, 2008), words like “participation”, “civil society” and “economic significance” are emphasised frequently, but with different weight. Participation and civil society are important categories, as they indicate that social entrepreneurship is not just about achieving final social objectives, but also about the processes and relations that create the social values. This approach is in accordance with the state of the art in social innovation theory, which precisely underlines social innovation as the integration of process and result (BEPA, 2010; Moulaert, Jessop, Hulgård & Hamdouch, 2013). This means that social innovation is just as much about changing social relations that bring about innovation as it is about the product of innovation itself (Moulaert, 2005). It is also an empirical fact that actors from civil society are the most popular partners in most examples of social entrepreneurship, in the form of either voluntary organisations or concerned and responsible groups of citizens who want to make a difference (Andersen, Bager & Hulgård, 2010; Hulgård, 2007). The economic factor is important for stressing the actual entrepreneurial aspect. Joseph Schumpeter, the classic entrepreneurship theoretician, pointed out that it is not the invention itself that can be characterised as entrepreneurship. Only practical implementation can do that. That is where the innovation lies:

Economic leadership in particular must hence be distinguished from “invention.” As long as they are not carried out into practice, inventions are economically irrelevant (Schumpeter, 1934: 66).

It is the practical implementation that carries the innovation within it, and the innovation often has an economic significance, not just in economic entrepreneurship, but also in social entrepreneurship. An eco-

conomic significance for the entrepreneur who undertakes a risk, and above all for the participants and the socially disadvantaged fellow citizens at whom the innovation is targeted. Finally, it is an empirical fact that practical examples of social entrepreneurship are often to be found across one or more sectors (Nyssens, 2006). Further, Kerlin (2009), among others, has shown how social entrepreneurship in the USA often takes the form of cooperation between actors from civil society and private enterprises, while similar activities in Europe often involve cooperation between the public sector and civil society, and to some extent also in association with enterprises exercising Corporate Social Responsibility (CSR). At a global level it seems that civil society is the constant party in social entrepreneurship, with its partner changing according to region and local institutional context.

Secondly: Social entrepreneurship is related to social innovation, but the two phenomena are not the same. This can be illustrated in several ways. The simplest is to do like Schumpeter and point out that it is the entrepreneur who carries out the innovation. Without the entrepreneur's active effort to put the idea into practice, there would "only" be talk of an invention. In this way, social entrepreneurship is always linked to practice: Social entrepreneurs create social innovations, which otherwise would "only" have been ideas for better ways of solving social problems and challenges. This is a somewhat simplistic or reductionist way of seeing things, however. Among researchers in social innovation it is important to stress the connection with social movements and innovative social processes that do not involve business economics. On the contrary, topical debates on "social entrepreneurship" and "social enterprise" are criticised for overshadowing "social innovation" with narrow market economy terminology (Jessop, Moulaert, Hulgård & Hamdouch, 2013: 110). Thus the more critical research in social innovation points out that a gap has opened up between the classic social scientific theories of change, which also address social innovation, and the new social innovation analyses, in which the market economy represents an important framework for understanding the phenomenon, and in which "social entrepreneurs" and "social enterprises" are the principal tool for generating social innovation. Such a reduction is problematic because it both ignores the decisive role of social movements throughout history when it comes to generating social change and, in more recent times, the crucial importance of the welfare state when it comes to creating social mega-innovations in the form of comprehensive, bridge-building social capital through phenomena such as urban planning, hospitals, day care,

redistribution, elementary school, nursing and care, and other types of active social and political citizenship.

Thirdly: Social entrepreneurship and social enterprise are related, but not the same. This can be illustrated with three observations. Observation number one: In his book on how social enterprise can help to reduce poverty, Muhammad Yunus claims that, while social entrepreneurship is a broad concept about creating innovative measures that can help people in need, social enterprise is about doing it using business means (Yunus, 2007: 32). Observation number two: Gregory Dees and his colleagues have pointed out that “social entrepreneurship is not about starting a business or becoming more commercial. It is about finding new and better ways to create social value” (Dees, Emerson & Economy, 2002). Here we see that social entrepreneurship is about social change and therefore closely linked to classic social innovation. Maybe the best way to create social change is to engage in social movements and new interest groups, maybe to create social enterprise or maybe to set up new government welfare programmes. All three examples can be equally relevant expressions of social entrepreneurship, as the focus is on social value! The third and final observation is linked to the EMES network, a European research organisation working on all three forms of SE and SI: “social enterprise”, “social entrepreneurship” and “social innovation”. The EMES network was formed when, in the mid-1990s, European researchers were studying a movement in which civil society organisations in particular were starting to become more market oriented (Defourny, 2001). EMES’ research subsequently documented how social enterprise has three characteristics, economic, social and governance related. It is the coincidence of these three characteristics that distinguishes “social enterprise” from other, related phenomena. What distinguishes social enterprises from voluntary organisations will therefore often be their economic aspects. In other words, it is an enterprise that both has employees (and not just volunteers) and is subject to risk factors.

It is clear from the above that there are many types of entrepreneurship that are not linked to technological or commercial innovation and entrepreneurship. Since several of these may be relevant to a Nordic strategy in the area, we run through them briefly here.

3.1.1 Many forms of social, political, moral and civil entrepreneurship

Social entrepreneurship represents one of several steps in the understanding of entrepreneurship and innovation, from initially referring to economic agents of change (Schumpeter, 1934) to also including public entrepreneurs (Ostrom, 1965), moral entrepreneurs (Becker, 1963; Hunter & Fessenden, 1994) and civil entrepreneurs (Henton *et al.*, 1997). Whereas the moral entrepreneur is concerned with creating new, binding moral standards (the fight for a smoke-free public space is often picked out as a result of efforts on the part of moral entrepreneurs), public and social entrepreneurs are concerned with creating binding innovations that provide greater local and social power of action (Ostrom, 1965; Svendsen & Svendsen, 2004). But who then are the social entrepreneurs and what role do they play in the innovation of the welfare society's private and public institutions?

3.1.2 Both public and social entrepreneurs are concerned with producing sustainable and collective goods through innovation and cooperation

As early as her thesis of 1965, Elinor Ostrom, who in 2009 became the first and so far the only woman to receive the prestigious Nobel Prize in Economics, asked whether there is a parallel to entrepreneurship in the private sector among actors who "produce public goods and services in the public sector," which in given cases can be described as "public entrepreneurship" (Ostrom, 1965: 24). In her thesis, Ostrom attached importance to public entrepreneurs realising a vision of bringing the production factors together through collective actions with a view to creating public goods and services. It was precisely the understanding of citizens' roles as innovators and entrepreneurs that the Nobel Committee cited as its reason for selecting Ostrom in 2009. Her research into how ordinary citizens become public entrepreneurs is what also makes her a key figure in the development of research-based knowledge on social entrepreneurship, which otherwise suffers from a shortage of systematic theoretical and empirical research. Incidentally, Ostrom is a good example of how social and public entrepreneurship has been a neglected phenomenon in both sociology and politology until relatively recently. There is, for example, not a single reference to Elinor Ostrom in the very wide-ranging and encyclopaedically structured Danish work "Klassisk og moderne politisk teori" (Kaspersen & Loftager, 2009). It is thus interesting that political or

public entrepreneurship (public innovation) was not recognised as an important element in modern political theory right up until 2009. Ostrom's research documents that the management of shared goods by citizens' groups and associations often produces much better results than those frequently presented in economic theory. Ostrom's analysis of the importance of collective actions for the development and control of goods is also an alternative to the view that people always try to obtain maximum benefit for themselves because they are usually "interested in fairly narrow selfish goals" (Tullock, 1970: 33, quoted after Nannestad 2009: 842), or because the goal is to achieve individual profit (Schneider, Teske & Mintron, 1995). In this way, Ostrom's research and other collectively oriented approaches to public and social entrepreneurship represent knowledge that may prove decisive in finding new ways out of the economic and multidimensional crisis.

Within research on both public and social entrepreneurship we see a dividing line between the importance ascribed to the individual person and to collectives and organisations. Whereas Schneider, Teske and Mintron indicate that it is "alert individuals", motivated by the opportunity for "personal gain" (Schneider *et al.*, 1995: 56), who become public entrepreneurs, Ostrom stresses the importance of collective actions. We see the same dividing line represented in social entrepreneurship, where American analyses in particular (Dees, 1998; Dees *et al.*, 2002) and interest organisations such as Ashoka and the Skoll Foundation attach great importance to the individual entrepreneur, while European researchers often have a link to the establishment of associations in the third sector (Defourny, 2010) and to the historical role played by the social economy in the development of the European welfare states (Pestoff, 2009).

3.2 Social entrepreneurship between state, market and civil society

In the Nordic countries, social entrepreneurship and social innovation are perhaps especially closely linked to dynamic interaction between the three pillars of modern society: state, market and civil society. This is illustrated by Figure 3.1.

Figure 3.1. Social entrepreneurship at the intersection of sectors



The figure shows how social entrepreneurship in Europe in general, but in the Nordic Region in particular perhaps, can be understood as a consequence of a number of movements that have taken place within and between the three sectors making up modern society. The figure also shows a phenomenon registered by German welfare researcher Adalbert Evers, namely the fact that entrepreneurship and innovative thinking are necessary in all types of organisation today, regardless of which sector they belong to (Evers, 2001). The point is that social entrepreneurship as an activity breaks through the boundaries that analytical debates and countless experts have created over the years. It is about the boundary between “action for private benefit and action for the public good” (Evers, 2001: 296). Social entrepreneurship and social enterprises challenge the traditional knowledge we have of the three sectors and the interaction between them. As we will see in section 3.3 of this chapter, such hybrid forms of activity and organisation assail the strict divisions of old and presume to value civil society in a new way. Let us take a brief look at the contribution of the three sectors to social entrepreneurship.

Since the early 1980s, *public organisations and the public sector in general* have seen a drastic shift in the direction of readjustment, a transition to network governance and new forms of decentralisation, in which the public sector finds new ways of cooperating on the establishment of new welfare solutions with actors from the other sectors. The landmarks for this process include the large-scale pilot programmes that created a more

experimental way of handling areas such as social work, urban development, and culture and health policy both at European level and in the Nordic countries. Many of the organisations now familiar as social enterprises in Denmark, for example, have their origins in such national and European pilot programmes. Another landmark is provided by the many modernisation programmes introduced in 1980s, 1990s and beyond with the aim of regulating and developing the public sector in the direction of the competition state through improved efficiency, competition, leadership development and development work. This development is also an example of the Nordic countries being characterised by innovatively oriented welfare states that occupy a central position in the development of the different types of social entrepreneurship and social innovation. The welfare state makes an active contribution to initiating and developing social innovation and social entrepreneurship, and does not simply leave this to market forces and entrepreneurial citizens. But it is also important to think about the extent to which the same welfare system also acts as an inhibitory factor. Compared with other European countries – the UK and Italy in particular perhaps – it may seem as if more minimalist types of welfare create a basis where social entrepreneurs, so to speak, work in a growth layer of unmet social and societal needs, which are tackled through the development and delivery of necessary welfare services (see also Lundgaard Andersen, Hulgård & Bisballe, 2008).

Private enterprises are of importance for the development of social entrepreneurship and social responsibility. Individual commercial entrepreneurs and enterprises have often supported philanthropic and charitable purposes on a large or small scale, and the sponsorship activities of private enterprises are a familiar phenomenon in sport and culture. So Corporate Social Responsibility, CSR, is nothing new. What is new, however, is how much CSR is talked about and the way in which many private enterprises are actively incorporating CSR in business development and core areas, while communicating this fiercely to stakeholders and customers. CSR is practised in many ways. On the one hand, there is scarcely any doubt that private enterprises are being measured to an ever greater degree by their contribution to social and environmental sustainability, and whether they are managing to shift focus from a short-term profit mentality to long-term, value-based relations in cooperation with local stakeholders. On the other hand, it is worth reminding people once more of the difference described by Harvard professor James Austin, one of the world's ablest researchers in entrepreneurship:

In the commercial capital markets, the key motivation for all actors is most often to build a profitable company and earn an attractive return on investment. The underlying drive for social entrepreneurship is to create social value, rather than personal and shareholder wealth (Austin *et al.*, 2003: 2).

With the far-reaching privatisation that has also taken place in the Nordic countries in the wake of the financial crisis, it is interesting to observe private enterprises' social engagement and readjustment to sustainable operation.

Civil society and organisations in civil society are seen by many experts as being the greatest contributor to social entrepreneurship. Alex Nicholls, who helped start the *Skoll Centre for Social Entrepreneurship* at the *University of Oxford's Saïd Business School*, has pointed out that civil society is the bedrock of social entrepreneurship. Others have laid stress on social entrepreneurship and social enterprises having roots in the cooperative sector, which historically was an important part of civil society (Gawell, 2008: 8). Civil society is made up of a multitude of organisational forms and interests. Janoski (1998) has pointed out, however, that they all share the ability to turn private concerns and problems into public or collective questions and issues. Civil society therefore often helps transform the individual person's vulnerability (mental, in terms of health or in relation to the labour market) into a challenge that can be tackled jointly in social enterprises, for example. Innovation pressure and the requirement to prepare market strategies can make civil society organisations feel weighed down by demands for performance, production targets and evidence-based documentation. At the same time, it gives the organisations the opportunity to work with innovation and entrepreneurship through robust documentation, enabling them to experiment with their resource base and expand their portfolio of activities. Documentation requirements can therefore work in two ways. They can both put voluntary associations in the social field under pressure to become professionally run, market-oriented organisations (isomorphism) and provide associations with strong arguments in relation to external partners that they offer the best effectiveness by virtue of their local and voluntary roots.

In what follows we will first look at how research from Sweden, Norway and Denmark points to reasonably consistent results with regard to the close relations between the Nordic welfare state and civil society (Rothstein, 2001; Selle, 1999; Torpe, 2001; Kritmundsson & Hrafnadóttir, 2012). We will then discuss whether the close connection between the public sector and civil society has been challenged by the privatisation and market orientation of recent years, thereby creating a new framework for

social entrepreneurship and social innovation in the Nordic countries (Pestoff, 1999; Wijkström, 2011, Hulgård & Andersen, 2012).

To begin with, Rothstein (2001) shows that the expansion of the welfare state in the decades immediately following the Second World War was based on:

an unusually close collaboration between the state and major interest organizations in the preparation as well as in the implementation of public policies ... (Rothstein, 2001: 207).

The “universal welfare state did not wipe out” social capital, and the results from two studies show that people in the 1990s were generally more interested in socializing than they were in the 1950s before the expansion of the welfare state (Rothstein, 2001: 224).

But already in the closing decades of the 20th century there was, according to researchers like Rothstein (2001) and Selle (1999), a change in the make-up of civil society in the form of a process towards “organized individualism” (Rothstein, 2001: 220). This change in the direction of individualisation was probably further reinforced by increased use of market mechanisms to regulate civil society. In this way, the close historical ties between civil society and the public sector in the Nordic countries may be in the process of changing character. Wijkström (2011) has pointed out in this context that, whereas the typical hybrid character of civil society in the 20th century could be described as “half movement” and “half government”, the relationship now bears a new stamp of “half charity” and “half business”, with greater emphasis on entrepreneurship and business. This development trend has been very much in line with the tendency towards privatisation of the welfare state that researchers have registered, with development going from:

an ideal-type Scandinavian model of social welfare to an Anglo-American model ... with a common core of market-oriented social policies (Gilbert, 2002: 4, 182).

Social entrepreneurship is therefore being practised among strongly individualising and collectivising dynamics with roots in development in the field of welfare in the last 30 years, both nationally and internationally.

The immediate keywords that characterise the new debate on SE and SI in the Nordic Region come from international sources (we will enlarge on this in section 3.1 of this chapter). We nevertheless find a clear historical parallel in the Nordic countries, which can be traced back to both the old social economy in the form of the Danish cooperative movement and cooperative enterprise in general, and, in more recent times, the

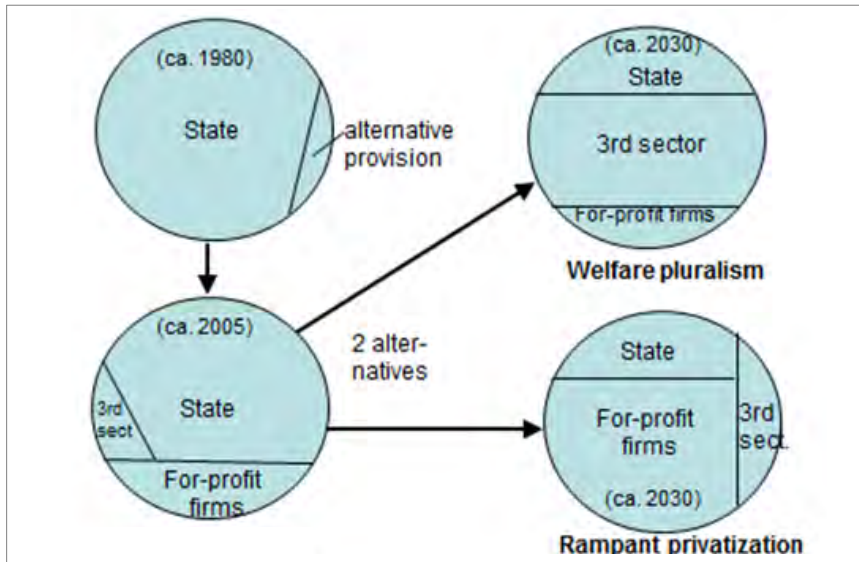
experimental and development tradition of social and regional policy, which was such a marked feature of important welfare areas such as social services, rural development, integration of ethnic minorities, integration in the labour market, lifelong learning and development of local cultural institutions from the mid-1980s to the mid-1990s.

There is no doubt that social entrepreneurship is central to the Nordic debate on the future of the welfare state. Interest organisations are still being set up, and political and practical initiatives are still being taken by social entrepreneurs. Internationally, interest organisations such as *the Global Social Business Summit (Grameen Creative Lab)*, *Ashoka*, *the Skoll Foundation* and *the Schwab Foundation* are growing rapidly. At all levels of the political arena, strategies are being drawn up to encourage social entrepreneurs to contribute to the work of solving the problem by delivering and developing social services in a period marked by cross-pressures arising from demographic changes, higher expectations and ever greater global competition (BEPA, 2010). The activities that can collectively be termed social entrepreneurship harmonise well with two major trends that have marked how welfare and social services are now regarded. The first is characterised by market orientation and privatisation of the public sector's responsibility for welfare (Gilbert, 2002; Borzaga & Santuari, 2003; Pestoff, 2009; Hulgård & Andersen, 2012). The second is based on both social movements and public programmes concerned with experimenting with new forms of collective responsibility, solidarity and political development input based on civil society (Hart, Laville & Cattani, 2010; Hulgård & Shajahan, 2012). In both the market trend and the civil society trend, social entrepreneurship is a current response to the social challenges faced by the world. We find both of the aforementioned trends in the Nordic Region, but here it is a matter of two trends actively contributing to realising the potential of social entrepreneurship in two essentially different ways.

The last 30 years have seen a reorientation of the welfare states towards increased privatisation and individualisation across national differences and types of welfare regime. This has brought about a restructuring of the classic welfare state as it was shaped in the wake of the Second World War (Titmuss, 1977). This trend has great international force and is creating a new framework for welfare state renewal processes. Pestoff (2009) has shown by means of empirical analyses of developments in the Swedish welfare state how privatisation has had an impact on "Folkhemmet", the Swedish Middle Way, since the 1980s. This is illustrated in Figure 3.2, which also shows that there are two ways

forward, with social entrepreneurship and social innovation being thematised in two very different ways.

Figure 3.2. Development of the Swedish welfare state, ca. 1980–2030



Source: Victor Pestoff, 2009

As an instrument for renewal of the social contribution to the welfare society, social entrepreneurship is as if made for the role. Despite the fact that the expansion of the modern welfare states started early in the 20th century, it was not until the late 1940s that politicians and experts began to see a development in universal welfare state systems (Borzaga & Antuari, 2003: 36). From then until around 1970, political development in the welfare field was underpinned by the vision of a powerful welfare state. The welfare state was a key driving force in getting modern society by and large to work. The universal welfare state was an asset in every corner of the high-speed society that developed rapidly during the post-war years (Titmuss, 1987). Researchers referenced the universally oriented Nordic welfare state as “the social democratic model” (Esping-Andersen, 1990), and in Sweden the Social Democrats were also in power for 44 years on the trot, from 1932 to 1976. And in 1976, what is more, with Prime Minister Olof Palme, who ventured to declare that: “The era of neo-capitalism is drawing to an end.” This assertion was made against the background of an epoch (1932 – 1988) in which the Social Democrats constantly had more than 40% of the votes. But might not Sweden have been the very country to experience the most rapid changes in the period that followed?

The fact is that, from the 1970s onwards, we see a gradual change in sociopolitical orientation at an international level: “The European welfare systems began to crumble” (Borzaga & Santuari, 2003: 38) under the financial burden, which also gave notice of major organisational challenges in terms of taking social responsibility. The new trend in the orientation of the welfare state was to play down the public sector’s responsibility for tackling social problems. This is clear from Pestoff’s analysis of the development in the Swedish welfare state (Figure 2). The magazine “The Economist” also looked at the Nordic version of the welfare state in a themed issue in February 2013 and noted, among other things, a sharp decline in government’s share of GDP:

Sweden’s public spending reached 67% of GDP in 1993 ... Since then the Nordics have changed course – mainly to the right. Government’s share of GDP in Sweden, which has dropped by around 18 percentage points, is lower than France’s and could soon be lower than Britain’s (The Economist, 02.02. 2013).

A combination of changes in the overall political power structure and growing dissatisfaction with the welfare state on both right and left laid the foundation for changes, including the rapid progress of the new right’s approach to welfare (Taylor, 2003: 3). From the 1970s onwards, the modern welfare states began to stress the individual’s responsibility and membership at the expense of government’s responsibility, thereby pursuing a vision other than the universal and institutional welfare model. Sociopolitical paradigms such as activation and self-help are acquiring greater force. As is the combination of individual responsibility and membership, one of the things that characterises development in the pensions field, all illness prevention work, and development on the housing and stock market. These areas are all contributing to a polarisation that is a long way from the universal welfare model, which was constructed around a core of universalism and redistribution.

The change in the welfare state towards privatisation and membership rather than citizenship does not just support the importance of individual responsibility. It also contributes to social enterprise and social entrepreneurship more easily becoming a forum for innovative actors from the three sectors. Economic globalisation and the changes in the welfare state have not just led to more individualisation and market orientation, however. They have also helped to create a new platform for civil society and new forms of collective responsibility for the development of the welfare society. We are therefore seeing the paradox that social enterprise and social entrepreneurship can be key elements in both a privatisation strategy and a strategy that tries to enlarge the field

for civil society as a third social structuring principle based on collective responsibility and reciprocity.

But how then are we to understand the political expectations, all the social entrepreneurship initiatives and the whole SE field that we have seen evolve in the Nordic Region and the rest of the world? Is it an indication of civil society acquiring ever greater influence as a sphere for solidarity and reciprocity? Or is it an indication that the private, traditional market economy is becoming of interest to the third sector as a springboard for exploiting the market at “the base of the pyramid”, or BoP? According to Elkington and Hartigan, successful lobbyists in the SE field, the BoP is made up of around four billion low-income consumers. And the BoP is just waiting for successful social entrepreneurs to take care of these:

market failures and bring much-needed benefits to poor people or, in the case of the more commercially minded, to make money in unlikely circumstances (Elkington & Hartigan, 2008: 42).

The observation of movements and tensions in the SE field has also been inspired by international development debates linked to both social work (Desai, Monteiro & Narayan, 1998; Ho & Yen, 2010; Hulgård & Shajahan, 2012) and a view of social innovation based on a strong process perspective (Moulaert *et al.*, 2012; Moulaert, Jessop, Hulgård & Hamdouch, 2012). So is social entrepreneurship largely an expression of effective and innovative production of social services on the premisses of the existing market, or does it comprise a utopian horizon for the development of more participatory and inclusive practices linked to social movements and the possibility of a more sustainable and inclusive society? It is still too early to draw a conclusion with regard to how the actors involved in this paradigm will practise and develop social entrepreneurship. The next few years will provide the answer to how social entrepreneurship will evolve in the Nordic countries – and it will be very interesting to follow developments.

3.3 Themes and definitions with roots in a Nordic perspective

If we were to draw the contours of how a Nordic perspective on social entrepreneurship might be regarded, we could say in summary that it is both based on and inspired by international currents, but also by researchers and practitioners placing social entrepreneurship and social innovation in their national, cultural and historical contexts. In the fol-

lowing we will sum up and describe the unifying ideas and trends we can observe through five themes: 1. Historical roots and research horizon, 2. Contribution to definitions of social entrepreneurship, 3. Co-production and hybridity in a Nordic perspective, 4. Experimental laboratories in welfare services for disadvantaged citizens, and 5. Framework and incentive structures.

3.3.1 *Historical roots and research horizon*

In a Nordic perspective, the historical roots and a historical framework for understanding social entrepreneurship are a marked feature that we can see in research, understanding of concepts and practice.

From a Danish perspective, Hulgård and Andersen point out that social entrepreneurship represents an interesting special case in the international trend:

Quite specifically, social entrepreneurship has reached Denmark from outside, partly via a European socioeconomic tradition, particularly from countries such as Belgium, France and Italy, and partly via a more market-conforming approach to social services from countries such as the USA and United Kingdom, while the immediate keywords that characterise the “new” debate came to Denmark from these international contexts. Historically, Denmark occupied a very strong position in the first socioeconomic wave that swept across the world from the mid-1800s onwards, with the Danish cooperative movement and development of the cooperative movement in general. The second socioeconomic wave arose internationally on the basis of the voluntary sector from the mid-1980s onwards. In this instance Denmark experienced a high degree of project organisation at the expense of organisation and business development, while the country was slightly slow off the mark with regard to the third socioeconomic wave, in which the emphasis is on the development of coherent strategies and policies (Hulgård & Andersen, 2009, p.5).

We find similar waves in the other Nordic countries, including the modernisation of the welfare state that has been in progress since the 1980s. This modernisation has taken the form of a long series of concentrated programme work and can, for example, be understood as a development of the social entrepreneur dimensions in welfare services and organisation, with the introduction of “quasi-market-based” welfare services, self-management and greater emphasis on user influence being among the focus areas of the modernisation (Andersen, 2014).

From a Swedish perspective, Gawell, Johannesen & Lundqvist point out that social entrepreneurship was discussed in Swedish research in the late 1970s, with researchers in business economics treating the

phenomenon as part of an economic development strategy in which industrial transformation was changing working and living conditions for many people. The debate also focused on the survival of local communities and the responsibility of large enterprises for the development of local communities. In this way societal entrepreneurship is identified as a phenomenon and concept in both the world of research and the practical world (Gawell, Johannesen & Lundqvist, 2010:15). Although societal entrepreneurship occupied a strong position with the Swedish public, there were other points of focus too. Members of the Nordic working group pointed out, for example, that Sweden went through a period of 30 years:

of work integration social enterprises (WISEs), 30 years of building up what is now Coompanion, a national support structure for cooperation and other business within the social economy.

This focus on labour market integration is easily overlooked if the “Swedish model” is understood exclusively on the basis of the concept of societal entrepreneurship and local development measures.

From a Finnish perspective, Harri Kostilainen and Pekka Pättiniemi draw attention to how social enterprises are being formed against the background of international research and practice, with experiences being taken in particular from Italy with its type A and type B model definitions of social cooperatives, and the United Kingdom’s reform of public services. Social enterprises can be identified specifically through two particular roles as change agents and contract partners of public services. They outline a brief historical perspective, which, as far as Finland is concerned, shows that before the expansion and establishment of the welfare state, social enterprises and cooperative forms played an important and innovative role in the development of the industrial society and local communities (Kostilainen & Pättiniemi, 2014). Finland therefore has a long history in which “citizenship organisations” played a role as producers of services. According to information from the Nordic working group, the development of social enterprises has, however, been modest in Finland in recent years, and in decline compared with ordinary private enterprises.

From a Norwegian perspective, a mapping report indicates that increased attention has been paid to social entrepreneurship in recent years through the setting-up of organisations, publication of literature and establishment of internet resources, blogs, forums and networks giving social entrepreneurs exposure.

Examples of this include SE:Piloten, a network of social entrepreneurs and philanthropists who in April 2012 published a draft action plan for social innovation and social entrepreneurship in Norway (Schei & Dalen, 2012), and the recently published action plan and book “Vilje til endring – Sosialt entreprenørskap på norsk” by (Schei & Rønning, 2009) (Gustavsen & Kobro, 2012: 40). An earlier Norwegian report is based on interviews with 20 social entrepreneurs and document analyses, and proposes three typologies, the concept developer, the specialist and the idealist, as marks of social entrepreneurship and social enterprises (Utredning om sosialt entreprenørskap, 2011: 22). On the research side, work in Norway is still at the elementary stage with few published researchers: Dr. philos. Eline Synneva Lorentzen Ingstad of the *Centre for Entrepreneurship* at the *University of Oslo* is researching “the scaling of social entrepreneurship organizations and scaling strategies focusing on how different stakeholders contribute in the scaling process and key success factors in the scaling process in Norway.” Unni Beate Sækkersester of the *Centre for Social Entrepreneurship* at *Roskilde University* is doing a doctorate in “peer group lending strategies” and how it is possible to create socioeconomic change using a particular model – “the peer group lending model” – analysed in five different microfinance programs in Norway, the USA and the United Kingdom.

From an Icelandic perspective, social entrepreneurship and social innovation are relatively unknown according to contributions from the Nordic working group. In Iceland, Hrafnisdóttir and Kristmundsson (2012) have shown that there is a long history of the third sector and citizens’ organisations playing a role as producers of welfare services, some of which can be categorised as social innovation. The research side is not very well developed. There is only one previous Icelandic study based on interviews with five social entrepreneurs (Ármannsdóttir, 2010). In Iceland there is a growing number of research projects concerned with the third sector, but there is a lack of research on social entrepreneurship.

In Nordic research, especially from Denmark, Sweden and Finland, there are indications that social enterprises and cooperatives acted as an important driving force for innovation in the development of industry, agriculture and local communities, but that for a time the establishment and expansion of the welfare state led to a weakening of these phenomena because of the government taking over these tasks. We are also seeing a new wave of interest in social entrepreneurship and social enterprises in the 2000s. It was inspired by developments in Europe and the USA, but also driven by a need to develop the Nordic welfare state

through new forms of cooperation and partnership with civil society organisations.

3.3.2 Contribution to drawing up a definition of social entrepreneurship

Nordic contributions to the concept development of social entrepreneurship establish different dimensions and points. Lars Hulgård and Linda Lundgaard Andersen take as their basis EMES' definitions of "social entrepreneurship and social enterprises" with the emphasis on "the creation of social value through innovation including civil society as privileged partner initiating activities of economic significance." It is stressed that social value creation and social innovation are key, and that the civil society part and economic value creation are equal elements (Andersen & Hulgård, 2014 and 2010, Hulgård, 2007). Malin Gawell, Bengt Johannessen and Ulf Lundqvist define the term social entrepreneurship as "motivational, innovative and value creation – rooted in a historical Swedish tradition for local community development" (Gawell, Johannessen & Lundqvist 2010:13). By doing this, they wish to stress that social entrepreneurship can be understood as societal entrepreneurship and that "social" in this sense must be translated and retained in this way. Elisabeth Sundin and Malin Tillmar talk about:

the intertwinement of the social, commercial and public entrepreneurship and how entrepreneurship exists in all sectors – a fact which is often underestimated (Sundin and Tillmar, 2010).

David Hjorth proposes developing the term "public entrepreneurship," which he defines as follows:

to elaborate on social entrepreneurship as increasing the social capacity of society, rather than the performance capacity of management. To place the citizen rather than the consumer at the centre of our attention (Hjorth, 2010).

Hjorth's contribution is therefore in line with the international trends we discussed above as the battle between market-oriented and social value creation as an approach to social entrepreneurship.

3.3.3 Co-production and hybridity in a Nordic perspective

Another distinct track in the development of social entrepreneurship and social enterprises concerns research – and related practice – in co-production and the term hybridity. Victor Pestoff, one of the greatest con-

tributors, has developed and justified this on a Swedish basis, among other things through a number of analyses examining Swedish experiences and practices – combined with other international examples. Based on typologies developed by Osborne and McLaughlin (2004), co-production is defined by means of three potential manifestations:

“co-production, co-management and co-governance”. All refer to a type of co-operation in which the third sector has a direct influence on the nature of the service (i.e. output). They define: Co-governance as an arrangement, in which the third sector participates in the planning and delivery of public services, Co-management as an arrangement, in which third sector organizations produce services in collaboration with the state; and Co-production as an arrangement where citizens produce their own services at least in part (Pestoff & Brandsen, 2009:8).

The researchers point out that these three dimensions are not mutually exclusive, but, on the contrary, can be found in different combinations. Pestoff's point is of particular interest in a Nordic perspective, where the welfare tradition is based on strong democratic principles:

the democratic implications of co-production for social enterprises should be noted: both the consumers and providers in social enterprises can become more involved in the provision of enduring social services, thereby transforming them into grass-roots democratic organizations. Co-production is a mix of activities that both public service agents and citizens contribute to the provision of public services. The former are involved as professionals or “regular producer”, while “citizen production” is based on voluntary efforts by individuals or groups to enhance the quality and/or quantity of services they use. In complex societies there is a division of labor and most persons are engaged in full-time (Pestoff, 2014).

Thus co-production, in its various dimensions, represents many possibilities for renewal of the democratic mandate and welfare practice that can comprise social entrepreneurship, social enterprises, civil society organisations and intrapreneurship in public organisations, making it of great interest from a political, municipal, public and research point of view.

Hybridity is another research topic that is key to definitions and practical understanding of social entrepreneurship, social enterprises and civil society organisations. These enterprises set a framework for profit and non-profit elements and therefore operate under a cross fire of tasks, challenges and conditions, which represent competitive advantages, but also problems that can affect business ideology, mission and value orientation (Mair & Noboa, 2003). Hybridity is also referred to as the multifaceted essence that characterises social enterprises. This

includes multiple stakeholders, multiple objectives and multiple resources, which some perceive as a specific advantage, but can also be regarded as a potential weakness owing to their volatile nature, which can mean a risk of affecting/changing the structure and mission of social enterprises over time (Bode, Evers & Schultz, 2006). Victor Pestoff points out that, from a civil society organisation's point of view, hybridity is not just about these definitions, but at least as much – if not more – about three issues: Firstly, how to mobilise, retain and balance the interests of different stakeholders in relation to the organisation's objectives. Secondly, how to retain a mix of different objectives without losing stakeholder support, and thirdly, how to generate synergy by drawing in the stakeholder's individual and collective contributions to the objectives (Pestoff, 2014).

What attention is being drawn to here, therefore, are the special challenges and requirements that apply to hybrid organisations, which have to balance social and financial objectives with democracy and influence. And as such it is necessary to develop new and innovative methods that are able precisely to strengthen the structures of social enterprises, cooperatives and other civil society organisations in order to guarantee internal decision-making processes that can include many stakeholders – and to draw up social accounting and social audit methods that can maintain and monitor the organisations' social and financial performance. Pestoff also predicts that hybridity and hybrid organisations will probably become more widespread (in the Nordic welfare state) through the ongoing development of an ever more fragmented and pluralistic public governance system characterised by New Public Management and New Public Governance. This means that civil society organisations can follow two possible strategies for hybrid survival: One strategy is aimed at greater market competition (such as NPM) and has to navigate in both pull and push logics from civil society and the market, enhance professionalism, and promote market advantages and increased efficiency. The second strategy is aimed at preserving (more) traditional social values in an NPG vision by participating in service networks that attach importance to co-production and co-governance, which have some overlap with the public sector, but also entail certain risks (Pestoff, 2014:10–11). It is thus interesting to establish that it is possible to outline different development scenarios for social entrepreneurship and its different organisational forms – depending on which strategy the individual socioeconomic organisation wishes to follow. At the same time it is nevertheless important to assess which societal, economic and structural conditions have to be present to ensure that there is a real choice.

A number of individual Nordic case studies examine hybrid social enterprises – with regard to both their strengths and weaknesses – thereby contributing a useful and critical picture that both confirms and introduces light and shade into the aforementioned trends and characteristics. Andersen and Hulgård show through their research how the Danish enlightenment tradition, the desire for empowerment, market-based dynamics, and the upgrading of skills and job training for vulnerable citizens are elements of Danish WISEs (Work Integration Social Enterprises) that appear to have the potential for sensational results, but lack the necessary framework and conditions in the form of a mixed economy with long-term sustainability (Andersen & Hulgård, 2009). In her research, Charlotte Rosenberg gives an example of how a Danish social enterprise and civil society organisation manages to retain and qualify disadvantaged and vulnerable citizens using a special educational and interrelational structure with organised and open spaces. It is important for everyone involved that there are fluid transitions between being user, volunteer and activated, and that it is possible to change between these positions, as this will provide opportunities for growth in several ways that have a subjectivising effect (Rosenberg, 2013). Malin Gawell makes a case-based analytical study of how Swedish social enterprises and societal entrepreneurship aimed at youth activities can be understood on the basis of the entrepreneurial terms ‘opportunities, needs and/or perceived necessities’. She establishes a dynamic interaction between opportunities and needs in which engagement and measures in relation to youth groups in particular sometimes form a synthesis, but also other situations in which there is a clash between the entrepreneurial opportunities and the young people’s needs and wishes (Gawell, 2013). Finally, Ulrika Levander proceeds from a qualitative case analysis of three Swedish social enterprises and shows how, on the one hand, they are capable of forming social and cultural identity-creating processes that challenge discrimination and exclusion of disadvantaged groups. On the other hand, the extent to which social enterprises contribute to reducing marginalisation as claimed in political rhetoric is unclear, however, with there being a lack of research-based documentation (Levander, 2012).

Nordic research contains an increasing number of qualitative, individual case studies that look at social entrepreneurship, social enterprises and civil society organisations – right in line with international research – while there is a shortage of metastudies and larger quantitative and qualitative comparative studies looking at impact and results.

3.3.4 Experimental laboratories for welfare services and especially disadvantaged citizens

Much of the Nordic research examines and evaluates social entrepreneurship, social enterprises and civil society organisations as a kind of experimental laboratory for the new development of welfare services and how disadvantaged groups of citizens and individuals can gain a better foothold through development, competence development and citizenship. Nordic research covers a broad spectrum and includes a number of topics to do with social entrepreneurship, for example. Social enterprises are examined in configurations such as “corporate sustainability strategies, social entrepreneurship and institutional theory” (Hockerts & Wünstenhagen, 2010; Agrawal & Hockerts, 2013), the contribution of design thinking to social enterprises’ value creation (Krull, 2013), pedagogics and didactics in entrepreneurship teaching from an enterprise perspective (Kirketorp, 2010), social value creation and financial interests in social entrepreneurship as an innovation field between cooperation and governance (Fæster, 2013), and studies of the source of social entrepreneurship through explorative case studies of Danish and British social enterprises (Kulothungan, 2014).

In Sweden the link between “socialt företagande” (social enterprise) and “civila samhällets entreprenörskap” (civil society entrepreneurship) is clear. “The Swedish government is particularly concerned with social entrepreneurship in relation to labour mobilisation and has drawn up an action plan for work integration social enterprises, which was presented in 2010. It stressed the importance of social entrepreneurship as an alternative and a bridge between public authorities, working life and the voluntary sector” (Gustavsen & Kobro, 2012). In Denmark two centres, the *Centre for Social Entrepreneurship* and *Danish Center for Social Economy*, have been set up with large grants from a special sociopolitical government group (Satspuljen) with a view to developing, researching and establishing education and capacity development in social entrepreneurship, social enterprises and civil society organisations over a number of years. The *Centre for Social Entrepreneurship* has a special duty when it comes to studying how and whether social entrepreneurship and social enterprises can function in relation to especially disadvantaged groups (Hulgård, Andersen, Bisballe & Spear, 2008). In Finland social entrepreneurship and social enterprises are developing in phases, with a new social movement at the centre as a labour market initiative, an action/phenomenon for renewing welfare services, and finally institutionalisation (Kostilainen & Pättiniemi, 2014). But here too, therefore, there is a dimension that is specially targeted at disadvantaged citizens.

As far as the Nordic countries are concerned, we can conclude that there is a strong tendency for social entrepreneurship and social enterprises to be linked to welfare services and solutions where vulnerable citizens are drawn in, and where the emphasis is on improving their living conditions and welfare – and that the innovative strength that is a defining feature can have a renewing effect on the Nordic welfare states. What we are unable to say anything about at present is whether these initiatives and trends will have a lasting impact, whether they will be implemented, how and whether they can be scaled up, or whether they will remain niche products that flare up only to disappear again. More research work is needed to examine these important questions.

3.3.5 Framework and incentive structures

Our final theme concerns framework and incentive structures, the elements they include, and their importance for social entrepreneurship, social enterprises and civil society organisations. We examine this field on the basis of the following figure, which has four dimensions: research, education, practice and policy, which are crucial in establishing, developing and consolidating social entrepreneurship.

Figure 3.3. Framework for social entrepreneurship



All these four dimensions are well known in the Nordic countries and the subject of development and qualification, albeit with different degrees of maturity. The political dimension consisting of legal framework, venture capital and support structures is well developed in Finland, but less so in the other Nordic countries. In Sweden there has been a strong political focus on social economy and social entrepreneurship at times, however. Back in 1997 the government of the day decided to appoint a working group with members from different ministries to draw up a report on “Social ekonomi i EU-landet Sverige – tradition och förnyelse i samma begrepp” (Social economy in the EU country of Sweden – tradition and renewal in the same concept) (Regeringskansliet, 1998). Over a period of 30 years the Swedish government has also given financial support to what is now called *Coompanion*, which according to information from the working group has, among other things:

made a major contribution to the development of parent cooperative nursery schools (lots), staff cooperatives in nursing and care, work integration social enterprises and other enterprises driven by social challenges and common needs.

The education dimension, which in principle covers elementary school, youth training, bachelor/master programmes and doctorates, is probably most firmly established and consolidated in Denmark, but is now gaining ground in the other Nordic countries. Hubs, advice and support forums, incubators and network groups are also used in this context. The most important point here is further that these four fields have a mutual influence on each other, both positive and negative. A far-reaching education initiative in social entrepreneurship, social enterprise and civil society enterprise, for example, would generate knowledge, social and cultural forms of capital, and increased action potential, which in turn would affect practice in many different ways. A well-established education and practice field could also influence and lead to qualification of the political dimension through the development of social, economic and cultural support structures, which in turn would qualify practice and education. There is, therefore, a mutually dependent, synergetic, but also sometimes antagonistic relationship between these dimensions – in the same way as within each new knowledge and action field – as they have an effect, interact and fight for definatory power, resources and influence.

3.4 Conclusion: Five points that characterise SE and SI in the Nordic Region

At both an EU level and in national and local contexts, policies and legislation are being formulated, interest organisations are being set up and other far-reaching measures are being implemented to an ever greater degree to promote social enterprises, social entrepreneurship and the socioeconomic sector. Such policies and measures are contributing to the gradual development of a real organisational field of social enterprises and social entrepreneurship. At a European level, in 2011 the European Commission adopted two important measures to promote social entrepreneurship in Europe. Firstly it adopted a new strategy for the single market, the “Single Market Act – Twelve levers to boost growth and strengthen confidence,” which established the framework for trade with a view to creating new growth. In this strategy social entrepreneurship represents one of 12 different tools for creating a new growth model. The following is said about “Lever number 8: Social entrepreneurship,” which will contribute to creating

inclusive, socially fairer and environmentally sustainable growth. New business models are being used, in which these societal concerns are taking precedence over the exclusive objective of financial profit...initiatives, which introduce more fairness in the economy and contribute to the fight against social exclusion, should be supported.... In order to expand and meet its objectives, the social economy sector in the Single Market should have at their disposal legal models adapted to their needs.

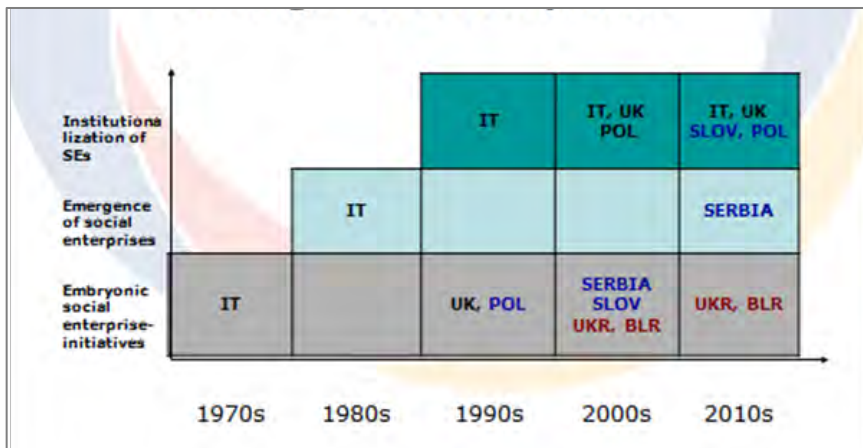
Against this background the European Commission subsequently launched a “Social Business Initiative” (Proposal No. 36, 2011), which was intended to contribute to developing socially innovative enterprise projects and introduce new investment and financing models for social entrepreneurs and enterprises. Importance was also attached to creating a better framework for taking social considerations into account in connection with public procurement, making it easier for public authorities to do business with social enterprises.

As we have seen in this chapter, there is no doubt that social entrepreneurship in the form of both social enterprises and other social innovations has gradually contributed to influencing a large number of societal areas. Social entrepreneurship and social innovation are, for example, incorporated as independent tools in national civil society strategies, probably helping, on the one hand, to make civil society organisations more innovative when it comes to generating resources and handling

tasks. On the other hand, it may weaken their historical tradition of “advocacy”, including the ability to criticise governments and public authorities.

The Italian research institute EURICSE has developed a model (Figure 3.4) that shows how social enterprises develop over time.

Figure 3.4. Three stages in the development of social enterprises



The figure provides an excellent illustration of how SEs develop over time from small and often spontaneous local initiatives into formal institutions and enterprises supported by national and international programmes. But the model is also controversial, as it can justifiably be criticised for its Italian slant, which claims that Italy was a pioneer in every phase of the institutionalisation of SE as a distinct societal phenomenon. On the other hand, the Italian model is well suited to understanding the different phases that states and regions pass through in the institutionalisation of social entrepreneurship and social enterprises as an important societal phenomenon, from the earliest and perhaps informal phase (embryonic) to the institutionalisation of national programmes and policy. The Italian researchers are wrong when they put Italy top in all three historical phases. This shows a lack of understanding of historical and institutional variations between countries. Thus all countries have examples of social enterprises and social entrepreneurs at the first and second levels. Although the debate about “social enterprises” happened later in the Nordic Region than in countries like Italy and the United Kingdom, there has nevertheless been a century-long history of associations, businesses and other organisations in the socioeconomic field. In this context it is important to note that the development of “social enterprise” does not just come in the form of new enterprises being set up. It probably happens to an equally large extent through the metamorpho-

sis of existing organisations, both as a response to pressure from the authorities and as a result of other forms of adaptation to new environments. The concrete examples and historical experiences will always differ from each other, as they reflect the specific socioeconomic, cultural and political development of the countries. Some countries have a strong cooperative tradition (e.g. Finland and Italy), while others have had strong civil society organisations in social and health-related areas (e.g. Germany) or a tradition of charity and volunteerism (e.g. the USA). The common denominator is that from all these regional, national and local development contexts there gradually starts to form a sector for social enterprises and social entrepreneurs that share characteristics and also begin to operate on international markets and create internationally oriented competence development and higher education. Based on Figure 3.3, “Framework for social entrepreneurship,” we can therefore assume that the entire field of social entrepreneurship and social enterprises in the Nordic Region will continue to move towards institutionalisation as a real organisational and societally significant field.

The model is nevertheless relevant because it shows how the institutionalisation of social entrepreneurship and social enterprises usually passes through a number of phases when it comes to understanding their societal significance. The first phase is characterised by what the Italian researchers call “embryonic social enterprise initiatives.” In a Nordic context this could be a voluntary association that sets up a café or sewing workshop as part of its activities with the aim of supplementing its more traditional activities as a non-profit or voluntary association. The second phase is some of these organisations starting to see themselves as “social enterprises.” In the Nordic Region this process has received support in the form of project and development funding from private and public sources, which in turn has contributed to a gradual shift towards a more entrepreneurial and innovative civil society. Researchers have highlighted that key indicators are pointing in the direction of:

the Nordic civil society organisations jumping on “the corporate way” at an increasing rate by becoming more commercial (Wijkström & Zimmer, 2011: 22).

Or developing a number of “hybrid organisations” which in different ways are moving on a continuum between voluntary civil society organisations, public subsidy and private operation through a partial market basis. The third phase is for the socioeconomic movement to be recognised and systematically supported at a political level. Both a legislative framework and public support structures at international, national and local level are created.

It is important to note, however, that the development of social enterprise as a broad societal phenomenon can also be the reverse of what the model dictates. The adoption of new laws and changes in underlying conditions or support structures can in many cases be the first step towards the development of SE. The adoption of new laws and changed conditions for government support or access to financial resources give existing organisations the opportunity to adapt to the new regulations and acquire the status of social enterprise. This is what happened in the case of the British *CIC (Community Interest Company)*, for example, which was introduced in 2005 and made it possible for existing enterprises to convert into social enterprises. It may be assumed that something similar will happen with the adoption of new regulations at EU level and the Danish Registered Social Enterprises Act (*Lov om registrerede socialøkonomiske virksomheder*), which was passed by the Danish parliament in June 2014.

It is our contention that, in various ways, we are now moving on the second and third levels in the Nordic countries. It is impossible to place the Nordic Region as such on one of the three levels, but we are past the first level, which merely involves sporadic initiatives that may not even be referred to as social enterprise and social entrepreneurship. There are variations between the countries, but also a number of similarities that it is important to remember when charting the course of future development. In conclusion, we will try to formulate this by means of four points that characterise social entrepreneurship in the Nordic Region.

3.4.1 The universal welfare state has historically been an active partner in the development of social entrepreneurship at national and municipal/local level

Internationally, the Nordic countries have been known as state-friendly societies. The high level of trust and social capital is largely due to balanced development between active, dynamic and cooperative societal sectors (state, market and civil society). The recognised political scientist Robert Putnam, who has done research into the connection between social capital and political institutions, expounded on the relationship between social capital and the welfare state during an interview in 1999. The question was as follows: How does the universal welfare state in the Nordic countries relate to social capital?

When speaking to American audiences I often provide one kind of evidence showing that across the OECD countries, in so far as we do have measures, we have imperfect measures of social capital, there is a strong positive not negative correlation between social capital and the size of the welfare state. The societies in which there is the highest level of social trust and group membership are precisely the Scandinavian countries which also have the most generous welfare states. And the countries that have the smallest welfare state or no welfare states at all tend to be the countries that also have low levels of social capital..(..)Now of course a correlation does not in itself tell us in which way the causal arrow points, it's not clear, and it's not clear to me even whether the welfare state itself actually produces social capital or whether places that are high in social capital have feelings of social solidarity, and therefore support more expensive welfare programs. So it is possible that the social capital produces the welfare state, it's also possible that it's the welfare state that produces the social capital. But it's certainly not possible, it seems to me, that the welfare state in general destroys social capital (Putnam, 1999).

In the same way as we can see a positive correlation between the universal welfare state in the Nordic countries, we can expect this historical experience to be of decisive importance for a distinctively Nordic contribution to the international debate on social entrepreneurship and social innovation. The Nordic Region has a tradition of “strong government engagement in all areas of society” and “uniform criteria for fundamental human needs” (Seppelin, 2014). With the gradual privatisation and individualisation of social responsibility in the Nordic countries too, it will be important to employ a critical and analytical approach to whether the institutionalisation of social entrepreneurship as an organisational field will contribute to further privatisation or be part of a new form of public-private partnership, the outlines of which are not yet visible (see Figure 3.2). In this way, the development of social entrepreneurship is also directly related to which general governance paradigms will regulate the Nordic welfare states in the next few years. Will we see an intensification of the competition state with its assumption “that social relations are economic in nature” (Petersen, 2011: 118) and New Public Management (NPM) based on the concept of “the superiority of private sector managerial techniques” (Osborne, 2010: 3)? Or will social entrepreneurship and social innovation form part of the development of more network-oriented and negotiation-based models for New Public Governance that are partly based on new forms of co-production and hybrid organisations in which the third sector occupies a key position (Pestoff, 2009)? What is interesting is that SE and SI could be important “policy instruments” in both scenarios, but in two essentially different versions. Maybe we are seeing an element of NPG in the Swedish development of

“Public – Social – Private Cooperation”, which, according to information from the working group, includes agreements “that central and local government make with civil society organisations. These agreements are also found in the social field (including jobs for people with disabilities, for example) and the field of integration.” This is being done with a view to developing cooperation between the public sector and civil society and, by and large, developing and clarifying the rules for cross-sectoral cooperation.

3.4.2 Social entrepreneurship takes place in interaction between the three sectors of state, market and civil society

In the same way as in other areas of the world, civil society in the Nordic Region has played an important role in the development of social entrepreneurship. At a Nordic level we are strongly influenced by citizens’ organisations, association activities, non-governmental organisations, non-profit organisations, cooperatives, etc. Civil society’s creative ability to generate innovation has hardly grown less over the years, but rather there has been a change in how the public authorities regulate and deal with the other sectors:

There has been no change in civil society’s creative capacity to generate new innovations. What has changed is the relationship between central/local government and organisations belonging to the third sector. The public sector is no longer integrating innovations of public utility in its own organisations and effectively spreading them across the country to the same extent as before. In line with new legal framework conditions (EU law), there has been a considerable reduction in direct government support for commercial business activities so as not to distort competition. Organisations in the third sector that also conduct economic activities (so-called “näringsidkare”) have been exposed to tough competition. Major market actors are buying smaller actors out of the market if they start to acquire greater commercial value. Many existing non-profit organisations have been forced to convert into “social entrepreneurs” (Seppelin, 2014; Koskiaho, 2014).

3.4.3 Social entrepreneurship is about more than jobs for the socially disadvantaged

Should social entrepreneurship strategies and policy primarily be aimed at integrating socially disadvantaged groups on the labour market, or is it important to include areas such as social services, culture, education, the environment and health too? If social entrepreneurship is first and

foremost seen as a new technology for boosting employment among socially disadvantaged groups, policy can be targeted at promoting so-called WISEs (Work Integration Social Enterprises). But in that case there would be a risk of the historical potential built up over several decades in the Nordic welfare states not being fully utilised in social entrepreneurship policies and programmes. The Nordic countries thus have a tradition of:

comprehensive welfare policy that covers social security, social services, healthcare, education, employment, regional policy, housing policy, etc. [It is a matter of] uniform criteria for fundamental needs, strong government engagement in all areas of society, full employment as a fundamental objective [and] a homogeneous labour market with the same rules for everyone [with] universal access to basic services, healthcare and medical services (Seppelin, 2014).

If there is an exclusive focus on WISEs, it will not be possible to make use of the creativity and tradition of cooperation between innovators in all sectors of society with a view to increasing the necessary social capital and solidarity, and helping to create a new level for the welfare society.

3.4.4 Social entrepreneurship opens the way for a new welfare state level – SEs as experimental arenas for participatory, learning-related and productive welfare arenas

The Bureau of European Policy Advisers, a panel of experts that the President of the European Commission can call on to carry out analyses of specific societal issues, published a report on “Social Innovation in the European Union” in 2010. In it the group of experts defined social innovation as “social value by providing new solutions to unsolved social challenges through participatory and empowering processes” (BEPA, 2010). This is interesting for two reasons. Firstly because social innovation and social entrepreneurship are characterised here as work that is in principle important in all areas where society has unsolved social challenges and not just in the area of employment. Secondly because the product of social innovation (social value) cannot be separated from the process. BEPA thus emphasises that social innovation and social entrepreneurship are created through processes that encourage participation

and empowerment. In other words, the innovation and initiative are developed in collaboration with and with respect for the various groups of actors involved. What is essentially being talked about here is a merger of co-production, co-governance and co-management. This is an approach that the Nordic countries have a sound historical basis for developing further into a new welfare level in the same way as, in the post-war era, the universally oriented Nordic welfare model became one of the great innovations that attracted global attention.

4. Employment and social inclusion in the Nordic countries

The purpose of this section is to provide an overview of the challenges faced by the Nordic countries in their work to include disadvantaged groups in employment and society. We give a brief description of how many people are excluded from work and society using comparative indicators, as well as identifying characteristics of groups that are especially disadvantaged.

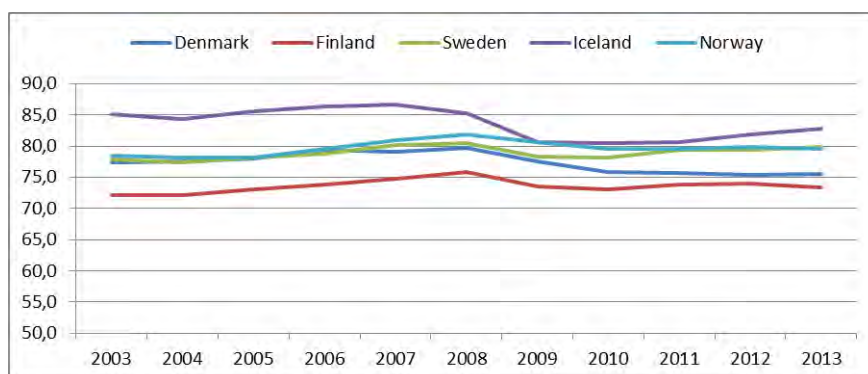
4.1 Status and development trends in the Nordic Region

Compared with the rest of Europe, the Nordic Region is characterised by high employment.⁴ In particular, the high employment rate among women is why the Nordic Region has high employment by European standards. Figure 4.1 shows the percentage of people in employment in the 20–64 age group.⁵

⁴ People are regarded as employed if they have done at least one hour of paid work in a reference week, or been temporarily absent from work in the reference week.

⁵ We chose these age limits to avoid including young people who are largely expected to be in further education and older people who have reached an age at which early retirement is a possibility.

Figure 4.1. People in employment aged 20–64 years, 2003–2013. %



Source: Eurostat, LFS (04/06/2014).

Iceland consistently has the highest employment rate in the Nordic Region, with the annual average for the proportion of people aged 20–64 in employment being 82.8% in 2013. Finland has the lowest proportion of people in employment with 73.3% in 2013. If we go back in time, the differences between the Nordic countries were slightly larger and there was a clearer division into three, with Iceland having by far the highest and Finland by far the lowest employment, while Norway, Sweden and Denmark were in between. This picture remained pretty much unchanged until the financial crisis of 2008.

After 2008, employment fell in all the Nordic countries. The biggest fall was in Iceland, where employment in 2010 was 6.3 percentage points lower than at the peak in 2007. Employment increased again in 2012 and 2013, however. The fall in employment was smaller in Sweden after 2008, and here too the rate increased slightly after 2010. Norway saw the smallest reduction in employment after the financial crisis, and the level stabilised after 2009. In Denmark the trend was slightly more negative, and, from being on a par with Norway and Sweden, the employment rate for the age group in question fell to just over 75%. This is just around 2 percentage points higher than in Finland, where the rate varied between 73% and 74% in the years following the financial crisis.

The fall in employment in the Nordic Region therefore flattened out relatively quickly after the financial crisis. If we make a comparison with 10 years ago, employment rates in Norway, Sweden and Finland are also slightly higher in 2013 than it was in 2003. In Iceland and Denmark it is slightly lower. This has also brought about a change in the clear division into three we saw in 2003, and the difference between the highest and lowest levels in the Nordic Region is smaller.

There are, of course, several factors behind these differences and trends. We will not go into them in detail, but one of the reasons for lower employment in Finland may be the fact that there is less part-time employment in Finland than in the other Nordic countries. It is also the case that, relatively speaking, the employment trend has been more positive for women than for men in the last 10 years everywhere except Sweden. Although the proportion of men in employment is still higher than the proportion of women in employment, the difference is smaller in 2013 than it was in 2003. This is partly due to men being hit harder by the financial crisis than women. Iceland and Denmark have the largest difference between the sexes, with the difference being smallest in Finland.

4.1.1 Unemployment

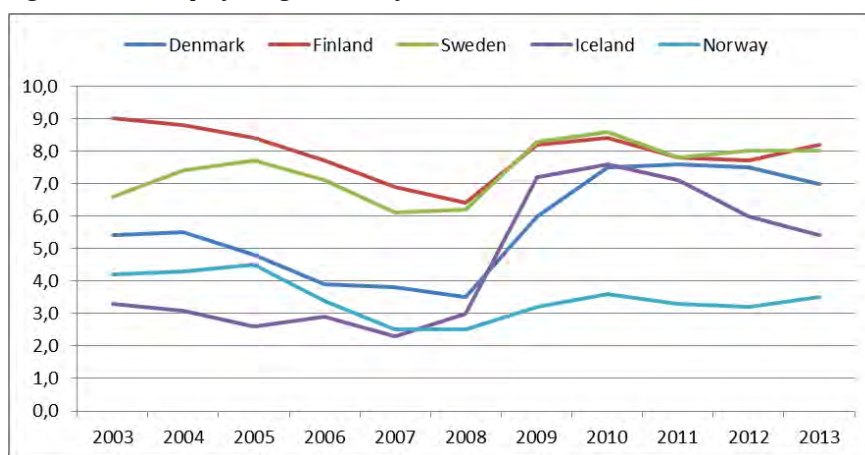
Unemployment paints a slightly different picture of the labour market in the Nordic Region from employment rates (Figure 4.2).⁶ Norway has the lowest unemployment with 3.5% in 2013, with unemployment remaining relatively low throughout the 10-year period. Although it rose slightly as a result of the financial crisis, the 2013 rate is still lower than in the period 2003–2005. Up to and including 2007, unemployment was lower in Iceland than in Norway. The financial crisis also affected unemployment in Iceland, which peaked at 7.6% in 2010. The rate then fell again, but is still 5.4% in 2013. Denmark experienced a similar trend to Iceland following the financial crisis, with a sharp increase in unemployment from 3.5% in 2008 to 7.6% in 2011. Denmark has not seen the same fall as Iceland in recent years, however, and unemployment stood at 7.0% in 2013. Sweden and Finland had a fairly parallel trend in the years following the financial crisis, with unemployment standing at 8.0% and 8.2% respectively in 2013. As far as Finland is concerned, however, this is lower than in 2003, when unemployment was 9.0%. In Sweden unemployment was lower in the period 2003–2005.

In general we can say that the trend up to 2008 was largely positive, with unemployment falling throughout the Nordic Region, but that the financial crisis had a marked impact in the form of higher unemploy-

⁶ Unemployed persons are defined as all those between 15 and 74 years of age who were not employed in the reference week and had been actively looking for work during the previous four weeks, and who were ready to start work either immediately or in the course of two weeks. How the terms relate to each other: Unemployed + Employed = Labour force. Labour force + Outside labour force = Population. As the employment rate is quoted as a percentage of the population, while the unemployment rate is a percentage of the labour force, the two figures will not add up to 100.

ment. As with employment, the negative trend stopped relatively quickly, and in 2013 unemployment was slightly lower than at the peak in 2010. By European standards unemployment in the Nordic Region is relatively low. In 2013 Norway had the lowest rate in Europe, while only Austria and Germany had a lower rate than Iceland. Although unemployment in Denmark, Sweden and Finland was higher, it was still among the lower unemployment rates in Europe and below the average for EU-28 (10.8%) and the eurozone (12.0%).

Figure 4.2. Unemployed aged 15–74 years, 2003–2013. %



Source: Eurostat, LFS (04/06/2014).

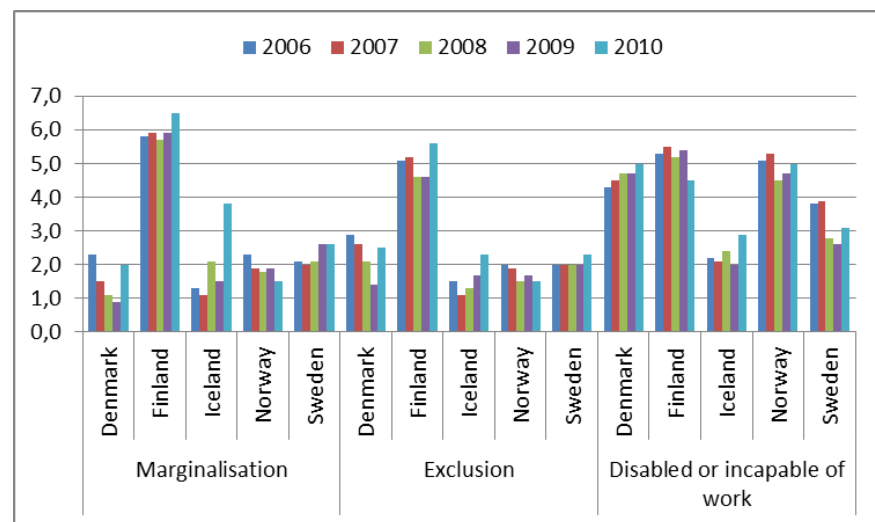
4.1.2 Marginalisation, exclusion and disability

Employment and unemployment do not pick up the entire spectrum of connection to or disconnection from the labour market. Both people who work to some extent but are on the margins of the labour market (marginalised) and people who are excluded from the labour force, either because of poor health or for other reasons, are not entirely captured by the employment-unemployment division. A NOSOSKO report from 2013 (NOSOSKO 52:2013) presents indicators for this for the period 2006–2010, which are summarised in Figure 4.3.

By and large, Finland has the highest rates of marginalised, excluded and disabled people in the Nordic region, apart from both Norway and Denmark having higher rates of people disabled of work in 2010. Iceland does relatively well for all three indicators, especially up until 2009. In 2010 the difference compared with the other countries was smaller as a result of disability, marginalisation and exclusion increasing. Denmark saw a positive trend for both marginalisation and exclusion up to and

including 2009, when it had the lowest rates in the Nordic Region, but this trend was reversed in 2010. When it comes to disability, Denmark does worse relatively speaking. Norway has relatively low rates for marginalisation and exclusion, with it being particularly noteworthy that the rates also declined between 2009 and 2010. Norway has relatively high rates for disability, however. Sweden is quite similar to Norway when it comes to marginalisation and exclusion, although its rates were slightly higher, especially in 2010. The Swedes are disabled from work less often, however, with only Iceland having lower rates in the Nordic Region.

Figure 4.3. Marginalisation, exclusion and disability, people aged 20–64 years, 2006–2010. Percentage of everyone



Source: EU-SILC 2006–2010, User Data Base.

The changes in marginalisation, exclusion and disability do not present a clear picture of the trend for the Nordic Region. Nor do these indicators present quite the same picture of the labour market as employment and unemployment. The results nevertheless reinforce the impression that Iceland was hardest hit by the financial crisis – it was not only that employment fell and unemployment rose, but there were also more people on the margins of and completely excluded from the labour market. Denmark seemed to be experiencing a positive trend up until 2009, but it appears that the situation deteriorated in 2010. This is partly true of Finland too, but a decline in the disability rate in 2010 means in spite of everything that the outcome is slightly more positive. Sweden does not seem, relatively speaking, to have been affected much by the financial crisis, although there are indications that more people

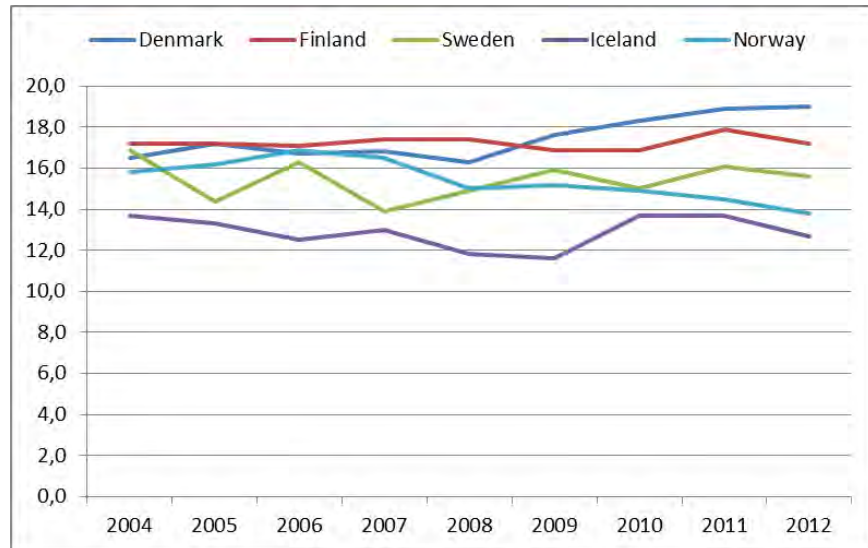
are on the margins and excluded in 2010 than in previous years. The reduction in the disability rate introduces light and shade into the picture for the period as a whole in the case of Sweden too. Norway is the country where we see the fewest traces of the financial crisis, with there being, on the whole, a positive trend for all three indicators in the period 2006–2010.

4.1.3 At risk of poverty and social exclusion

Indicators for poverty and income differences can also say something about social inclusion and the chances inhabitants have of a good standard of living. A key element in the EU's 2020 strategy is to promote social inclusion by reducing poverty, with the concrete target being to raise 20 million inhabitants out of risk of poverty or social exclusion. This is being measured using a separate indicator, the results of which in respect of the Nordic Region are presented in Figure 4.4.⁷

⁷ The indicator shows the total number of people who either fall below the at poverty risk threshold, or experience severe material deprivation, or live in a household with low work intensity. The measure of at risk of poverty is being below 60% of the national median for equivalised income. The measure of material deprivation is being unable to afford at least four of the following items: a) to pay rent or living expenses, b) to keep the home adequately warm, c) to face unexpected financial expenses, d) to eat meat, fish or vegetarian equivalent every other day, e) to go away on holiday for a week, f) a car, g) a washing machine, h) a colour television set, or i) a telephone. Those in households with low work intensity are people aged 0-59 years where adult household members (18-59 years) worked less than 20% of their total potential in the previous year.

Figure 4.4. Persons at risk of poverty or social exclusion, 2004–2012. %



Source: Eurostat, SILC (06.06.2014).

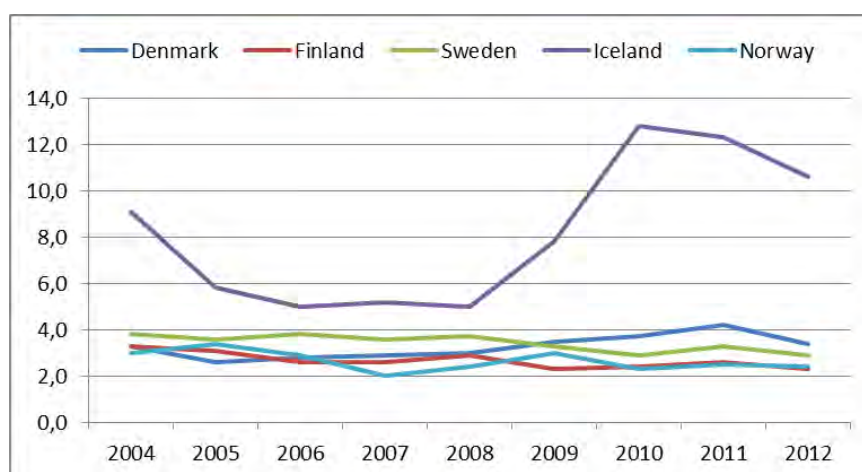
By European standards the rates in the Nordic Region are low. In 2013, Iceland (12.7%) and Norway (13.8%) were the two countries with the lowest rate in Europe. Sweden (15.6%), Finland (17.2%) and Denmark (19.0%) were also at the low end. The average for EU-28 was 24.8%. We can say overall, therefore, that there is relatively high equality within the Nordic Region, as all the Nordic countries are among the 13 countries in the EU/EEA that registered below 20% for this indicator. Unlike indicators for labour market inclusion, this indicator does not show the financial crisis as having a major impact on the Nordic countries, although we can trace a certain increase in Denmark after 2008.

One of the sub-indicators for at risk of poverty and social exclusion is the at-risk-of-poverty rate, often referred to as “EU60”. In some contexts this is used as a measure of poverty, although in practice it is a measure of income distribution. In the Nordic Region, low income measured in this way produces rates ranging from 14.1% in Sweden to 7.9% in Iceland in 2013. What is paradoxical about this measure is that the at-risk-of-poverty rate in Iceland and Norway fell in the period following the financial crisis. In Denmark, Sweden and Finland there were no large changes in the wake of the financial crisis, but looking a little further back, the at-risk-of-poverty rate has increased slightly during the last decade.

Social exclusion can be difficult to operationalise and measure. Low income is a possible indirect measure, with another possible approach being to measure whether households have sufficient financial resources

to participate actively. A subjective approach to this question is whether households manage to “make ends meet.” Figure 4.5 shows the proportion of households in the Nordic Region that have major problems in this respect. This time it is primarily Iceland that stands out. Whereas between 2% and 4% of households in the other countries report problems with making ends meet, the rate in Iceland was 12.8% in 2010, a substantial increase following the year of the financial crisis, 2008, when the rate stood at 5.0%. This is also above the average for the EU as a whole and the eurozone. The rate in Iceland was also high in 2004. In the other Nordic countries this indicator shows little trace of the financial crisis.

Figure 4.5. Households that have major problems making ends meet, 2004–2012. %



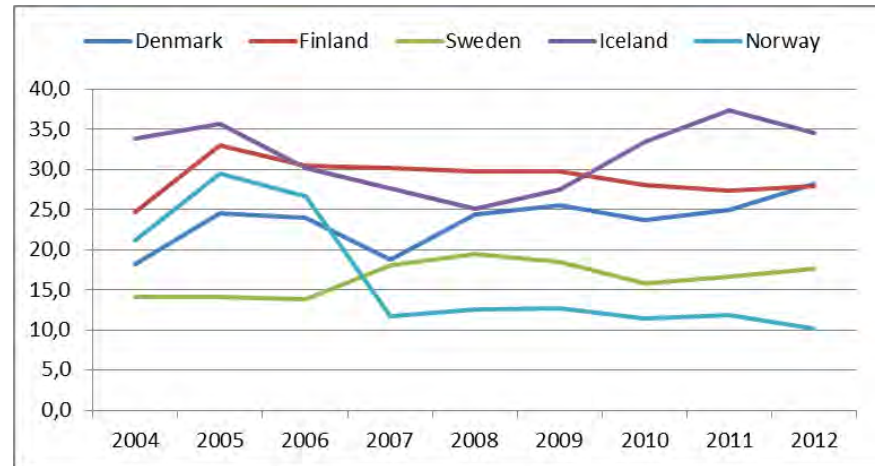
Source: Eurostat, SILC (06.06.2014).

Another measure of adequate resources is the extent to which households have a financial buffer that enables them to cover unexpected expenses.⁸ Figure 4.6 shows considerable variation in the Nordic Region, both between countries and over time. In 2012 the rate was highest in Iceland (34.6%) and lowest in Norway (10.2%). Once more the financial crisis seems to have had a definite impact in Iceland, where the rate rose significantly after 2008. Denmark also saw a certain increase towards

⁸ The unexpected expense is defined as an amount roughly equivalent to the monthly disposable income required by a one-person household to exceed the at-risk-of-poverty threshold as measured by EU60.

the end of the period, but not to the same extent. In Norway, Sweden and Finland the rates stabilised to a certain extent after 2007.

Figure 4.6. Households unable to meet unexpected expenses, 2004–2012. %



Source: Eurostat, SILC (06.06.2014).

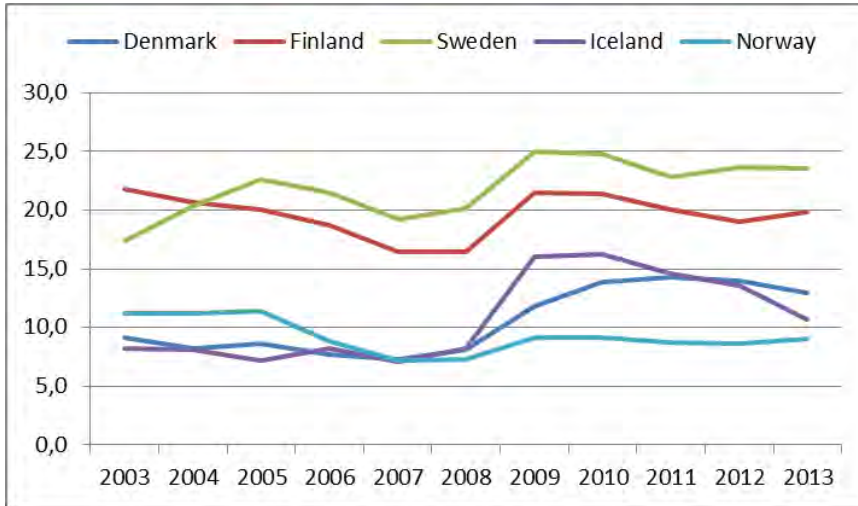
4.2 Some groups face greater challenges

Although the overall picture we get of inclusion in the labour market and social inclusion in the Nordic Region is positive, it also shows that some people are excluded.

4.2.1 *Young people more disadvantaged on the labour market.*

The youth unemployment trend (15–24 year olds) largely follows the overall unemployment trend, but in some cases the rates are considerably higher. In Sweden, youth unemployment was 23.6% in 2013, a whole 15.6 percentage points higher than overall unemployment (Figure 4.7). There is also a large difference in Finland, with youth unemployment of 19.9% in 2013 being 11.7 percentage points higher than the overall rate. In the three remaining Nordic countries the difference is smaller at between 5 and 6 percentage points. The figures also indicate that young people are more disadvantaged at times of crisis, as youth unemployment was highest relatively speaking in the years immediately following the financial crisis.

Figure 4.7. Unemployed persons aged 15–24 years, 2003–2013. %

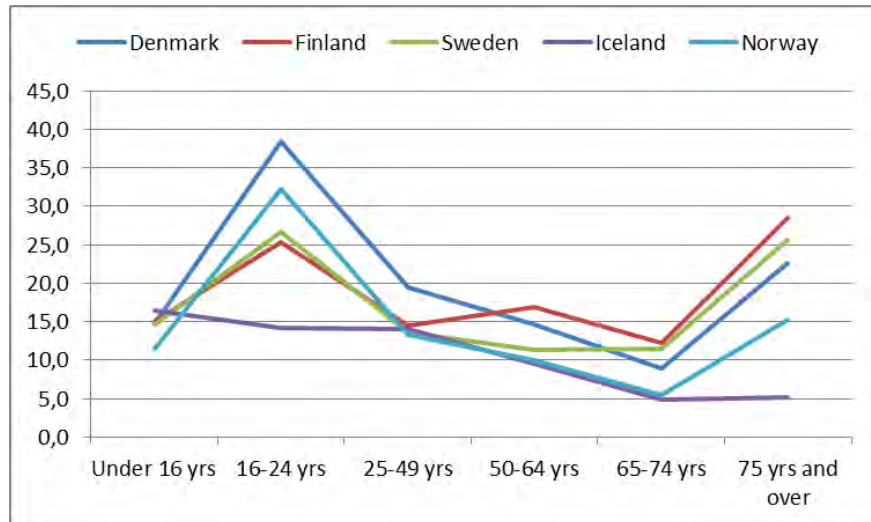


Source: Eurostat, LFS (04/06/2014).

The NOSOSKO report from 2013 also indicates that young people are generally at greater risk of being marginalised in the labour market than older people. The correlation between exclusion and age does not seem to be very clear, but people over 45 years of age are at less risk of being excluded than younger people. Being disabled is a characteristic of disadvantage in itself, and the risk of having this characteristic increases with age of course.

As far as at risk of poverty or social exclusion is concerned, figure 4.8 shows that young people aged 16–24 are more disadvantaged than other age groups up to 75 years of age. Broadly speaking, the rate falls with age up to 74, after which it increases sharply. This is a general pattern that applies in all the Nordic countries apart from Iceland, where the rate is highest among children and then falls fairly evenly with age.

Figure 4.8. Persons at risk of poverty or social exclusion by age, 2012. %



Source: Eurostat, SILC (06.06.2014).

If we only look at the sub-indicator for being at risk of poverty (EU60), it has the same age profile as the main indicator. Young people aged 16–24 and older people aged 75 or over are most disadvantaged.

The indicators that measure ability to make ends meet or cope with an unexpected expense operate at household level, not person level like the preceding indicators. One-person households report such problems frequently and we know that the proportion of people who live alone is highest among the youngest and oldest. The group that reports this type of financial problem most frequently is single parents.

4.2.2 Poor health or limitations on everyday activities

One of the characteristics often associated with being less well connected to the labour market and society is disability. This can be operationalised and measured in different ways, generally using a subjective approach whereby people assess their own functional capacity against set criteria. The NOSOSKO report from 2013 also indicates that people who assess their own health as poor are in work to a much smaller extent than people who assess their own health as good. The same applies to people with disabilities compared with non-disabled people.

Recent statistics from 2012 also show that the proportion of people with a severe or moderate disability is much higher among the unemployed and inactive than among the employed. The below figure shows

the proportion of people with moderate or severe limitations on their everyday activities (disability) by labour market status.

Figure 4.9. Proportion of people aged 16–64 with moderate or severe limitations on everyday activities, by labour market status, 2012. %



Source: Eurostat, SILC (06.06.2014).

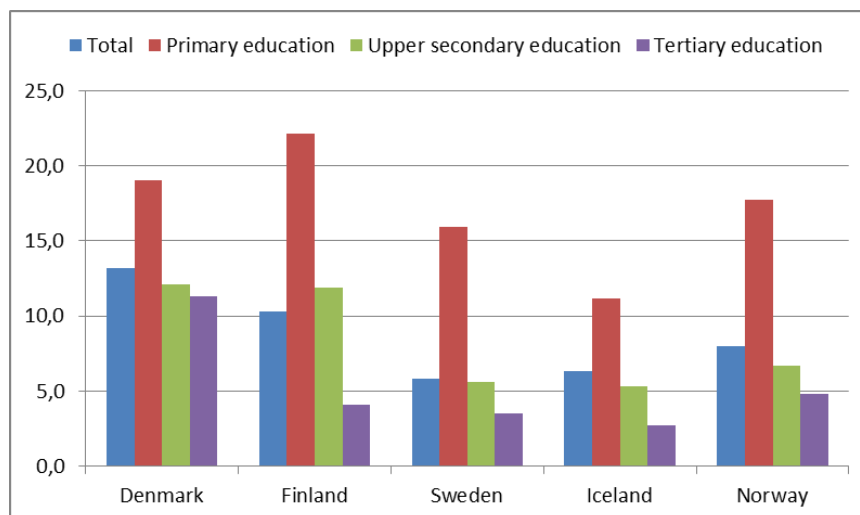
Here it is also important to note that there is an interaction effect between health and education. Poor health or disability has a greater negative impact on employment for people with low educational attainment than those with high educational attainment.

4.2.3 Low educational attainment

In a modern, specialised labour market like that in the Nordic Region, education is key when it comes to establishing a stable connection to the labour market. The labour market demands formal competence, and historically there has been a shift from acquiring education and qualifications through work to acquiring them through educational institutions. Average educational attainment in the Nordic Region is relatively high, but there are nevertheless groups who lack formal competence as a result of not completing their education.

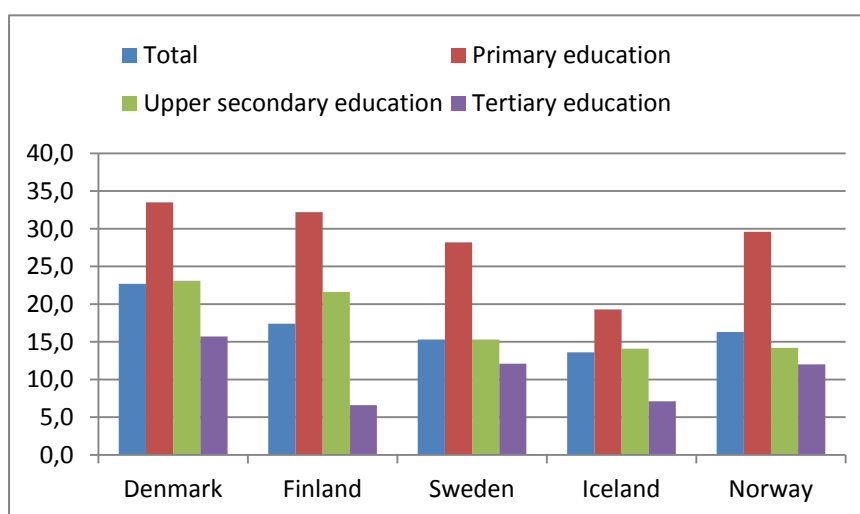
Figure 4.10 shows that people with low educational attainment are far more likely to live in households with low work intensity, while Figure 4.11 shows that the proportion of people at risk of poverty or social exclusion also falls perceptibly with increasing educational attainment.

Figure 4.10. Persons aged 18–59 in households with low work intensity, by educational attainment, 2012. %



Source: Eurostat, SILC (06.06.2014).

Figure 4.11. Persons aged 18–59 at risk of poverty or social exclusion, by educational attainment, 2012. %



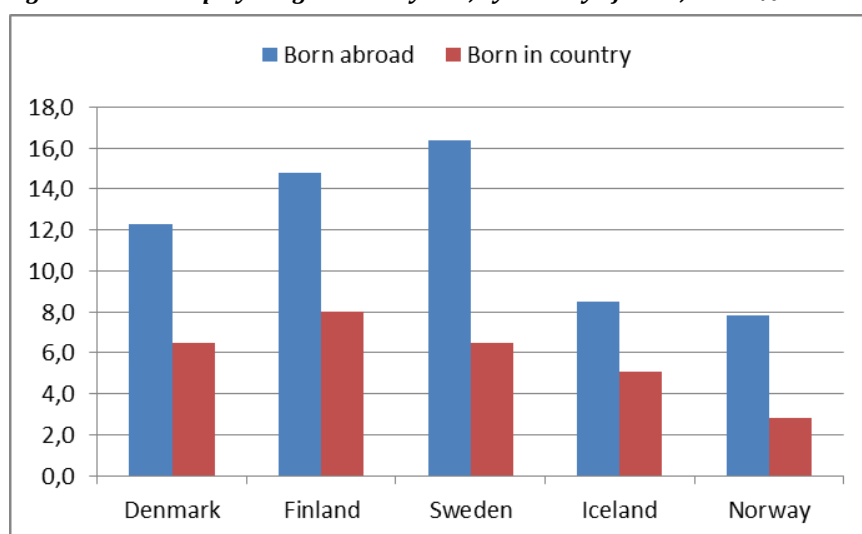
Source: Eurostat, SILC (06.06.2014).

4.2.4 Immigrants

Immigrants, and immigrants from outside the EU/EEA in particular, are more likely to have a weak connection to the labour market and society than other people. Comparative statistics in this field are usually based on

country of birth, but still provide good indications that immigrants are a disadvantaged group.⁹ In this case we have included two indicators as examples, unemployment and at risk of poverty or social exclusion (Figures 4.12 and 4.13). Both indicators show that people born outside the country in question are generally more disadvantaged than those born in the country. In Figure 4.13 we also differentiate between people born inside and outside the EU, which shows that people born outside the EU are especially disadvantaged. This applies in all the Nordic countries.

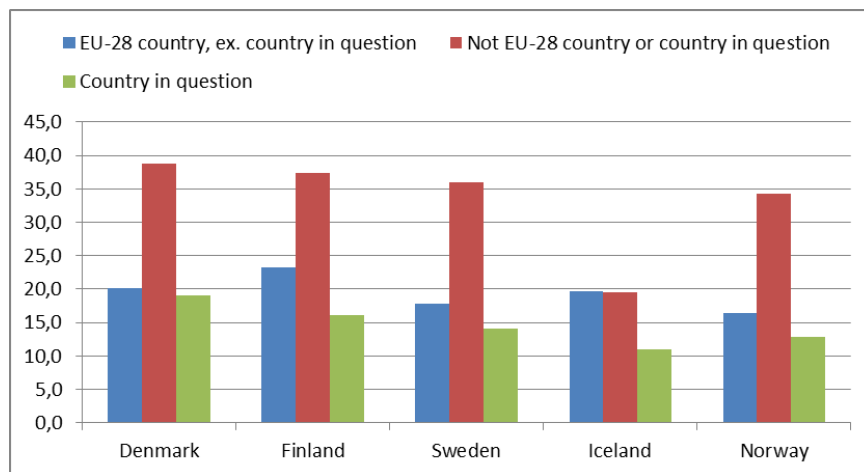
Figure 4.12. Unemployed aged 15–64 years, by country of birth, 2013. %



Source: Eurostat, LFS (04/06/2014).

⁹ Being born in another country does not necessarily mean that a person is an immigrant. In Norway the criterion for counting as an immigrant is being born abroad to two parents born abroad. Persons born in the country to two parents born abroad do not count as immigrants and will not of course be covered by the “born abroad” category either.

Figure 4.13. Persons aged 18 and over at risk of poverty or social exclusion, by country of birth, 2012. %



Source: Eurostat, SILC (06.06.2014).

4.2.5 Especially disadvantaged groups

Combinations of different characteristics associated with a risk of being excluded from employment and society will be extra disadvantageous. These are, however, small groups that can rarely be identified in official statistics, and especially not in comparative statistics. Nevertheless, that does not mean that it is of no interest to try to identify these groups and follow them over time.

A report based on an interview survey conducted among inmates in Norwegian prisons from 2004 (Friestad & Hansen 2004) established that prison inmates are in a weak position on the labour market and have poor personal finances. Inmates reported a combination of different problems such as addiction, mental health issues and homelessness. This sort of multiplicity of standard-of-living problems among inmates is scarcely unique to Norway. A Swedish study (Nilsson 2003) shows that standard-of-living problems linked to education and employment, and above all a multiplicity of standard-of-living problems, strongly correlate with a risk of reoffending. Something similar is underlined by a Norwegian study, which shows that connection to the labour market after serving a sentence helps to reduce the risk of reoffending considerably (Skardhamar & Telle 2009).

The same is reported in a study from Iceland, where the inmates had various mental health and addiction issues, with a large proportion having ADHD (Guðjónsson *et al.* 2008).

In its annual report for 2003, the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) points to some of the same factors with regard to substance abusers (<http://annualreport.emcdda.eu.int>). They are in a disadvantaged social position with clear tendencies for standard-of-living problems to multiply. Factors associated with substance abuse are low educational attainment, incomplete or interrupted education, poor connection to the labour market, being disadvantaged on the housing market, and high morbidity (including mental illness) and mortality. The social stigma attached to being a substance abuser can be added to this.

4.3 Initiatives to include disadvantaged groups in employment and society

All the Nordic countries have relatively wide-ranging labour market and social policies for meeting these challenges. A common feature that is frequently cited with regard to the Nordic welfare model takes the form of universal schemes aimed at helping people into work and combating poverty. Public policy and measures are beyond the scope of this report, however.¹⁰

There are also a number of other actors and initiatives targeting these challenges in the Nordic countries.

The initiatives often target groups that are especially disadvantaged and find themselves, or are at risk of ending up, a long way from the ordinary labour market and in a situation described as social exclusion. This can be the mentally ill, people with substance abuse problems, former prison inmates, young people with multiple problems, immigrants with special integration problems or other especially disadvantaged groups, groups that we know to be in a very socially disadvantaged position with regard to both the labour market and other social activity.

This report is about measures that support initiatives and activities in this field that are covered by the terms social entrepreneurship and social innovation. This is discussed in more detail later in the report

¹⁰ For more information on this, please see the work done by, for example, the Nordic Medico-Statistical Committee (NOMESKO) and the Nordic Committee on Social Security Statistics (NOSOSKO): <http://www.nowbase.dk/>

Part 3

5. Initiatives to support social entrepreneurship and social innovation in the Nordic countries

In this chapter we present all the Nordic material from the mapping that was carried out. The presentation is based on country reports for the individual countries, which can be found in the next few chapters.

But first, a bit about the mapping methodology.

5.1 Methodology

In this mapping we chose to define the term initiative as “framework conditions, policy instruments, measures and activities.” By “support” we mean helping to achieve a desired goal, in this case social entrepreneurship and social innovation in the work to include disadvantaged groups in employment and society.

5.1.1 Selection

In order to obtain information on initiatives, we gathered data from actors who are responsible for and work with initiatives in the field mapped. We might have wanted to supplement this data with data from the recipients/users of the initiatives, but this was not possible within the scope of this mapping.

None of the Nordic countries have a register of any sort or other documentation of actors and initiatives supporting social entrepreneurship and social innovation. Therefore, respondents were selected by each country’s members of the working group drawing up a list of respond-

ents based on their own knowledge in the field, networks and internet searches.¹¹ We also gave the respondents who took part the opportunity to suggest other respondents, or to withdraw from the study if they judged their own activities or enterprise not to be relevant.

One issue in the work on the respondent lists was where we should draw the line for which actors and initiatives to include and which to exclude.

The working group's review of the terms social entrepreneurship and social innovation, see Chapter 1, revealed that several different terms that partly, but not entirely, overlap with each other and the understanding set out in the mandate, are used in the five countries. We therefore judged it most appropriate to opt for an open approach to which actors to include in the mapping, see Appendix 2.

In accordance with the mandate for the work, we did not attempt to identify and map (absolutely) all initiatives, but to show the scope and variety of initiatives within different sectors. It is nevertheless important to point out that we may have made choices along the way that contributed to us not capturing the scope and variety of initiatives in the different countries, and that the variations between the countries may be due to different choices in the work on the respondent lists rather than variation in the actual situation.

We sent a questionnaire out to a total of 193 respondents and received 131 replies, in other words roughly two thirds of the invitees. The response rate varies slightly between the countries, from just over eight in ten for Sweden and Denmark to around seven in ten for Norway and Iceland, and one in three for Finland.

We have no reliable information as to why some invitees chose not to take part.

We would have liked to have included replies from everyone invited to take part in the mapping.

We are nevertheless of the opinion that, overall, the selection contains scope and variety in relation to the areas specified in the mandate, sector and initiative type.

¹¹ We also sent out a questionnaire to actors who have the Nordic Region as their catchment area. They consisted of two respondents, one of whom was added to the list for Denmark and one to the list for Norway. In addition, respondents who were involved in testing the questionnaire were given the opportunity to suggest others.

5.1.2 Data collection

Information on the initiatives was collected by means of a questionnaire containing a combination of structured and open-ended questions, with the emphasis on open-ended questions.

A draft questionnaire was tested on between three and five respondents in each country. The final questionnaire was translated into Danish, Swedish, Icelandic and Finnish, and all the countries were given the opportunity to reply in their own language.

One issue in the work on the questionnaire was how to enable the respondents to describe initiatives of a more complex nature. Based on our knowledge of the field, we knew that several actors were not just responsible for one initiative, but several, and that some initiatives can also consist of several sub-elements or activities. We tried to design the questionnaire in such a way as to make it possible to describe such complex pictures, but can see from the answers that there may have been some ambiguity as to how this could be done.

Another issue was how to ensure that all the terms used were understood in the same way. We can see from the answers that in several places the respondents understood the terms, and therefore the questions, in different ways. This applies to the terms “target group involvement” and “sustainability”, for example.

5.1.3 Implementation and data processing

We used a web-based questionnaire tool. A letter of invitation with a link to the questionnaire was emailed out by the members of the working group to respondents in their own country. Each country also followed up with two rounds of reminders to those who did not reply by the set deadline.

The invitation was sent to the organisation/institution/enterprise. We used email addresses for individuals working on the case area in question whose names were known, and email addresses we found on the Internet where we did not have such information.

We stated in the invitation that it was up to each organisation/institution/enterprise to decide who should complete the questionnaire, and the respondents were asked to specify the role in the organisation of the person who did so.

It is apparent from the replies that the questionnaire was completed by a manager in 62 cases, an employee in 52 cases, an owner in nine cases and by somebody else in eight cases.

The questionnaire tool was administered by the secretariat in Norway, which also produced Excel files with tables and text from the open-ended questions.

Each country studied its own data and prepared a country report using a common basic structure. A joint report for all the data was produced on the basis of these country reports. We would point out that the material in the individual country reports may have been interpreted differently.

The mandate stipulates that the mapping must be descriptive in nature. The working group must only give a description of the various initiatives, not an assessment, in the report. We allowed our work to be guided by this. The report presents the initiatives as they are described in the answers from the respondents.

We refer to a number of websites where the respondents themselves cited them. We also use statements and examples taken straight from the mapping material. This was cleared with the respondents in question.

There were a number of challenges involved in the work of designing a good methodology for mapping a field characterised by a lack of common terminology usage in the Nordic countries.

In our opinion, however, the mapping is still able to provide a small insight into a field that is relatively new in a Nordic context.

5.2 Initiatives in the Nordic countries in general

We would start by pointing out that the work to support the inclusion of disadvantaged groups in employment and society is an important feature of the Nordic welfare states. All the countries can therefore refer to wide-ranging initiatives in this respect. Another feature is social partnership in the labour market. The Nordic welfare states are also characterised by an active third sector. It is not within the working group's mandate to cover this very important and extensive network of initiatives. The area covered by our mapping comprises initiatives that support social entrepreneurship and social innovation in the work to include disadvantaged groups in employment and society.

Our impression before the mapping was that this is a relatively new field in the Nordic Region, with there also being some variation between the different countries with regard to the initiatives used. The mapping leaves a similar impression. What the Nordic material all has in common is that most of the initiatives targeted directly at social entrepreneurship and social innovation in the work to include disadvantaged groups in

employment and society are of more recent date. It is our impression that initiatives to support social enterprises existed before social entrepreneurship and social innovation came on the agenda. The country reports from Finland and Iceland show that social entrepreneurship and social innovation are so far not terms or designations used to any great extent in these countries. It is nevertheless the case that several initiatives for entrepreneurship and innovation in general can also contribute to promoting social entrepreneurship and social innovation, as pointed out in the Icelandic country report.

One important feature of our material is the different use of terms. In the Danish material, for example, we find the term “socialøkonomiske virksomheder” (social enterprises), and in the Swedish material terms such as “sociala företag” (social enterprises), “arbetsintegrerande sociala företag” (work integration social enterprises) and “samhälls-entreprenörskap” (community entrepreneurship). It is apparent from the country report for Finland that the term “socialt entreprenörskap” is rarely used, but that enterprises designated “sociala företag” or “samhälls-entreprenörskap” are similar to activities described as social entrepreneurship. In its country report, Iceland points out that the terms social entrepreneurship and social innovation are not very well known in the field or politics. We find several different terms in the Norwegian material.

The different use of terms is something that can influence both our selection and the respondents’ answers. We return to this in more detail in our recommendations.

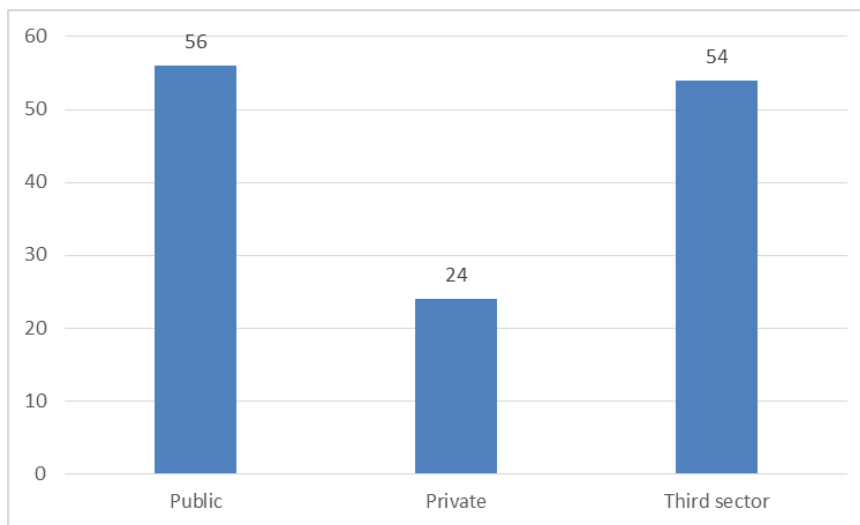
We start by offering a complete overview of the respondents before describing the main types of initiative mapped. We then consider how the initiatives are funded, and go on to look at their aims and target groups. In this context we focus in particular on whether the initiatives aim to support social entrepreneurship and/or social innovation, and whether they are specially targeted at including disadvantaged groups in employment and society or of broader relevance. We then examine how the initiatives provide support and the extent to which they focus on the four characteristics of social entrepreneurship stressed by the working group. We also summarise the respondents’ answers to questions concerning the most important obstacles and needs for new initiatives to support social entrepreneurship and social innovation in the work to include disadvantaged groups in employment and society in their particular country.

5.2.1 The respondents

Questionnaires were sent out to a total of 193 respondents and we received 131 replies. Please see the country reports for the number of respondents in each country.

The majority of the respondents are in the public or third sector. Around a fifth are in the private sector.

Figure 5.1. Sector¹²



The sector with the most respondents varies from country to country. In the Swedish and Finnish data it is the third sector, while in the Norwegian data it is the public sector. Denmark has roughly the same number of respondents from the public sector and third sector. Iceland has most respondents from the public sector, but also a respondent group that differs from the other countries to some extent and is commented on as follows in the country report:

Since the terms social entrepreneur and social innovation are not commonly used in Iceland, it was difficult to find actors who only provide support for social entrepreneurs or use that term. The questionnaire was therefore sent to actors who provide support for entrepreneurs in general, including social entrepreneurs.

¹² The total number of respondents here is 133, as two respondents ticked both the private and third sector.

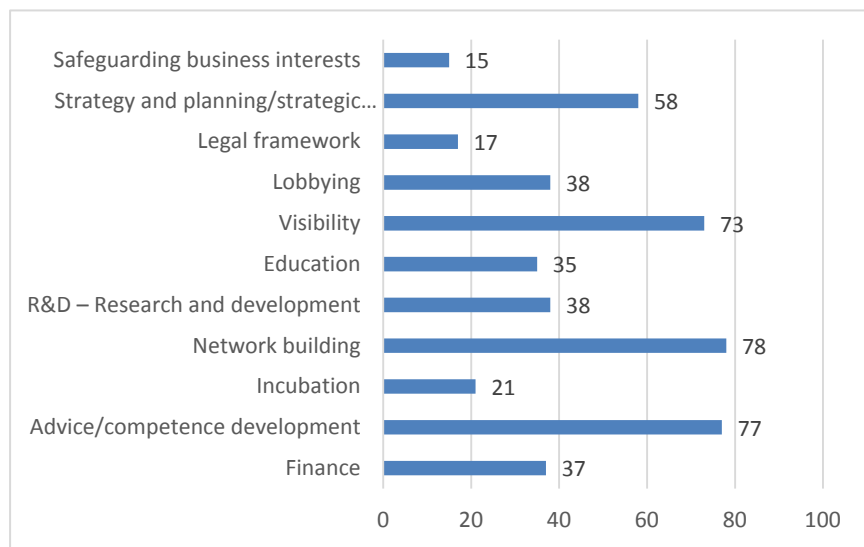
All the countries had the fewest respondents from the private sector.

5.2.2 What types of initiative were mapped?

In many cases, initiatives that promote social entrepreneurship will be the same as those that promote other forms of entrepreneurship. Similarly, initiatives that promote innovation in general could also be the same as those that promote social innovation in particular. Initiatives such as education and finance are familiar examples of supporting development in general.

The working group categorised a number of initiative types in advance based on our knowledge of the subject and the examples given in the mandate. We also gave the respondents an opportunity to note down any other initiative types they might have. The respondents could tick several initiative types. We find the following distribution in the Nordic material.

Figure 5.2. Initiative types



All respondents ticked at least two initiative types, most more than two, with some replying that they offer all initiative types. The Nordic material contains most examples of advice/competence development, increasing visibility and network building. Legal framework and safeguarding business interests were least common. As far as finance is concerned, 37 out of 131 replied that they offer this form of support.

This more general picture conceals considerable variation between the countries. Among other things, this applies to the number of initia-

tives mapped in each category and their different characteristics. An answer can conceal both actors with long-standing and extensive activities in the field and smaller actors who have recently started up. The answers to the open-ended questions give some indication of this. We see, for example, that education and research represent an area that Denmark has been working on for several years, while increasing visibility is an initiative type that the Swedish country report shows to have been widely used.

Looking at the open-ended questions, we also find that most of the respondents have main initiatives that are followed up by initiatives intended to help support the main initiative. We see, for example, that finance as an initiative is often followed by courses, conferences and advice of various sorts that are intended to foster the finance objective. This sort of main initiative combined with supporting initiatives is a relatively consistent feature of all the countries. We also see how in several cases incubation is intended to promote finance and network building opportunities. Similarly, we see how advice is intended to promote network building and safeguard business interests and sustainability.

5.2.3 How are the initiatives funded?

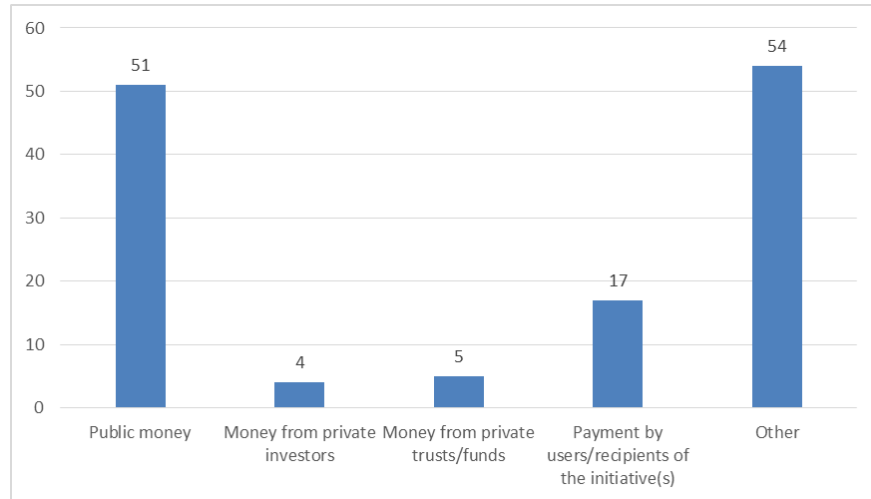
Public money is the funding source for at least half the support initiatives, which should also be seen in the context of a large proportion of the initiatives being from the public sector.

At the same time, there is some uncertainty surrounding the answers to this question, as the respondents were only allowed to tick one alternative in the questionnaire owing to a technical error. The high proportion answering “other” must be seen in the light of this. The respondents who ticked this option describe a number of different sources of funding such as the sale of services, use of own money, business sponsorship (not investment), use of own personal time, use of work time that is “donated” to the initiative in question, exchange of services and pro bono services. A combination of different sources of funding is also described in several cases.

The Finnish country report has the following to say with regard to funding:

The initiatives are funded through several sources, but largely by combining several (public) sources of funding: grants, subsidies, service agreements and *European Social Fund (ESF)* project funding, but also partly in the form of payment by users of the initiatives. Based on the answers, a market for private investors or funds/trusts has not yet developed to any great extent.

Figure 5.3. Sources of funding



A relatively small number of initiatives are funded with private money, but there are some examples of different types of private funding in the “other” category. The Swedish country report shows that public money, private money and trusts can all be found in this category.

5.2.4 What are the aims and target group of the initiatives?

The working group’s mandate stipulates that the mapping must deal with initiatives that support social entrepreneurship and social innovation targeted at disadvantaged groups in employment and society. We nevertheless opted for a broad approach to the mapping, as previously explained. This helped us to also gather information that can shed light on the field of social entrepreneurship and social innovation more generally.

Broadly speaking, the mapping shows that the aims and target groups of the initiatives are relatively general. Clear objectives and target groups have been formulated in some cases. In what follows we examine the material on the basis of the following two main categories:

- Initiatives to support social entrepreneurship and social innovation in the work to include disadvantaged groups in employment and society.
- Initiatives to support social entrepreneurship and social innovation in general.

Initiatives to support social entrepreneurship and social innovation in the work to include disadvantaged groups in employment and society

The Nordic material as a whole contains relatively few examples of initiatives that the respondents describe as being directly targeted at social entrepreneurship and social innovation in the work to include disadvantaged groups in the labour market in particular. We consider this to be an important and interesting finding, and we ask ourselves whether it is actually the case that there are not many initiatives with the aim of supporting these areas. A possible explanation is also that the respondents included in the mapping mainly work more generally than specifically targeting employment and inclusion. In this context we would draw attention to the following comments in the Icelandic country report, which are probably valid for the Nordic Region as a whole:

A minority of the respondents answer that they specifically support integration of excluded groups in society. None of them use the terms social entrepreneurship and social innovation to describe their initiatives, although the initiatives can definitely be said to support this according to definitions in the literature.

There are, however, some respondents who say that the objective of the initiative is to support social entrepreneurship and social innovation in the work to include disadvantaged groups in employment and society in particular. Sweden, for example, refers to *Inkludera Invest*.¹³ In the Danish material we find *Social+*, for example, which works to:

promote social inventions that solve or prevent social problems for disadvantaged people.

In the Norwegian material we find, among other things, a grant scheme administered by the *Norwegian Labour and Welfare Administration*. The objective of this scheme is to stimulate the development of social entrepreneurship aimed at combating poverty and social exclusion in Norway. Finland and Iceland point out that they neither use the terms nor link entrepreneurship and social innovation.

¹³ Inkludera invest, <http://inkluderainvest.se>

Initiatives to support social entrepreneurship and social innovation in general

The material as a whole leaves the impression that there are more initiatives targeted at social entrepreneurship and social innovation in general than at disadvantaged groups in employment and society in particular. In the Danish country report we find, for example, *DANSIC*, a student organisation working to disseminate knowledge on social innovation with special emphasis on students.

Our material also contains several examples of initiatives with an integrated local community perspective, a perspective on social entrepreneurship and social innovation that is discussed in Chapter 3.

Our main impression is, however, that there are relatively few examples in the Nordic Region of initiatives where the ambition and objective are to support social entrepreneurship and social innovation in general. This may be to do with the field in general being new, and with the Nordic Region possibly having a tradition of forms of cooperation different to what we now understand by social entrepreneurship and social innovation.

Overall we see that is Sweden, Denmark and Norway that are actively using these designations about the initiatives they offer.

5.2.5 How do the initiatives provide support?

Finance

One area of particular focus in the experiences and knowledge we have so far linked to social entrepreneurship and social innovation is how the work is to be financed. In many contexts this type of entrepreneur faces the same challenges as entrepreneurs in other areas. But because the target group for social entrepreneurship often takes the form of disadvantaged groups in employment and society, there may be a greater need for support initiatives linked to finance if entrepreneurs and innovators in the social field are to be encouraged.

The Nordic material shows that finance as an initiative is mainly about grants or loans. The concrete initiative is generally the result of an application and is time-limited in nature. This appears to be fairly similar throughout the Nordic Region. There are, however, some differences in how the rules for grants from the public sector are set up. In our material we find examples of grants for social entrepreneurship, grants for social enterprises, and grants for community entrepreneurship and social innovation.

The already mentioned grant scheme for social entrepreneurship administered by the *Norwegian Labour and Welfare Administration* is an

example of a scheme that is targeted at social entrepreneurship by means of the award criteria. Grants for community entrepreneurship and social innovation administered by the *Swedish Agency for Economic and Regional Growth*, and funds from *Coompanion's* local offices for the development of ventures in “the social economy,” are examples of grants in the country report from Sweden.

We find that social entrepreneurs have access to public funding, private investment and various funds/trusts (both private and foundations). The challenge may lie in “falling between two stools”, as they are neither purely commercial nor purely social, which is often linked to volunteerism.

Advice/competence development

The working group knows from its own experience that advice and competence development have been and remain in great demand in the field. This need is not an unfamiliar phenomenon in entrepreneurship in general.

Because social entrepreneurship and social innovation are fairly new areas in a Nordic context, there is reason to believe that there is a very large need precisely for advice and competence development. We were therefore interested in finding out more about how these initiatives provide support.

The Nordic material as a whole shows that these initiatives largely consist of courses, conferences, workshops, ongoing network dialogues and credit programmes of various sorts. We also find guidance, advice and board participation. We find no large differences in how these initiatives provide support. This is because we find many of the same activities among the respondents who describe their initiatives as being advice and competence development.

Legal framework

In many cases within entrepreneurship in general there is a demand for a legal framework in the form of legislation, guidelines, and various forms of supervision and follow-up. This is seen as an important structural measure for supporting an area and giving direction. There can, however, be technical and practical disagreement on how much control is desirable. The debate between regulation and over-regulation is not unknown in some of the Nordic countries, with the field of social entrepreneurship and social innovation being no exception.

The working group knows from its own experience that a framework is needed, but it must not be so rigid as to suppress creativity and engagement. Therefore, as part of the mapping, we wanted to find out more about this area and how things have been arranged so far.

In the Nordic material, legal framework is one of the initiatives least cited by respondents. We find regulations to do with various types of work with disadvantaged groups in employment and society in all the countries, but few regulations targeted at social entrepreneurship and social innovation. The Danish country report refers to new regulations concerning social enterprises. In 2013 the Danish government appointed the *Committee on Social Enterprises*. Its work was followed up in various ways in 2014, including the introduction of legislation on registered social enterprises.

In Finland we find legislation on social enterprises and a social enterprise mark.

Please see the country reports for a more detailed account.

Incubation, network building, increasing visibility and lobbying

When new fields are being developed, it is often considered vital for actors venturing into uncharted waters to be able to meet up with like-minded people, share experiences and join networks. Consequently, there can be a great need for incubators that support this and other areas. Increasing visibility for new fields is also considered important in terms of attracting attention, which in turn can help to create more types of initiative, including finance. Incubation, network building and increasing visibility are key to entrepreneurship in general. The working group was therefore interested in these areas and what form they take when it comes to supporting social entrepreneurship and social innovation in the Nordic Region.

In the Swedish and Danish data we find several examples of increasing visibility and network building. The Norwegian material also indicates that some communities work systematically to promote this area, but leaves the impression that this is not quite as common. The country report from Iceland shows that the area is quite immature, but there are examples of incubation targeted at entrepreneurship and innovation in general. The Finnish country report also reveals that special attention has not been paid to the area over and above what we find in the social enterprise field:

It is normally assumed that social enterprises use the same public services for enterprises that other enterprises use. Methods to do with advice and competence development in social enterprises in Finland are also based on various regional development projects financed by the *European Social Fund (ESF)*.

If we take a closer look at the content of the initiatives, the country reports show that incubation includes providing office space, physical forums, forums on social media, and various sorts of seminars and workshops. We find examples of this in Sweden, Denmark and Norway in particular.

Network building includes establishing permanent structures around defined networks, ad hoc networks and flexible networks. Several respondents also mention the use of workshops, seminars and groups. There appears to be a great deal of similarity in the Nordic countries in terms of how these initiatives are set up. But once again it is mainly Sweden, Denmark and Norway that have initiatives that quite specifically support social entrepreneurship and social innovation. Iceland and Finland also mention initiatives of this sort, but where the terms social entrepreneurship and social innovation are not used.

Increasing visibility is an initiative that is not described to any great extent in the country reports with the exception of the Swedish material. This shows that *Malmö University – Forum for Social Innovation* has a national, Nordic and international role in which increasing visibility and network building play a key part. We can also see that the public authorities in the shape of the *Swedish Agency for Economic and Regional Growth* play a proactive role in supporting increasing visibility as well. We also find some examples in Denmark, including the community based around *Roskilde University*.

Lobbying is another area where it is difficult to find examples of what specifically is involved, with the exception of the Swedish material. Lobbying appears to consist of active initiatives to support first and foremost social entrepreneurs and their work, especially in relation to public authorities and politics. The Nordic material also mentions that lobbying involves promoting the area to various private sources of finance, including funds/trusts.

Research and development (R&D)

Within fields that are considered to be of interest in contributing to social development, systematic research work will be seen as a key element in development work. There are a number of examples of this in medical, technological and social scientific research. Social entrepreneurship and social innovation are paid a relatively large amount of attention within the EU, see Chapter 3. The working group therefore wanted to map support initiatives in this area too. The working group's knowledge and experience also showed that R&D activities within this field were receiving more attention. It was our impression before the

mapping that in some ways this field is arranged very differently in the Nordic Region. The mapping supports this impression.

The Nordic material as a whole shows that research and development (R&D) are quite different in terms of content and scope in the Nordic countries. Whereas it is a relatively small field in Norway, we see that Denmark and Sweden in particular have established communities in the field that in many ways have set the tone in their own country and inspired other countries.

As previously mentioned, Iceland is the country that has focused least on social entrepreneurship and social innovation as terms within research and development. It is made clear in the country report, however, that innovation and entrepreneurship in general occupy a strong position, and that there are active support initiatives in this respect at national, regional and municipal level. This is the case in all the countries in fact. In Finland we see that R&D is dispersed and largely takes place through different projects. Social entrepreneurship as a term is relatively unknown in Finland, but it is maintained that the actual substance of the term forms part of several projects and programmes referred to in the country report. The material from Norway leaves the impression that R&D targeted at social entrepreneurship and social innovation is not very widespread, but we find some examples, including a private actor who has built up an institute for the field and public actors who have plans to do so.

Education

Like R&D, education is also an initiative that can support development and drive it forward. Investments in different forms of education frequently correspond to the development that a society or community wants in the short and long term. This makes education a familiar initiative for supporting defined fields, and the working group therefore wanted to look at whether and how it is used in the Nordic Region.

The material shows that Denmark stands out as having developed the most comprehensive structures for this, first and foremost through the community at *Roskilde University*, which is described as follows in the country report:

Another example is *Roskilde University*, which at its *Centre for Social Entrepreneurship* has education, research and knowledge-sharing activities with the emphasis on social entrepreneurship and social innovation processes targeted at socially disadvantaged groups. Among other things, the centre at *Roskilde University* offers a *Master in Social Entrepreneurship* and an international *Master in Social Entrepreneurship and Management*. When it comes to research-related activities, the centre has nine affiliated PhD students and

five international guest professors, for example. The centre also plays a leading role in both the international *EMES* research network and the Nordic *SERNOC* research network.¹⁴

We also find examples of educational offerings in both Sweden and Norway – see the country reports – but the impression given is that they are not very common. This may be because we failed to pick them up, however. Iceland has no separate programme for social entrepreneurship or social innovation, but there is teaching on entrepreneurship, innovation and third-sector organisations in several faculties at the University of Iceland. In Finland there are various courses on social enterprises at some universities and university colleges.

Strategy and planning/strategic development and safeguarding business interests

Strategic initiatives are necessary in order to ensure thrust and progress in the desired direction. This type of initiative can happen at many levels, from social planning at the macro level to business planning at the micro level.

The working group's knowledge of the field prior to the study indicated that social entrepreneurs in the field are asking for clearer strategic measures at society level, but also need initiatives that support strategic and operational work at business level (micro level).

Several respondents ticked strategy and planning/strategic development. In the Nordic material as a whole it is nevertheless quite difficult to find examples of how this initiative provides support. It is our impression that there is development in the area, and that work is being done locally, regionally and nationally.

The Danish country report offers an example in the shape of *Kolding Municipality*, which has several support structures for fostering the growth of social enterprises. The Finnish country report mentions a working group appointed by the *Ministry of Employment and the Economy* in 2010 to assess the business model for social enterprises, including whether it might be for strengthening and developing entrepreneurship.

Please see the country reports for more details and examples.

¹⁴ <http://www.ruc.dk/forskning/forskningscentre/cse/>

5.2.6 To what extent do the initiatives focus on the four characteristics of social entrepreneurship

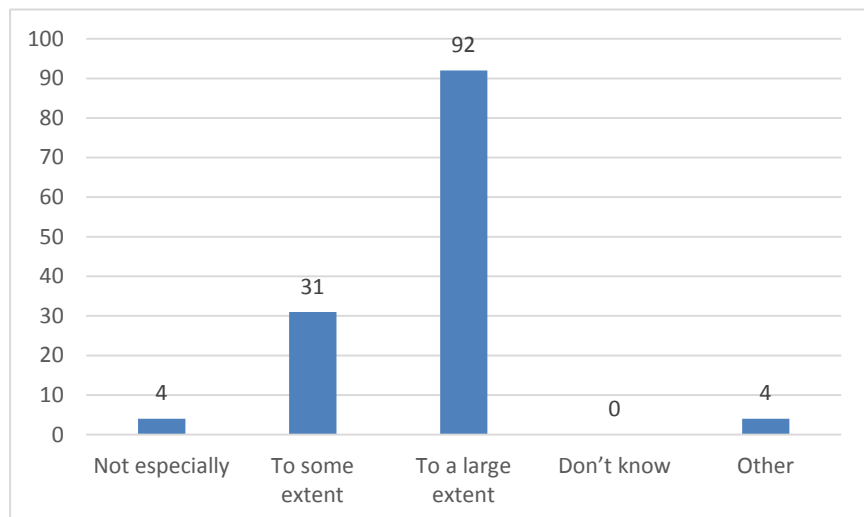
In Chapter 1 we gave an account of the working group’s understanding of the terms social entrepreneurship and social innovation. In light of this understanding we asked questions about the extent to which the initiatives focus on developing and trialling new solutions, involving the target group of the social entrepreneurial work, cooperation across disciplines and business models, and sustainability (both financial and socio-economic).

In the Nordic material as a whole we see that the vast majority of respondents say that their initiatives focus on developing and trialling new solutions, involving the target group, multilateral cooperation and sustainability. There are no large differences in the replies from the various countries. In the following we will take a closer look at the individual areas.

Developing and trialling new solutions

The Nordic material shows there to be a small minority who report that they focus on developing and trialling new solutions “to some extent.” This group is characterised by their mission not being directly targeted at developing concrete initiatives. We see, for example, that respondents who have education as their main area do not have developing and trialling of new solutions as a focus area in itself. Development with a view to new knowledge, on the other hand, will be key.

Figure 5.4. Developing and trialling new solutions

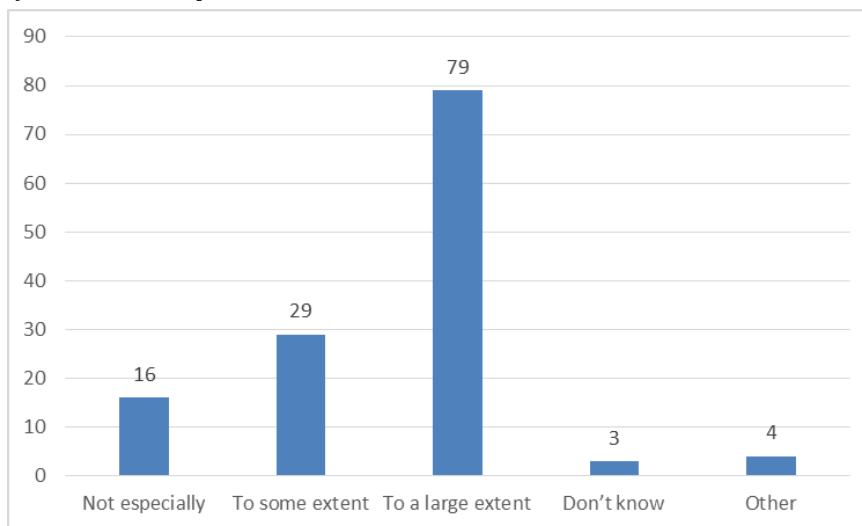


By far the biggest group in our material reply that they are concerned with this “to a large extent.” As far as we can tell, this is connected with the majority of respondents working on initiatives that are intended to contribute precisely to development and trialling.

Target group involvement

By far the largest group reply that they are concerned with this “to a large extent,” but there are also some who say that they are concerned with involving the target group of the social entrepreneurial work “to some extent” or “not especially.”

Figure 5.5. Developing and trialling new solutions that involve the target group of the social entrepreneurial work

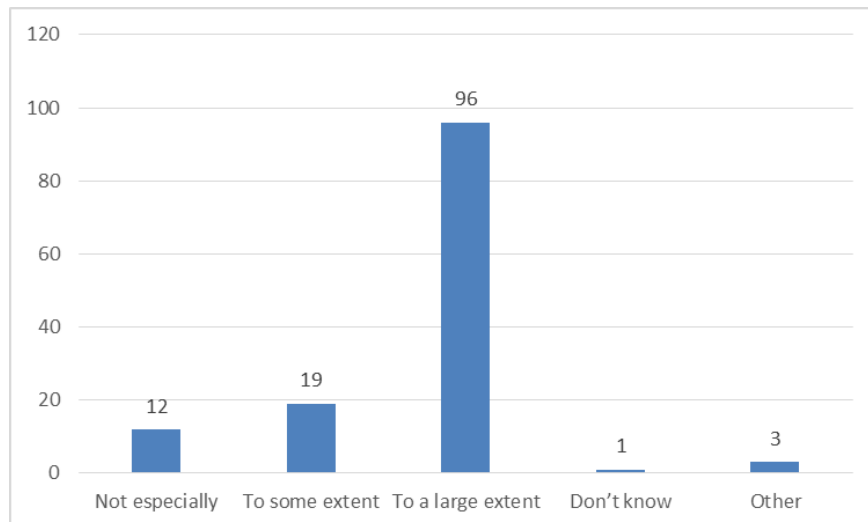


Examination of the material reveals that this is connected with respondents’ mission and position. For example, we can see from our material that some of the respondents are themselves active practitioners in the field, i.e. they work in direct contact with disadvantaged groups. In this case target group involvement will be linked to whether “the disadvantaged” are drawn actively into initiative design, etc. Other respondents are only facilitators, i.e. their initiatives are intended to stimulate work in the field. In this case the target group will be businesses, for example, and not “the end-user.” This different interpretation of the term target group may have influenced the answers.

Stimulating cooperation across disciplines and business models

By far the majority of our respondents report that they are concerned with stimulating cooperation across disciplines and business models “to a large extent.”

Figure 5.6. Stimulating cooperation across business models



It is precisely multilateral cooperation that is a characteristic of social entrepreneurial work. We might therefore expect to find a large proportion giving this reply. We nevertheless find it somewhat surprising that the proportion is so high. This may be connected with a great deal of attention being paid to multilateral collaboration and cooperation within the social field in general.

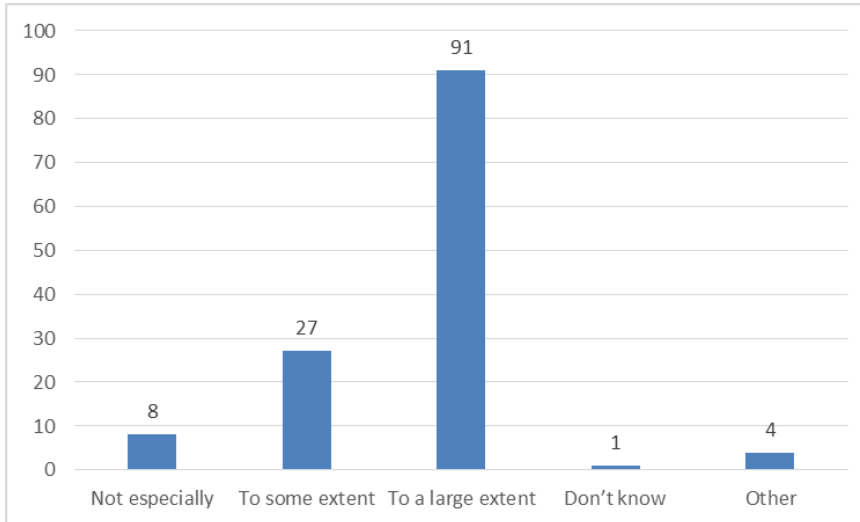
The respondents who are not especially concerned with this kind of focus represent a group with a more limited mission or mandate, such as fund allocators, grant administrators and, to some extent, education.

We find no particular differences between the Nordic countries in this area.

Developing sustainability, both financial and socioeconomic

Most of the respondents also describe themselves as focusing on developing sustainability, both financial and socioeconomic, “to a large extent.”

Figure 5.7. Developing sustainability, both financial and socioeconomic



There are no distinct differences in the Nordic material. We find that initiatives intended to contribute to sustainability are largely concerned with advice and network building. Direct financial contributions are made to some extent. The respondents who reply that they focus on sustainability “to some extent” or “not especially” are largely those where this type of focus is not a prominent part of their mission.

5.2.7 What obstacles to and needs for new social entrepreneurship initiatives do the respondents see?

In the mandate, the working group was asked to give recommendations for further follow-up. To enable us to make such recommendations, we considered it relevant to ask for the respondents’ views on the most important obstacles to the development of social entrepreneurship and social innovation in the work to include disadvantaged groups in employment and society, and the need for new initiatives. The same questions should also have been put to the users/recipients of the initiatives, but that was not possible within the scope of this mapping.

The respondents’ replies can and must be understood on the basis of the national context and the areas in which they work. Among other things, we see that, as with the answers to the other questions, there is variation with regard to whether terms such as social entrepreneurship, social enterprises, etc., are used.

At the same time, the general impression is that many of the same obstacles and needs are to be found in the answers given by respondents

in all the countries. We will summarise these answers in the following main categories:

- Finance and other support structures.
- Regulations and their implementation.
- Knowledge of social entrepreneurship and social innovation.
- Attitudes, culture and organisation in the public sector.

Finance and other support structures

Lack of access to finance and inadequate or non-existent support structures are obstacles mentioned by the respondents in all the countries.

Some point to lack of access to finance and support structures when starting up a new enterprise, others to lack of access to finance and support for keeping a business going. Social entrepreneurs can experience liquidity challenges. The period after public funding stops can also be demanding.

Restricted public funding and too much focus on project funding are among the other obstacles mentioned. Attention is also drawn to existing finance options not being well enough adapted to the needs and conditions faced by social entrepreneurs.

Others are concerned with the lack of access to venture capital and point to the need for more private finance in the work to include disadvantaged groups.

Lack of access to finance does not just apply to social entrepreneurs, but also to support structures such as advice, incubation, etc.

To deal with these challenges, respondents pointed to the need for better finance options from both government and other sources (venture capital). Some suggestions are quite general, others more specific. They concern good finance solutions for start-ups, seedcorn finance, payment in advance of project funding, security/guarantees, start-up grants and loan schemes, and reserved contracts. Others want a national cross-sectoral fund to be set up, more targeted fund money, targeted procurement, and the adjustment of criteria for the distribution of money from EU funds.

Several highlight the need for more long-term support, with development funds being granted for a longer period to enable enterprises to grow and develop over time. Loan and support options are needed in order to develop and retain competence with actors engaged in social entrepreneurship projects so as to prevent initiative “dying” when a support period ends. Others want greater access to venture capital tar-

geted at creating social change, tax incentives and new tools for tackling challenges for those who do not have the security for a loan.

Regulations and their implementation

Regulations and their implementation are another obstacle mentioned by respondents in all the countries.

Attention was drawn to the particular challenges linked to public procurement regulations and their implementation. Quality, social responsibility and social value should be demanded more rather than price.

Some respondents point to the need for better adjustment of regulations/schemes under labour market policy and social policy, and one suggestion is that it should be possible for public authorities to sign framework agreements with social entrepreneurs on a par with other actors.

Knowledge of social entrepreneurship and social innovation

Lack of knowledge of social entrepreneurship and social innovation are also among the obstacles mentioned by the respondents in all the countries.

Some respondents point to lack of knowledge in society in general, others to lack of knowledge among public authorities in particular. Lack of knowledge of transdisciplinary and cross-sectoral working, and lack of knowledge of methods for involving service users, are obstacles highlighted by several respondents.

A wide range of different initiatives is mentioned in response to these challenges.

Some respondents point to the need for a stronger focus on education and research in social entrepreneurship, and one suggestion is to set up a national centre of excellence.

More specific suggestions include identifying and disseminating best practice, developing good methods for measuring results/impact and the benefits of preventive work, and conducting an information campaign.

Attention is drawn to the need to disseminate knowledge on social entrepreneurship and social enterprises with special emphasis on the social value that they bring to society.

Attention is also drawn to the need for education for social enterprises/entrepreneurs, more cooperation between researchers and social entrepreneurs, incubator programmes, and mentorship.

Attitudes, culture and organisation in the public sector

Attitudes, culture and organisation in the public sector are also cited as obstacles by respondents in all the countries.

Some respondents say that there is a conflict between the cross-sectoral, transdisciplinary nature of social entrepreneurship and the way public actors are typically organised in specialised administrative units or “silos”. Others are of the opinion that there is a lack of competence and incentives in the public sector when it comes to cooperating across administrative bodies and sectors. Some respondents point out that it is unclear from the way things are organised who/which sector is responsible for what, with no one taking ownership. Attitudes in the public sector are identified as a problem.

To deal with these challenges, respondents highlight the need to look at how structures and systems can be made less rigid so as not to impede social entrepreneurship. Increased knowledge among public employees regarding methods for and the effects of social entrepreneurship and social innovation may help to improve cooperation.

Attention is drawn to the need for closer cooperation between public authorities and the private and voluntary sectors respectively on solving welfare challenges, and the fact that such cross-sectoral cooperation will require greater trust, equality and willingness to take risks on the part of public employees.

5.2.8 Summarising remarks

In the Nordic material as a whole we find a number of initiatives for supporting social entrepreneurship and social innovation. These terms are used particularly by Sweden, Denmark and Norway, which therefore also have initiatives for supporting both the field in general and the inclusion of disadvantaged groups in employment and society in particular.

In both Iceland and Finland, schemes designed to stimulate the foundation of enterprises that work with socially disadvantaged groups have existed for many years, but they are not defined as social entrepreneurship or social innovation. In fact, we find various initiatives that are aimed at support work with the socially disadvantaged but not defined as social entrepreneurship or social innovation in all the Nordic countries. Initiatives to include disadvantaged groups in employment and society are an important characteristic of the Nordic welfare model, as we pointed out in the introduction.

Our main impression is that initiatives to support social entrepreneurship and social innovation are a relatively new field that has received more attention in the last 5–7 years.

The general impression is that respondents in all the countries experience many of the same obstacles to and needs for new initiatives to support social entrepreneurship and social innovation. In reply to questions about this, the respondents highlight obstacles to and needs for new initiatives in the following areas: finance and other support structures, regulations and their implementation, knowledge of social entrepreneurship and social innovation, and attitudes, culture and organisation in the public sector.

6. Initiatives to support social entrepreneurship and social innovation in Denmark

6.1 Introduction

In Denmark, the growth of social entrepreneurship and social innovation has largely been driven by individuals, social enterprises (socialøkonomiske virksomheder), civil society organisations and foundations/trusts. In recent years, however, the field has attracted increased attention from public authorities and the political level, especially with regards to the part of social entrepreneurship that has to do with setting up social enterprises. When it comes to education and research in the field, including the establishment of the *Centre for Social Entrepreneurship* at *Roskilde University*, Denmark has been relatively far advanced and an early adopter compared with the other Nordic countries.

In recent years social enterprises have attracted greater attention from public actors at both the local and national level. The first Danish municipality drew up a strategy to support social enterprises in 2009. Today an increasing number of municipalities are working to support social enterprises locally.

At a national level, funds have been allocated by the *Ministry of Employment* from 2012 up to and including 2015 to support and maintain social enterprises working to include disadvantaged people in employment. The National Budget Agreement for 2013 earmarked an additional DKK 25 million to support social enterprises, including the appointment of a committee to identify barriers and opportunities in the area, and to make recommendations.

Based on the committee's recommendations, the *Ministry of Employment* and the *Ministry of Children, Gender Equality, Integration and Social Affairs* strengthened the national commitment to social enterprises in

2014.¹⁵ Among other things, a Registered Social Enterprises Act has been passed, a *National Centre for Social Enterprises* has been established and a Council for Social Enterprises has been appointed.

The focus on and use of the terms social entrepreneurship and social innovation seem to be most common among civil society actors.

6.2 The respondents

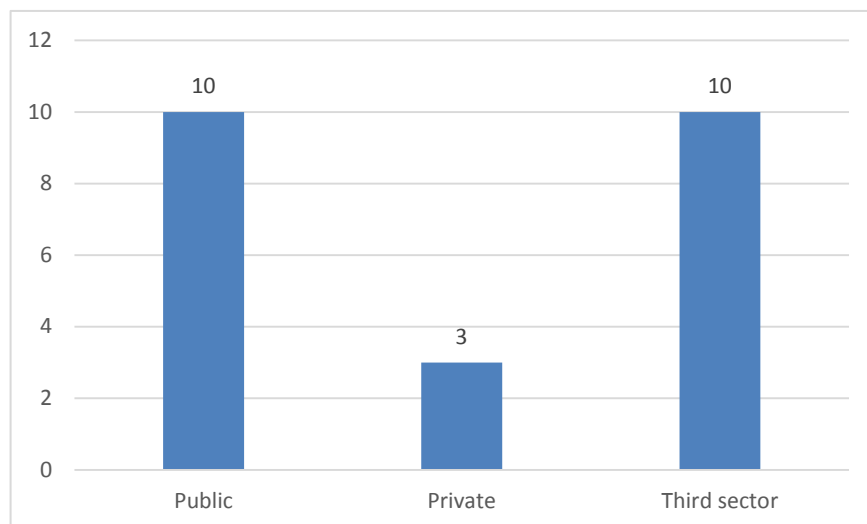
In the Danish part of the mapping, questionnaires were sent out to 27 actors with initiatives targeted at promoting social entrepreneurship and social innovation.

A total of 23 of the 27 respondents completed the questionnaire.

Most of the initiatives mapped said that they are in either the public sector (10 initiatives) or third sector (10 initiatives). Of the public initiatives, five are municipalities. Two of the initiatives mapped said that they are in the private sector.

The distribution of the initiatives between sectors is shown in the following figure:

Figure 6.1. Sector



¹⁵ www.socialvirksomhed.dk

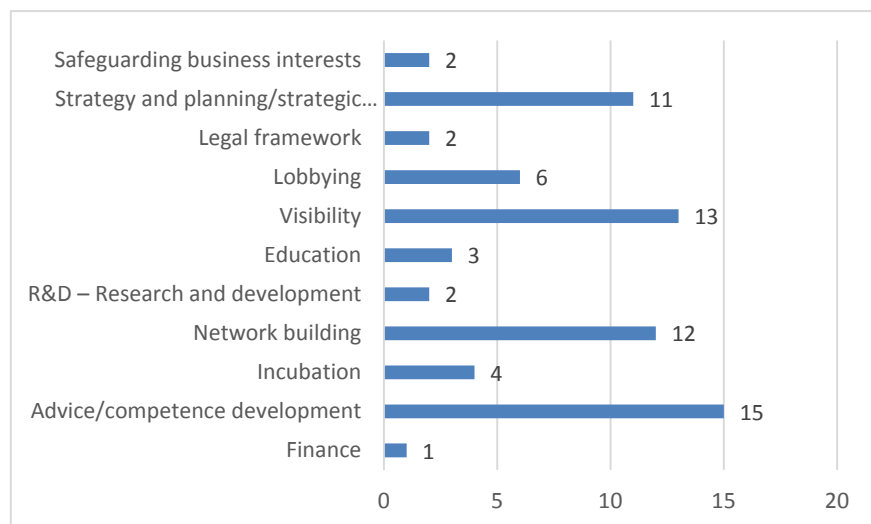
6.3 What main types of initiative were mapped?

To enable the initiatives to be categorised, the respondents were asked which category or categories best cover(s) the initiative(s) their organisation works with. The answers reveal that the majority of initiatives fall into more than one category. Similarly, it is apparent that the Danish initiatives mapped are spread relatively widely across the various categories.

Initiatives targeted at advice and competence development, network building, increasing visibility, and strategy and planning are relatively common, however, whereas only a small number of the actors who replied have finance, R&D and legal framework activities.

The distribution of the initiatives between focus areas is shown in the following figure:

Figure 6.2. Initiative types



6.4 To what extent are the initiatives new?

It is a general characteristic that the majority of the Danish initiatives mapped are relatively new. Sixteen of the initiatives were launched in 2012 or later, four were launched between 2010 and 2012, while only three initiatives were launched before 2010.

6.5 What are the aims and target group of the initiatives?

The Danish initiatives include both initiatives targeted specifically at supporting social entrepreneurship and social innovation in the work to include disadvantaged groups in employment and society, and initiatives targeted at promoting social entrepreneurship and social innovation more generally.

The first group includes *The Social Growth Programme*, which is run by *The Social Capital Fund* and funded by the *Ministry of Employment*. In this case the purpose of the initiative is to support the development of social enterprises that are both socially inclusive and competitive. Another example is the *Municipality of Ikast-Brandø*, which has a concrete target for its social enterprise work of creating 100 new social jobs by the end of 2017. A third example is *Social+*, which works to promote social inventions that solve or prevent social problems for disadvantaged people.

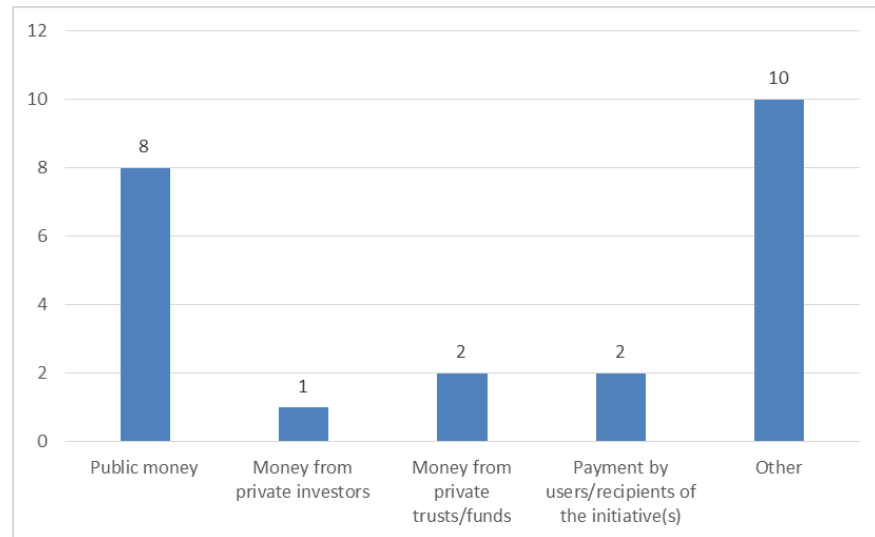
The second group of respondents includes the student organisation *DANSIC*, which works on a broad front to support social innovation and the development of new social business ideas, including holding a big annual conference that focuses on this field. Another example is the *Municipality of Copenhagen*, which based on a 2010 strategy has been working on a broad front to support social enterprises and start-ups in the city.

6.6 How are the initiatives funded?

Eight of the initiatives mapped say that they are funded with public money, while two initiatives are funded by private foundations/trusts, two through user payment and one by private investors. Ten initiatives selected the “other” option when answering this question, with the majority stating that this is because the initiatives are based on several different sources of funding.¹⁶

¹⁶ There was an error in the questionnaire with regard to this question. This resulted in it not being possible to select several sources of funding. It can therefore be assumed that respondents who indicated just one source of funding may have several, but chose to specify the primary source.

Figure 6.3. Sources of funding



6.7 How do the initiatives provide support?

In the following, examples are given of how the Danish initiatives, grouped according to type, work to support social entrepreneurship and social innovation.

Finance

Just one of the Danish initiatives, *The Social Capital Fund*, states that it works with finance. The fund offers financing for enterprises with growth potential that create opportunities and work targeted at disadvantaged groups in Denmark, including social enterprises. The fund invests in enterprises in the form of either “patient loans” or equity.

The investments are time-limited through agreements with the individual enterprises and aim to help the enterprises grow, as well as to enhance their ability to be inclusive with regard to disadvantaged groups and competitive at the same time. When the investments are paid back, they are reinvested in new enterprises.

The Social Capital Fund was set up with funding from *Trygffonden* in 2011.

Advice and competence development

Among the initiatives that focus on competence development we find activities such as courses and other training, counselling, advice, mentoring schemes, information activities and other knowledge dissemina-

tion. The specific activities vary across the specific focus and target group of the initiatives.

Several of the initiatives work with developing knowledge on and offering tools for social innovation. One example of this is *Social+*, which works to support and strengthen social innovation among organisations, trusts and authorities.¹⁷ *Social+* is divided into three programmes that help to either develop an organisation's existing concept or initiative, disseminate an organisation's concept, or develop an organisation's next initiative from the ground up.

Other initiatives, including several of the responding municipalities, focus on enhancing competence development in social enterprises. This is done by offering counselling and providing advice with regard to business development or by supporting social start-ups, for example.

An example of a third type of initiative is provided by *The Danish Social Housing Sector*, an organisation representing around 550 social housing organisations in Denmark.¹⁸ *The Danish Social Housing Sector* wants to foster the establishment of social enterprises in the association's housing areas that can help bring disadvantaged groups closer to the labour market.

The recently launched initiative aims to provide an overview of experiences with and interest in social enterprises among *The Danish Housing Sector's* members, and offer advice on what housing organisations can and are allowed to do in relation to social enterprises. It also works to improve knowledge of the benefits of becoming involved with social enterprises in social housing areas seen from, for example, a political perspective. The work is intended to result in a guide on social enterprises in housing areas.

Incubation

Among the initiatives that focus on incubation we find *The Social Growth Programme* and *Social StartUp*. The two programmes offer social enterprises and social entrepreneurs respectively intensive competence development with the emphasis on business development. The training lasts about five months.

In both programmes social enterprises are assigned a professional business developer to follow them through the entire process. Additionally, a number of camps and courses are held for participating enterpris-

¹⁷ <http://socialeopfindelser.dk/>

¹⁸ <http://www.bl.dk/boligsociale-tiltag/socialoekonomiske-virksomheder-i-almene-boligomraader/>

es. The enterprises are given access to advice from accounting and legal professionals, access to networking opportunities and the chance to apply for development funds.

Network building

Among initiatives that focus on network building we find activities such as networking associations, networks based around incubators and shared office facilities, knowledge sharing, project-oriented cooperation between organisations, and joint experience exchange and idea development.

Socialøkonomi Nordjylland (Social Economy North Jutland) is a networking association for social enterprises and entrepreneurs.¹⁹ The association brings together forces from the region with an interest in the social economy for joint experience exchange, mutual advice and idea development. It also provides social entrepreneurs with assistance free of charge. The overall aim is to propagate the social economy and social entrepreneurship in North Jutland, and to stimulate cooperation across disciplines, sectors and organisational forms.

Another example of network building around social entrepreneurship is the *Center for Socialt Ansvar* (Centre for Social Responsibility) or *CSFA*.²⁰ The *CSFA* is a private network for a number of voluntary organisations that works across sectors with regions, municipalities, business, foundations/trusts, researchers and voluntary organisations, for example, on implementation of a range of social projects. Specifically, the *CSFA* consists of a secretariat, which manages and runs the centre's activities, as well as advising and guiding other parties who want to start new initiatives and projects with the same values and objectives.

Research, development and education

Among initiatives that focus on research, development and education we find development and provision of educational programmes with the emphasis on social entrepreneurship, research and training for disadvantaged young people, for example.

One example of the development of new educational provision in the field is *VIA University College*, which has a package of initiatives giving its students the opportunity to learn about social entrepreneurship and

¹⁹ <http://www.socialoekonominordjylland.dk/index.php/om-socialoekonomi-nordjylland>

²⁰ www.cfsa.eu

social innovation.²¹ The package consists of a *knowledge centre programme in social entrepreneurship and social innovation*, the development of modules in professional programmes at bachelor level, the development of a proposal for a separate professional programme in social entrepreneurship at bachelor level, the creation of a student growth centre and competence development for teachers.

Another example is *Roskilde University*, which at its *Centre for Social Entrepreneurship* has education, research and knowledge-sharing activities with the emphasis on social entrepreneurship and social innovation processes targeted at socially disadvantaged groups.²² Among other things, the centre at *Roskilde University* offers a *Master in Social Entrepreneurship* and an international *Master in Social Entrepreneurship and Management*. When it comes to research-related activities, the centre has nine affiliated PhD students and five international guest professors, for example. The centre also plays a leading role in both the international *EMES* research network and the Nordic *SERNOC* research network.

A third example of education-related activities in the field is provided by *KBH+*, which offers training courses, bridge building to education and employment, and social advice for young people.²³ The courses are intended to improve disadvantaged young people's chances of fulfilling their potential by offering a different approach to education, learning and competence development. The vision is to support young people's personal and social development, and to be a powerful driving force in the development of models for the social inclusion of young people. Work is done across sectors in order to create a flexible system for the individual young person.

Increasing visibility, lobbying and/or safeguarding business interests

Among initiatives that focus on exposure, lobbying and/or safeguarding business interests we find activities such as conferences and large events, competitions, organisation and lobbying, newsletters and other knowledge dissemination through social media, for example.

Examples include the two student organisations *FOSIA* and *DANSIC*, both of which work to disseminate knowledge on social innovation with a special emphasis on students. *DANSIC's* primary activity is an annual

²¹ <http://www.viauc.dk/hoejskoler/psh/videncentre/socialpaedagogik-og-socialt-arbejde/socialt-entreprenorskab/Sider/socialt-entreprenorskab.aspx>

²² <http://www.ruc.dk/forskning/forskningscentre/cse/>

²³ <http://www.kbhplus.dk/>

full-day conference, where 300 students and around 100 leaders from the private, public and voluntary sectors meet, debate and inspire each other to produce social innovation, enter into new partnerships and start social enterprises. An ideas competition – *pitch@DANSIC* – is held at the conference, with social innovators pitching their ideas to the participants and a panel of judges. The winners receive office space, consultancy services and start-up capital as their prize.²⁴

A further example of initiatives that focus on exposure and visibility is *Social Entrepreneurs in Denmark*, an association for anyone with an interest in and a desire to promote social entrepreneurship.²⁵ Among other things, the association holds networking meetings, dialogue and development events and study trips with a view to providing information on social entrepreneurship, creating space for networking, and contributing to a development dialogue, knowledge sharing and competence development for social entrepreneurs. It also publishes a newsletter on the field and has an information page on Facebook.

Strategy and planning/strategic development

Among initiatives that focus on strategy and planning we find the five municipalities that participated in the mapping, which have been working strategically to support social enterprises to various extents. The policy instruments used in the municipalities' initiatives include canvassing enterprises and entrepreneurs, support options, network building, opportunities for paid leave for municipal employees, enhanced cooperation across administrative departments, and close cross-sectoral cooperation, including bringing associations, projects and institutions, etc., together in one place.

One example of a municipal initiative is provided by *Kolding*, which in 2009 became the first municipality in Denmark to produce an integrated strategy for growth in the social economy.²⁶ Kolding Municipality now has the support structure in place to promote social enterprises. Among other things, a local knowledge centre – *Socialøkonomisk Center i Trekanten* (The Triangle Socioeconomic Centre) – and a fund offering venture capital for founding social enterprises have been set up. The initiative focuses primarily on creating cohesion between administrative departments and setting up intermunicipal committees and cooperation

²⁴ <http://www.dansic.org/>

²⁵ <http://www.xn--sociale-entreprenrer-rcc.dk/>

²⁶ <http://soct.dk/>

forums. This includes close cooperation with the municipality's own business organisation – *Business Kolding*. Kolding Municipality is working on version two of its social economy strategy.

The *Municipality of Ikast-Brande's Vision Vestergade* project is a more recent example of a municipal strategy aimed at strengthening socio-economic efforts.²⁷ The physical hub of the initiative takes the form of a centre on Vestergade in Ikast, which will house social enterprises and entrepreneurs, as well as a number of associations. The centre will also provide social enterprises and entrepreneurs with advice and guidance. The overall aim of the initiative has been to establish five social enterprises and create 100 social jobs – broadly defined as “flexible jobs, light jobs and protected employment” – by the end of 2017. As the initiative got off to such a good start, the municipality has increased these targets to 10 enterprises and 200 jobs respectively by 2020.

Legal framework

Among initiatives that focus on legal framework we find the Danish government's measures to support social enterprises.

In 2013 the Danish government appointed the *Committee on Social Enterprises* to identify barriers to establishing and developing social enterprises in Denmark and make recommendations regarding how these challenges could best be met. In September 2014 the government followed up on the committee's recommendations by launching a transdepartmental initiative to support the development of social enterprises in Denmark.

This includes:

- A registration scheme for social enterprises that makes it possible to register as a social enterprise and so obtain a sort of seal of approval, in relation to the company's social purpose and reinvesting profits.
- A National Centre for Social Enterprises, aimed at collecting and disseminating knowledge, enhancing cooperation in the field, and offering help and guidance regarding statutes and regulations to social enterprises, municipalities and other actors.

²⁷ <http://www.ikast-brande.dk/om-kommunen/mental-frikommune/projekter-og-tiltag/vision-vestergade>

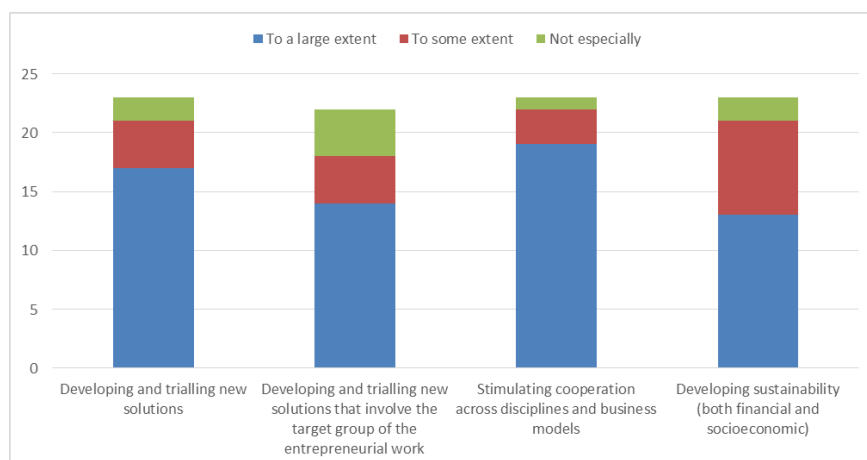
- A Council for Social Enterprises to monitor development in the sector and work to increase the focus on social enterprises across the public, private and voluntary sectors.
- Several initiatives aimed at enhancing social entrepreneurship and business administration in social enterprises.
- An information campaign.
- Creation of a toolbox for documenting social impact to support and guide social enterprises in documenting their work and results.
- Municipal support grants to help motivated and interested municipalities step up their efforts to support and cooperate with social enterprises.
- A private partnership programme intended to promote the establishment and development of partnerships between social enterprises and major Danish companies.
- Investigation into the possibility of relaxing regulation of the proportion of employees on special terms allowed in an enterprise.

6.8 To what extent do the initiatives focus on the four characteristics of social entrepreneurship?

Generally speaking, the Danish initiatives seem to tally quite well with the four characteristics of social entrepreneurship on which the working group based this mapping. When the respondents were asked about the extent to which their initiative focuses on each individual characteristic, the vast majority reply “to some extent” or “to a large extent” for all four characteristics.

There seems to be a strong focus on interdisciplinary and cross-sectoral work in particular in the Danish initiatives. Here by far the majority of respondents answer “to a large extent.” Slightly fewer of our respondents say the same for developing and trialling new solutions, while around half reply that they focus on involvement of the target group and financial sustainability respectively “to a large extent.”

Figure 6.4. Focus on characteristics



6.9 Summarising remarks

Overall, the material gives the impression that a focus on supporting social entrepreneurship and social innovation in Denmark is a quite recent development, and that this focus to a large extent relates to social enterprises as a form of social entrepreneurship. We may, however, have failed to pick up the full scope and variety of the initiatives that exist through the choices we made along the way, see Chapter 5.1. The public initiatives seem to be of more recent date and to focus on social enterprises in particular, whereas civil society initiatives tend to have a broader and more general focus on social entrepreneurship and/or social innovation.

The recently launched Danish transdepartmental initiative to support the development of social enterprises seems to be a first example of a coordinated national public initiative in this area in Denmark, and perhaps in the Nordic Region too. The initiative does not employ the terms social entrepreneurship and social innovation directly, of course.

7. Initiatives to support social entrepreneurship and social innovation in Finland

7.1 Introduction

The terms social entrepreneurship, social innovation and social enterprise (sociala företag) are relatively new in Finland, but their use has increased steadily in recent decades.

Finland has a long tradition of organisations working to provide jobs, social services and welfare for vulnerable groups in society. These traditional third-sector organisations have been active and produced social innovation targeted at groups with special needs.

In recent years new forms of social enterprises (sociala och samhälliga företag) have been developed by engaged entrepreneurs, third-sector organisations, cooperatives and foundations. There are two different forms of social enterprise: 1) those offering work to people with disabilities and long-term unemployed under the Finnish Act on Social Enterprises (1351/2003), and 2) those that satisfy the business model requirements for a social enterprise and can use the Social Enterprise Mark.

In 2010 the *Ministry of Labour and the Economy* appointed a working group to assess whether the business model for social enterprises might be suitable for strengthening and developing entrepreneurship, reforming public service production, organising voluntary organisations' chargeable service production and integrating it in the labour market. In its report from January 2011, the working group indicates that there is interest in the business model for social enterprises among would-be entrepreneurs, existing enterprises and voluntary organisations. Taking this as its starting point, the group proposed further developing this model and in this context highlighted the importance of defining the characteristics of this model that differentiate it from enterprises' social responsibility and common charity.

As in other areas in Finland, social enterprises are expected to improve the quality of public services, generate innovation, improve productivity and have a preventive effect on social and health problems.

The programmes and priorities of the European structural funds have played an important role in relation to supporting and guiding the development of social enterprises in Finland.

Although various forms of social enterprise have developed in Finland, it remains unclear what role and position these enterprises should have in Finnish society.

The Act on Social Enterprises is to be scrutinised under the current government programme, and this work has recently started.

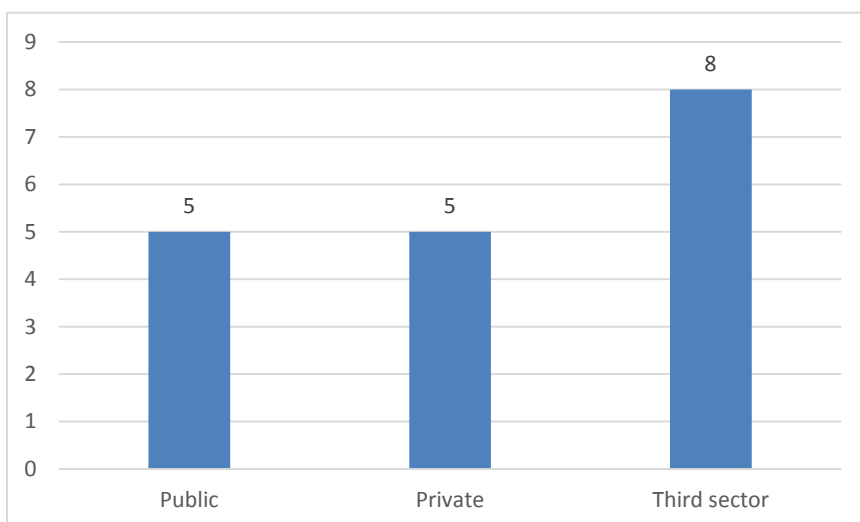
The term ecosystem is increasingly being used about structures that support the start-up and development of social enterprises. It can be said that such structures are in the process of being established.

There follows a presentation of the results of the mapping in Finland.

7.2 The respondents

In the Finnish part of the mapping, questionnaires were sent out to 48 actors who conduct activities in support of social entrepreneurship and social innovation. In some cases the recipients passed the questionnaire on to member organisations or within their own board. This means that more than 48 actors received the questionnaire.

Figure 7.1. Sector



We received replies from 17 respondents from the private, public and third sectors. One of the respondents ticked both the private and third sector. The respondents from the public sector are mainly from ministries

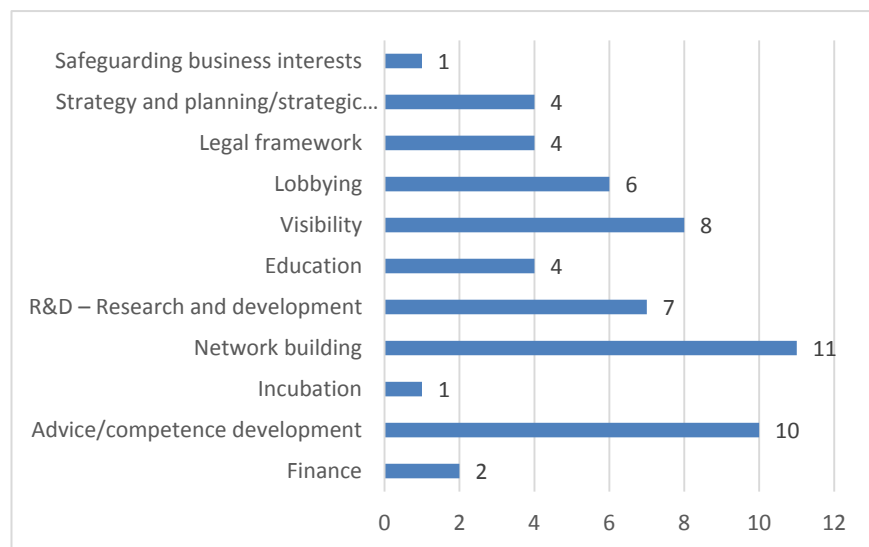
with responsibility for health and social affairs, municipalities, local authorities that finance *European Social Fund (ESF)* projects, and universities and polytechnics that do work on the development of social enterprises.

The respondents from the private sector include foundations, incubators, advisory organisations and actors who define themselves as social entrepreneurs.

7.3 What main types of initiative were mapped?

The respondents could tick several alternatives that describe the nature of the enterprises. The answers reveal that the majority of respondents have initiatives in several categories.

Figure 7.2. Initiative types



The Finnish respondents cover a wide range of initiatives. Increasing visibility plus network building and advice/competence development are the initiatives that occur most frequently. Just a few offer incubation and safeguarding business interests. The majority of these initiatives correspond with education and training, promotion of the social responsibility and sustainable development of enterprises, and finance and support for enterprises. There are also initiatives that cover lobbying, network building, training, advice and development, and providing education concepts, studies and reports, in addition to communication through various channels.

Virtually all the initiatives are in the nature of projects and therefore time-limited. It is nevertheless the case that one and the same actor often continues the project-based activity by developing the concept in new projects.

One example of this is the *Pellervo Confederation of Finnish Cooperatives*, which has the task of propagating economic cooperation in Finland. This means being a spokesperson for cooperative education at all levels and lobbying for cooperation both in Finland and internationally, for example. Another example is *Arvo-liitto (The Finnish Association for Social Enterprises)*, a lobbying organisation that works with social enterprises and promotes their interests.

7.4 To what extent are the initiatives new?

A majority of the initiatives have been developed in the last 10 years. Some of them have been founded recently, and some have existed for a long time, such as the *Pellervo Confederation of Finnish Cooperatives*, which dates back to 1899.

7.5 What are the aims and target group of the initiatives?

The answers to the questions about the aims and target group of the initiatives can be divided into the following three categories, which also describe the purpose of social enterprises:

- Initiatives that promote and support employment and entrepreneurship in accordance with the government programme.
- Initiatives that enhance the ecosystem of social enterprises.
- Initiatives to include disadvantaged groups in employment and society.

Initiatives that promote and support employment and entrepreneurship in accordance with the government programme

In this category we find tasks and activities that correspond with implementation of the current government programme, and that promote and support employment and entrepreneurship in Finland. They include a trial of work banks at national level, a project under the government

programme for which grants have been earmarked for the entire government period, and activities under the structural fund programme *Kestävää kasvua ja kestäväää työtä/ Hållbar Tillväxt och Hållbara Jobb* (Sustainable Growth and Sustainable Jobs).

Initiatives that enhance the ecosystem of social enterprises

Here we find actors and activities that support social enterprises by enhancing their ecosystem and increasing general knowledge. They include: 1) *Kasvuhuone* (Growth Room Cooperative), 2) *SEE4M*, 3) improving the commercial conditions for social cooperatives, 4) initiatives for developing commercial conditions for work training and local communities for social services, 5) network building and initiatives to promote research and development activities to do with social enterprises, 6) a network with the task of promoting, by means of lobbying, sustainable development and social innovations in large enterprises, as well as in smaller enterprises using their interest groups.

Regional projects that boost entrepreneurship in social enterprises and the surrounding environment, where a variety of information material on the subject is often prepared too, and enhance knowledge of business operations through education and training, can also fall into this category. There are also projects that analyse conditions regarding how entrepreneurship in social enterprises could offer solution models for the employment of people who have trouble obtaining work, ways of safeguarding local services in rural communities, and various new service solutions.

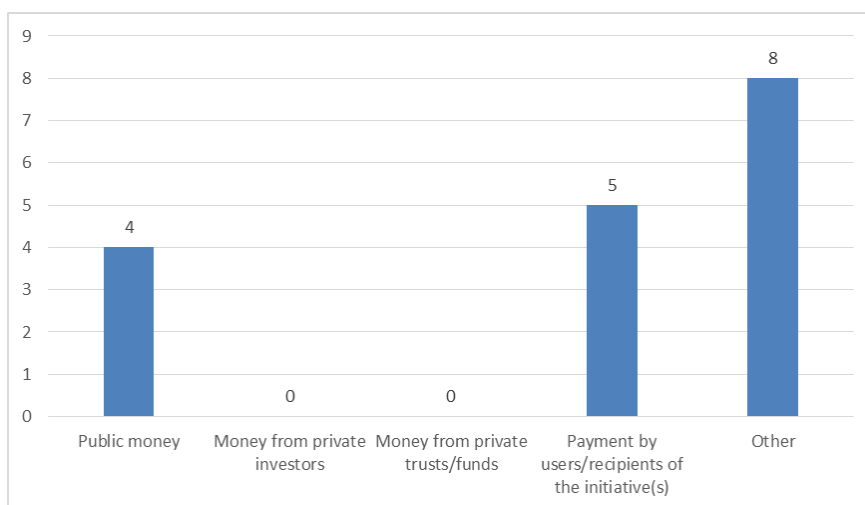
Initiatives to include disadvantaged groups in employment and society

In this category we find initiatives that focus on rehabilitation and work inclusion for groups with special needs, including people with developmental disabilities and others in a weak position on the labour market.

7.6 How are the initiatives funded?

We had divided funding into four categories in advance, plus “other” if respondents had more to say. Our material revealed the following:

Figure 7.3. Sources of funding



The initiatives are funded through several sources, but largely by combining several (public) sources of funding: grants, subsidies, service agreements and *European Social Fund (ESF)* project funding, but also partly in the form of payment by users of the initiatives. Based on the answers, a market for private investors or funds/trusts has not yet developed to any great extent.

7.7 How do the initiatives provide support?

Finance

So far there are not many private finance initiatives for developing social enterprises in Finland. Typical initiatives for financing such enterprises have been various projects supported by the *European Social Fund (ESF)*. These have included initiatives for developing sustainable social enterprises. Social enterprises use the same sources of finance as other types of enterprise.

Advice/competence development

It is normally assumed that social enterprises use the same public services for enterprises that other enterprises use. Methods to do with advice and competence development in social enterprises in Finland are also based on various regional development projects financed by the *European Social Fund (ESF)*.

These projects have developed and enhanced the ecosystem of social enterprises, and produced various types of teaching and information material on the subject, as well as contributing to increased knowledge

of business operations through education and training, for example. This has also included courses, conferences and workshops.

Network building

There are various scattered networks of/for social enterprises, but they are also therefore relatively weak.

Ten different actors who are active in social enterprises recently (2014) set up *ARVO* (the Finnish Association for Social Enterprises). *ARVO* supports social enterprises and their business operations. It works to boost knowledge of social and value-based enterprises, and their prestige. The association's activities aim to strengthen the structures for a social and ecologically sustainable community.

The association cooperates with business, authorities and other stakeholders to safeguard social enterprises' business operations. The aim is to generate a positive development spiral for social entrepreneurship by creating new financing models, for example. *ARVO* is a coalition of social enterprises, and other coalitions for business policy issues.

R&D – research and development

FinSERN is the Finnish research network for social enterprises. It summarises and disseminates international and Finnish research, keeps in touch with researchers and research networks in the field around the world, and maps and provides information on funding opportunities, current events, ongoing research and published articles on research in the field.

It is a research community where researchers with an interest in the same subject and those who use the knowledge can meet. It wants to inspire and motivate researchers and everyone studying the subject at various universities and university colleges to build international networks. It opens doors to universities and university colleges around the world and maps publication channels for researchers.

The material collected contains no initiatives directly targeted at social entrepreneurship and social innovation, but there are nevertheless examples of research projects targeted at social innovation dating back to the early 2000s. The Finnish Cultural Foundation also ran an *Argumenta* project on social innovation, etc., in collaboration with several universities.

Education

There are no educational programmes targeted at social enterprises, but there are various courses at individual universities and university colleges. An adult education institution in the field of Civic Associations for Adult Learning has developed educational material and an online course on social enterprises.

Legal framework

One example of legal framework is provided by the Act on Social Enterprises and the Social Enterprise Mark.

The Act on Social Enterprises defines social enterprises as follows:

A social enterprise is a registered trader who is entered in the register of social enterprises:

- 1) it is entered in the trade register under the said Act
- 2) it produces goods and services on a commercial principle
- 3) at least 30% of the employees in the company's employ are persons referred to in section 1 (1), or at least 30% are persons referred to in section 1 (1) and other persons referred to in section 1 (percentage of placed employees); and (28.1.2012/924).
- 4) it pays all its employees, irrespective of their productivity, the pay of an able-bodied person agreed in the collective agreement, and if no such agreement exists, customary and reasonable pay for the work done.

The social enterprises referred to in this Act provide employment opportunities in particular for persons who:

- 1) have an injury or illness that makes their employment difficult
- 2) have been unemployed jobseekers continuously for 12 months or in several periods of unemployment have been unemployed jobseekers for at least 12 months in total and based on repeated unemployment and the total time unemployment has lasted can be compared to jobseekers who have been continuously unemployed for 12 months.
- 3) have received unemployment benefit owing to unemployment for at least 500 days.

The Social Enterprise Mark is awarded by the *Social Enterprise Committee*. Enterprises in receipt of the mark have undergone a comprehensive analysis that stresses the three primary criteria for social enterprises, but also looks at other characteristics considered to be key in such enterprises.

The three primary criteria for social enterprises are:

- The primary objective and aim of a social enterprise is to promote social well-being. A social enterprise acts responsibly.
- Limited distribution of profits. A social enterprises uses most of its profits for the benefit of society either by developing its own operations or by giving a share of its profits to charity according to its business idea.
- Transparency and openness of business operations. In order to assure transparency, the enterprise applying for the Mark must write down its social goals and limited distribution of profits in its Articles of Association or Rules.

Social enterprises are an instrument for work integration of people who have difficulty entering the open labour market. Social enterprises produce goods and services for the market and pursue financial gain in the same way as other enterprises. A social enterprise can conduct operations in any industry.

What differentiates social enterprises from other enterprises is that at least 30% of the employees in a social enterprise must be people with a lower ability to work or people who are both disabled and long-term unemployed. The enterprise must also be entered in the register of social enterprises set up by the *Ministry of Labour and the Economy*, and only enterprises entered in this register can use the designation social enterprise and a mark in its business operations and marketing, see the Act on Social Enterprises (1351/2003).

As of June 2014 there are 89 social enterprises entered in the register. In autumn 2014 the *Ministry of Labour and the Economy* considered renewing or repealing the Finnish Act on Social Enterprises.

Strategy and planning/strategic development, safeguarding business interests, increasing visibility and lobbying

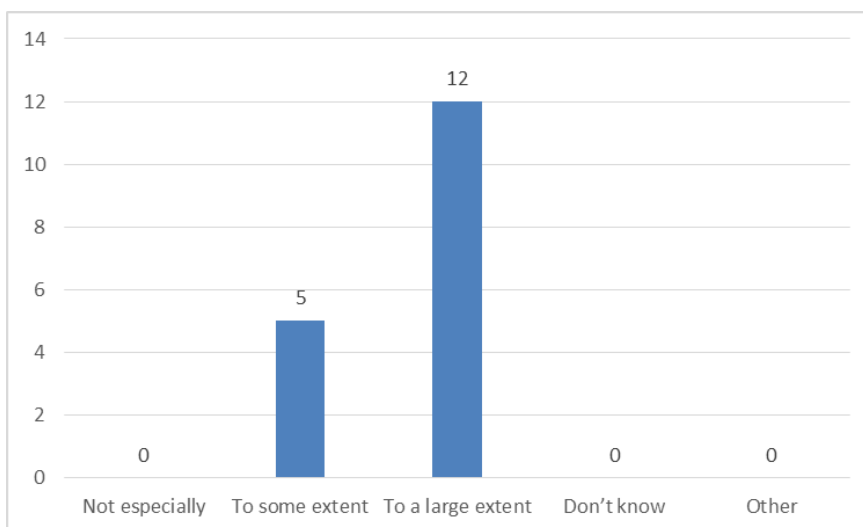
Four of the respondents said that they work with strategy and planning. Six mention lobbying and 10 safeguarding business interests. Eight say that they work with increasing visibility. It is difficult to identify concrete examples of what the respondents do, however, One example that can nevertheless be mentioned here is the *Finnish Association for Social Enterprises (ARVO)* previously referred to.

7.8 To what extent do the initiatives focus on the four characteristics of social entrepreneurship?

Developing and trialling new solutions

The following overview shows how the respondents replied to the question regarding the extent to which they focus on developing and trialling new solutions.

Figure 7.4. Developing and trialling new solutions



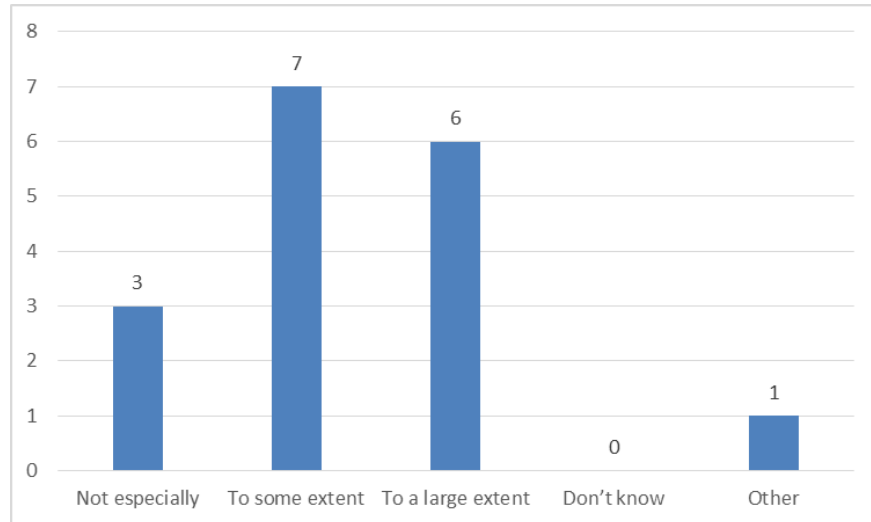
A large proportion of the respondents replied that they focus on developing and trialling new solutions “to a large extent,” with everyone saying that they focus on this either “to some extent” or “to a large extent.”

Efforts are often made to develop new (local) solutions through concrete trials, and solutions are frequently sought for target groups with special challenges when it comes to finding work, for example. The starting point for this is often creating a financially sustainable business model.

Target group involvement

In the mapping we were also interested in the extent to which the respondents involve the target group:

Figure 7.5. Developing and trialling new solutions that involve the target group of the social entrepreneurial work

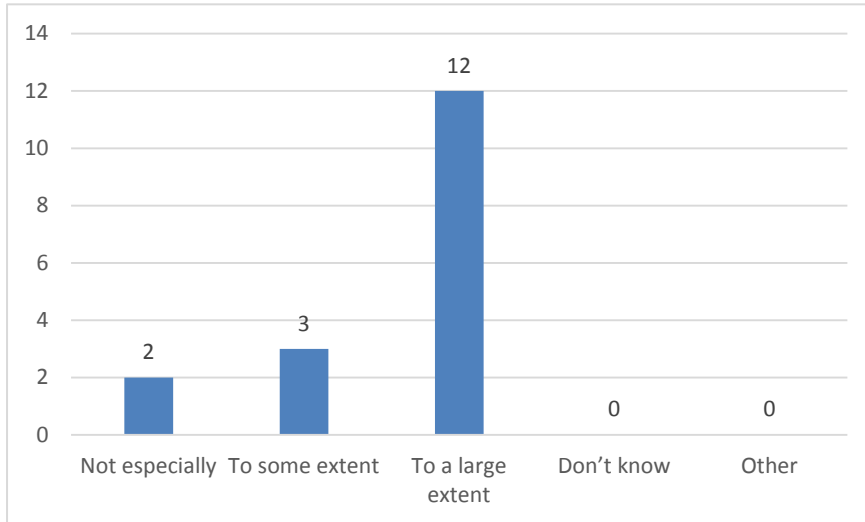


A large proportion of the respondents say that they focus on developing new solutions that involve the target group of social entrepreneurship either “to some extent” or “to a large extent.” Different forms of partnership and network cooperation are used to try and bring about socially and financially sustainable solutions that have a positive impact on the target group’s position. Service design methods have been used for some of the solutions.

Cooperation across disciplines and business models

Social entrepreneurship and social innovation are also referred to as phenomena that are genuinely concerned with new forms of cooperation across established structures. We were therefore interested in identifying in more detail how the respondents positioned themselves in this respect.

Figure 7.6 Stimulating cooperation across disciplines and business models



The vast majority of the respondents also say that they focus on cross-sectoral cooperation.

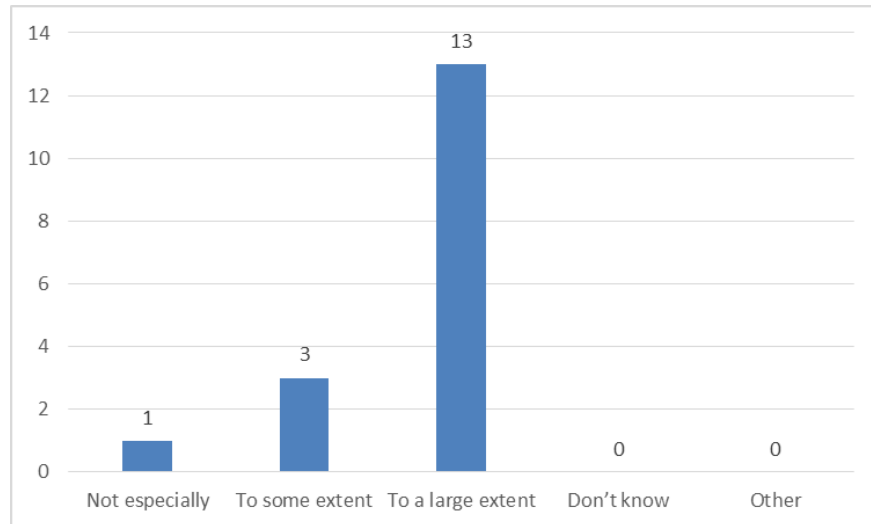
Most of the initiatives are implemented and operated in varied network cooperation and partnership. Important partners include various regional public communities, university colleges and educational institutions that support and promote employment and entrepreneurship, and trade organisations.

The respondents understand in principle that a socially sustainable community requires very wide-ranging cooperation with networks in different administrative and professional areas. Social innovations are seen as arising in mutual cooperation with different actors. According to the replies, various actors' networks support and make use of such a model for action.

Sustainability (both financial and socioeconomic)

We asked about both financial and socioeconomic sustainability. The following overview shows how the respondents replied.

Figure 7.7. Developing sustainability, both financial and social



As the figure shows, the vast majority of the respondents say that they focus on developing sustainability both financially and socially “to a large extent.” The financially and socially sustainable solutions are found in the actors’ particular characteristics.

7.9 Summarising remarks

In Finland, a working group was recently appointed in the *Ministry of Labour and the Economy* to look at social enterprises. There is nevertheless no shared, clear vision as to what role and mandate such enterprises should have in Finnish society. This applies in relation to both the development of social and welfare services, and the acceptance of new enterprise models by traditional actors on the market. There are also traditional third-sector organisations that have an established role in the market also being targeted by social enterprises.

The terms social entrepreneurship and social enterprise are relatively new in Finland, but have been becoming more and more established in recent decades. An ecosystem of social enterprises and their interest organisations, research networks and consultancy is in the process of being developed.²⁸ The ecosystem is still evolving and for now is weak

²⁸ See also Briitta Koskiahio, *Kumppanuuden sosiaalipolittikkaa etsimässä*, United Press Global, 2014, pp. 159–172; 187–195.

and vulnerable. There is little knowledge of social enterprises, nor are there separate educational programmes in this field at universities and university colleges.

Network building in the community is not helped by the fact that the administrative area is characterised by profound sectorisation and a lack of cooperation at national, administrative and local levels. The decentralisation of operations to different administrative areas means that no actors see the matter as entirely their own. There is little interest in social activities among actors with responsibility for business activities.

There is a need for regional, facilitating forums that are actively targeted at user-oriented development of new service models in which municipalities, enterprises and voluntary organisations develop new solutions together. One of the solutions might be to build up a centre of expertise, as information and expertise are currently very fragmented.

This may be due to there being a lack of targeted business advice or to the existing system for business advice being too inflexible.

There is a need to develop advice services for enterprises so that they cover the enterprise's social perspective and the suitability of various legal regulations for the different purposes the services have, as well as a need for training for business advisers.

Before this can happen, different knowledge must be identified and recognised in the network.

One of the greatest obstacles to developing social enterprises is inadequate or non-existent access to functioning financing instruments. It can be said that financing solutions are not very well developed in Finland. More flexible financing solutions and more long-term financing instruments, e.g. different impact investment models, are needed.

Despite Finland having the Act on Social Enterprises and the Social Enterprise Mark, there is a need for further development of the legal framework. The legal framework must be developed to open up the possibility of flexible entry into the labour market and new ways for doing business.

8. Initiatives to support social entrepreneurship and social innovation in Iceland

8.1 Introduction

The terms social entrepreneurship and social innovation are still relatively unknown in Iceland. There are no separate initiatives and measures specially targeted at social entrepreneurship and social innovation. But based on the definitions of social entrepreneurship and social innovation in the literature, it is nevertheless apparent that several actors and activities, particularly in the third sector, but also among more informal groups, fall into this category. Research has shown that the third sector in Iceland is deeply anchored in the welfare system. The sector plays an extensive role in delivering welfare services, some of which can be categorised as social innovation.²⁹

Some of the support for activities in this field, especially for initiatives aimed at integrating marginal groups in society, have been established since 2008 in the wake of the financial crisis in Iceland. Other support has been provided for many years.

There is hardly any research into social entrepreneurship and social innovation, nor is there any teaching specially on social innovation at universities.

There are many initiatives, and political interest, with regard to entrepreneurship in general, usually linked to technical solutions, but there has been little political interest in social entrepreneurship and social innovation, perhaps because this particular debate only reached the country very recently. However, the findings from Iceland are presented in what follows.

²⁹ Ómar H. Kristmundsson and Steinunn Hrafnisdóttir (2012). The role of non-profit organizations in the development and provision of welfare services in Iceland. *Moving the Social. Journal of Social History and the History of Social Movements*. 48, 179–192.

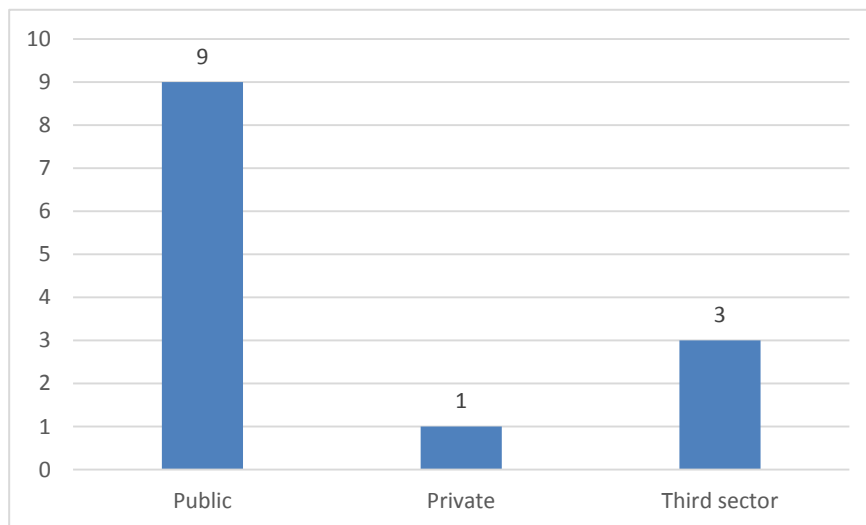
8.2 The respondents

The questionnaire was sent to 19 actors in Iceland and completed by 13 in total. Two replied that they did not provide relevant support. The response rate is relatively good, but there were also some important organisations providing support for entrepreneurs that did not complete the questionnaire.

Since the terms social entrepreneur and social innovation are not commonly used in Iceland, it was difficult to find actors who only provide support for social entrepreneurs or use that term. The questionnaire was therefore sent to actors who provide support for entrepreneurs in general, including social entrepreneurs. Various organisations and activities in civil society have for a long time established new solutions to different social challenges, including excluded groups.

As the figure below shows, most of the actors in our material belong to the public sector. One respondent was from the private sector and three from the third sector.

Figure 8.1. Sector

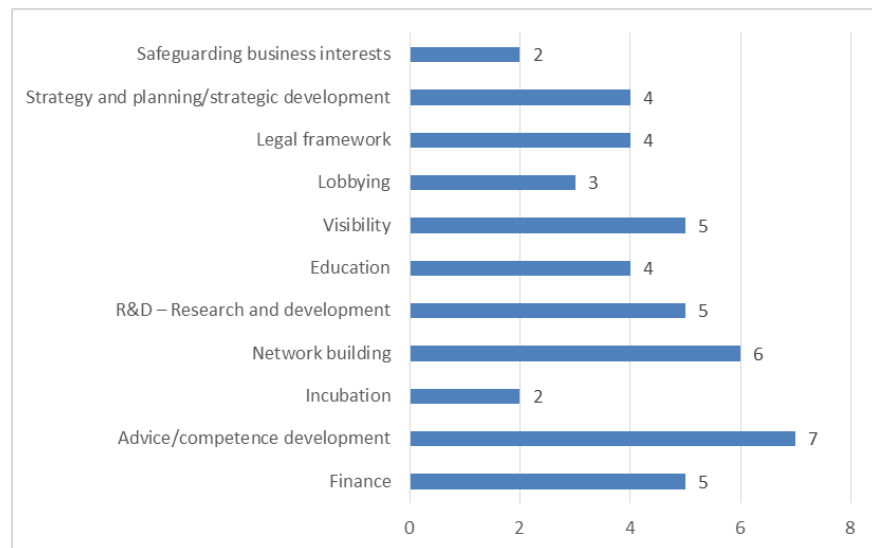


8.3 What main types of initiative were mapped?

The respondents from the public sector largely come from public organisations and public funds that support entrepreneurial activity in general, but social entrepreneurs too. The sole respondent from the private sector is primarily involved in incubation, while the respondents from

the third sector are non-profit organisations that assist entrepreneurs in general with network building, lobbying and, in some cases, support. One of the third-sector organisations provides services specifically for excluded groups in the labour market, including support for entrepreneurs and social innovation activities. None of the respondents define themselves as social entrepreneurs or use the term social innovation.

Figure 8.2. Initiative types



Our material reveals that most of the initiatives fall into more than one category. A majority of the respondents ticked two or more categories. The figure above shows that most of the respondents provide advice and competence development in the form of training, courses, pro bono services, etc. Network building is mentioned by six organisations, while five organisations have initiatives relating to research and development, increasing visibility and finance (in the form of grants, loans, venture capital, etc.). Four actors have initiatives linked to education, legal and regulatory framework, and strategy and planning. Just three mention lobbying, while two mention safeguarding interests.

An example of the variety of initiatives in Iceland is provided by *The Innovation Center of Iceland*. The centre is a publicly funded organisation that provides a wide range of services to Icelandic entrepreneurs in general, including social entrepreneurs. It combines workshops, professional support for entrepreneurs, incubator services and support for development programmes, for example. Some of the work is targeted specifically at individual groups in society, e.g. women who are entrepreneurs

and the unemployed (in collaboration with the *Directorate of Labour*), and grants are provided for innovation projects and marketing linked to starting up new businesses that can help to create jobs.³⁰

Another example is *Virk Vocational Rehabilitation Fund (VIRK)*, a private foundation in the third sector, whose members include all the big unions and employers. VIRK works to develop, integrate and monitor services in the field of vocational rehabilitation with a view to obtaining employment for people following illness or injury. The aim is to provide support in a broad sense for both development and innovation. Great stress is also placed on information and training for both employees and individuals. *VIRK* provides grants for developing new solutions and for research projects. Services are also purchased from various providers of welfare services, such as voluntary organisations and individuals, giving them the opportunity to develop and test innovative ways of providing vocational rehabilitation.³¹

There are also examples of respondents who largely assist with finance in the form of grants and, in some cases, special service contracts. One example is the *Ministry of Welfare*, which provides grants in several welfare areas, such as employment for women and increased participation in society by people with disabilities, as well as grants for research and development in the refugee and immigrant field. The most important objective for this support is to help marginalised groups increase their participation in society, publicise the contribution made by these groups and boost entrepreneurial activity among women.

Third-sector organisations, individuals and, in some cases, researchers can apply for these grants. They are not earmarked for social entrepreneurs.³²

8.4 To what extent are the initiatives new?

As previously mentioned, there are no initiatives in Iceland that use the terms social entrepreneurship and social innovation. Some initiatives of relevance to the work of including disadvantaged groups in employment and society have been set up since the financial crisis in Iceland in 2008. Others have been in operation for several years. Examples of this include

³⁰ www.nmi.is

³¹ www.virk.is

³² www.vel.is

Virk Vocational Rehabilitation Fund (VIRK), which was set up in 2009 (see above), and the *Directorate of Labour*, which after 2008 established several different programmes to create new jobs and support unemployed people who wanted to start new businesses. Some of these programmes can be defined as social innovation.³³

8.5 What are the aims and target group of the initiatives?

In our material the initiatives in many cases address a broad spectrum of aims and target groups. In other cases the aims and initiatives are more precise. This makes it difficult to classify the initiatives in some cases. It should be noted that there is no evidence in our data from Iceland of the initiatives using the terms social innovation and social entrepreneurship. Words like innovation, entrepreneurship, integration of excluded groups and civil society/non-profit are used in many cases, however.

In the following we will use four categories to organise the data:

- Initiatives that support social entrepreneurship and social innovation in order to integrate excluded groups in employment and society
- Initiatives that support social entrepreneurship and social innovation in general
- Initiatives to integrate excluded groups in employment and society in general
- Initiatives with other aims

Initiatives that support social entrepreneurship and social innovation in order to integrate excluded groups in employment and society

A minority of the respondents reply that they specifically support integration of excluded groups in society. None of them use the terms social entrepreneurship and social innovation to describe their initiatives, although the initiatives can definitely be said to support this according to definitions in the literature, see Chapter 3.

³³ www.vinnumalastofnun.is

One example is *Virk Vocational Rehabilitation Fond (VIRK)*, which is mentioned above. Another example is the *Directorate of Labour*, which reports to the *Ministry of Welfare*. The *Directorate of Labour* works to help various disadvantaged groups enter the labour market or provide work for people with special needs. An example of this is www.tower50plus.eu, which offers entrepreneurship training for people over 50 years of age to enable them to set up their own businesses, and activation for young unemployed people aged 16–29 that provides opportunities for work, training or other activities aimed at inclusion in employment and society.³⁴

A third example is the *Ministry of Welfare*, which offers various grants to actors in civil society to integrate excluded groups in society (see above).

Initiatives that support social entrepreneurship and social innovation in general

It is possible to find general initiatives that stimulate social entrepreneurship and social innovation in Iceland, but they are also initiatives that support other types of entrepreneurship, entrepreneurs or organisations in the third sector, some of which can be defined as social innovators.

The *Innovation Center of Iceland*, which is described above, has contributed material to social entrepreneurs and also hosted a conference on this subject. Some of the centre's initiatives promote social innovation and social entrepreneurship, though these terms are rarely used. Another example is *The Innovation Public Sector Website* launched by the *University of Iceland* as an arena for comprehensive information on innovation in the public sector. The principal aim is to establish a network that encourages and supports entrepreneurial activities.³⁵

A third example is the *Association of the Third Sector in Iceland*. This is an umbrella organisation for actors in the third sector in Iceland, including member organisations and non-profit operations working for the public good.³⁶

Initiatives to integrate excluded groups in employment and society

Since, to the best of our knowledge, there are no initiatives that use the terms social entrepreneurship and social innovation, all the examples from the first category can also be mentioned here. There are, however,

³⁴ www.vinnumalastofnun.is/heim/

³⁵ www.nyskopunarvefur.is

³⁶ <http://www.almannaheill.is/heim/>

several initiatives that support integration of excluded groups in employment and society in general. We could mention various organisations in the third sector that work with rehabilitation, and various private and public trusts/funds that support all sorts of activities in relation to groups that are excluded from employment and society. To name some examples from our data on respondents who fall into this category, there is the *Directorate of Labour*, the *Ministry of Welfare*, and some of the activities of the *Innovation Centre of Iceland* and *Virk Vocational Rehabilitation Fond (VIRK)*.

Initiatives with other aims

There are also examples in our material of more general support for integration and inclusion of excluded groups. One example is the *Public Health Fund*, the main aim of which is to support and promote public health and prevention. Individuals and voluntary organisations can apply for financial support for special projects and research. In many cases these grants have been awarded to social entrepreneurs or voluntary organisations working to promote the integration and inclusion of disadvantaged groups in the labour market.³⁷ Another example is provided by the *Youth Fund and Ministry of Education*. The main purpose of this fund is to support special projects run by youth organisations or associations for children and young people, in some cases with their active involvement.³⁸

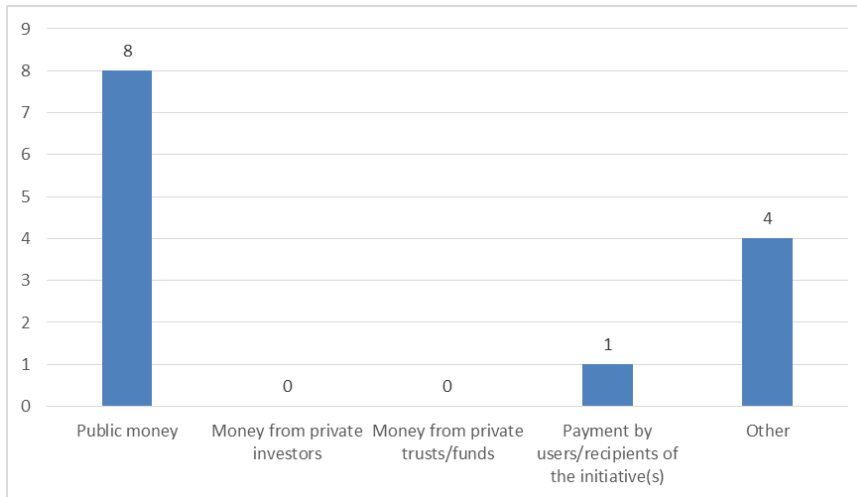
8.6 How are the initiatives funded?

As the figure below shows, most of the initiatives in our material are funded with public money. One respondent reported users paying for the services themselves, while four respondents ticked “other.”

³⁷ <http://www.landlaeknir.is/um-embattid/lydheilsusjodur/>

³⁸ www.mnr.is

Figure 8.3. Sources of funding



8.7 How do the initiatives provide support?

In the following we will give examples of how the initiatives can be said to support social entrepreneurship and/or social innovation, though many of them also provide support for all entrepreneurs.

Finance

Examples of finance include grants and loans, which usually have to be applied for. There are set rules regarding who can apply for what, and grants and loans are normally given for a limited period, usually a year. A final report has to be submitted at the end of the project. In some cases reporting is also required during the project.

Grants from the *Ministry of Welfare* for integration of marginalised groups in society are one example of this. Another is the *Public Health Fund*, which aims to support and promote public health and prevention in a broad sense, including for marginalised groups.

Advice/competence development

Advice/competence development can take the form of workshops, conferences, research, guidance, consultations, training, personal counselling and experience exchange, etc. Examples of actors offering this type of initiative include *The Innovation Center of Iceland*, see above, and the *Directorate of Labour*, which offers all sorts of advice and competence development for the unemployed.

Incubation

There are two examples of incubation in the Icelandic data.

One is *Klak/Innovit Entrepreneurship Centre*, which is owned by several different public and private organisations. The centre has the principal aim of helping people to start new businesses and launch new ideas. The centre works in different ways, offering workshops, courses, advice, financing and mentoring. It also provides office facilities for meetings or conferences, and a separate forum for bringing investors and entrepreneurs together. It also organises an annual competition, *The Golden Egg*, which is for social entrepreneurs too.

The other example is *The Innovation Center of Iceland* mentioned previously. It operates a separate centre within the organisation, *Impra*, which supports start-ups and offers facilities within innovation for businesses in the start-up phase. The centre aims to stimulate innovation and the development of new ideas in the Icelandic economy through active participation by both entrepreneurs and business. A group of specialists from different areas stimulate innovation and the development of new ideas through research, development projects, business development, and professional advice and guidance.

Network building

Our material contains many examples of initiatives that promote or support network building. This takes several forms, clearly defined networks or more ad hoc groups set up in different organisations, especially within the incubator services mentioned above. Workshops, seminars, etc., can also be mentioned in this context. One example of a clearly defined network is the *Association for Entrepreneurs and Innovators in Iceland*, which is a support network within this field. Another network is the *Association of The Third Sector in Iceland*, which is a network and umbrella organisation for actors in the third sector in Iceland.

Research and development (R&D)

Some of the initiatives in our material provide grants for research in this field. One example of this is *Rannis – The Icelandic Centre for Research*, a public organisation that supports research, innovation, education and culture in Iceland. It is difficult to find more examples of this in our data, however, although it is apparent that support for research forms part of some of the initiatives.

Education

There is no separate programme for social entrepreneurship or social innovation at university level. Various courses do, however, offer teaching on entrepreneurship, innovation and non-profit organisations in several different faculties at the *University of Iceland*. There is also a separate centre for research on the voluntary sector, the *Centre for Third Sector Research* at the *School of Social Sciences at the University of Iceland*.

Legal framework

Not many respondents say that they work with legislation and regulations. This does, however, fall within the sphere of the *Ministry of Welfare*, the *Ministry of Education* and the *Ministry of Industry and Innovation*. Some actors also said that they offer advice and guidance in relation to legislation and regulations. This includes advice on how to set up a business, tax rules, registering a business, etc.

Strategy and planning, increasing visibility, lobbying and safeguarding business interests

Four of our respondents replied that they offer support for strategy/planning, three mention lobbying and two mention safeguarding interests for organisations or enterprises. Five say that they support activities aimed at better increasing visibility. By way of an example of support for strategy and planning we can mention *Icelandic Innovation Centre* and *Klak/Innovit*.

The Association for Entrepreneurs and Innovators and *the Association for the Third Sector* were set up to lobby on behalf of their members in Iceland.

8.8 To what extent do the initiatives focus on the four characteristics of social entrepreneurship?

Based on the working group's understanding of the key characteristics of social entrepreneurship, questions were asked about the extent to which the initiatives focus on trialling and developing new solutions, target group involvement, cooperation across sectors and business models, and sustainability (financial and socioeconomic).

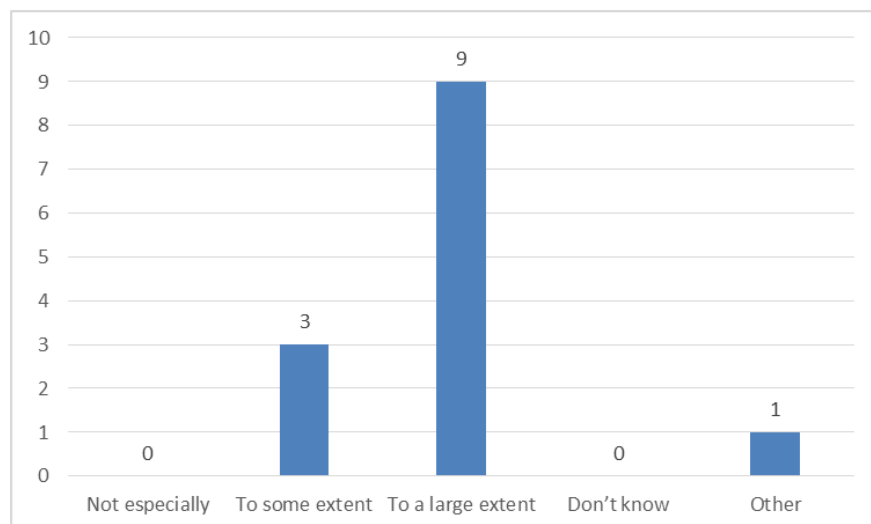
The respondents in our mapping were asked a predefined question about how much weight the initiatives attached to this and also given the opportunity to reply in more detail in four open-ended questions.

Generally speaking, the Icelandic initiatives seem to conform with the characteristics of social entrepreneurship stressed by the working group. When asked about the extent to which their initiatives focus on each individual characteristic, the vast majority of respondents reply “to some extent” or “to a large extent” for all four characteristics. In particular, there seems to be a strong focus on stimulating cooperation across disciplines and business models. Here three quarters of the respondents answer “to a large extent.” The replies are summarised below.

Developing and trialling new solutions

In total, nine of our respondents replied that they attach importance to trialling and developing new solutions “to a large extent,” with three answering “to some extent,” see figure below.

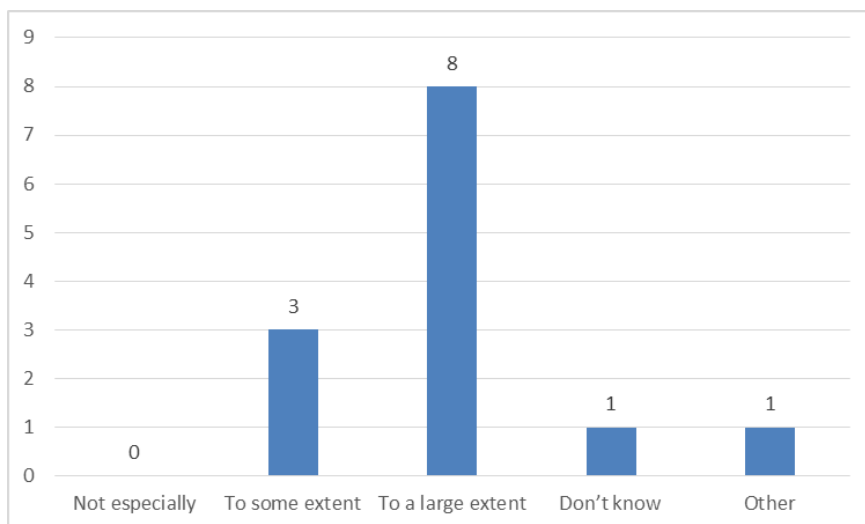
Figure 8.4. Developing and trialling new solutions



Target group involvement

Eight of our respondents replied that they focus on involvement of the target group for entrepreneurship in the development of new solutions “to a large extent,” with one answering “to some extent” and one “don’t know.”

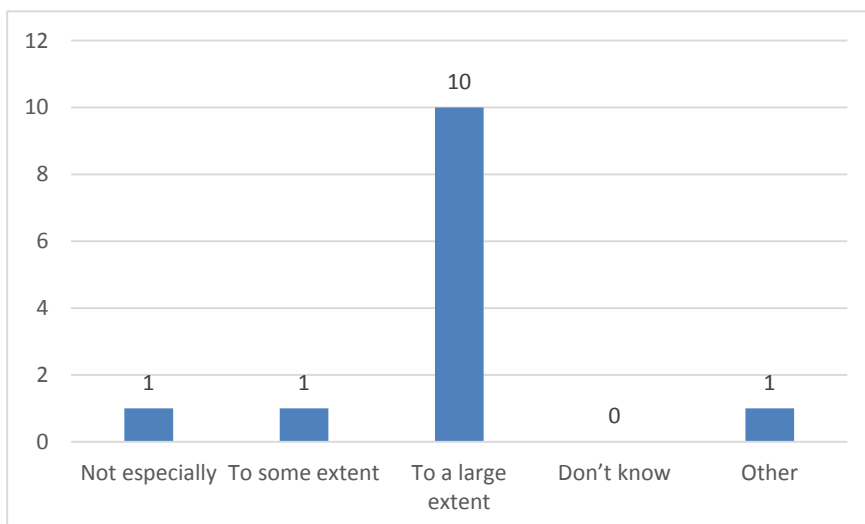
Figure 8.5. Developing and trialling new solutions that involve the target group of the social entrepreneurial work



Cooperation across disciplines and business models

A majority of the respondents (10) replied that their initiative focuses on supporting cooperation across sectors and business models “to a large extent,” with one answering “not especially” and one “to some extent,” see figure below.

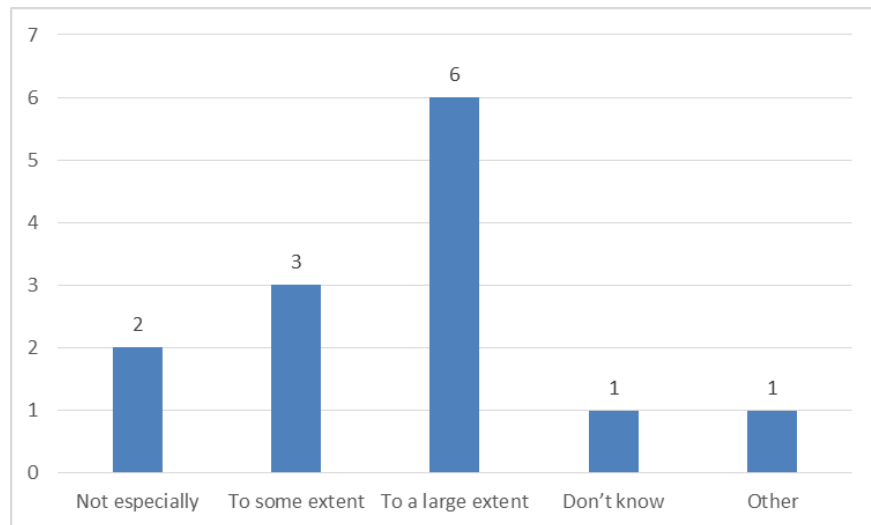
Figure 8.6. Stimulating cooperation across business models



Developing sustainability (both financial and socioeconomic)

In total, six of our respondents replied that they attach importance to developing sustainability, both financial and socioeconomic, “to a large extent.” Three answered “to some extent,” two “not especially” and one “don’t know,” see figure below.

Figure 8.7. Developing sustainability, both financial and socioeconomic



8.9 Summarising remarks

The results from the mapping provide an insight into the support structures for social entrepreneurs and social innovation in Iceland. As mentioned in the introduction, the support structures are normally targeted at entrepreneurs in general (including social entrepreneurs) or voluntary organisations, some of which can be categorised as social entrepreneurs. Following the financial crisis, some of the initiatives were targeted at vulnerable groups in particular to try and integrate them in employment and society. These initiatives have not, however, been referred to as social innovation, although many of them can be said to be just that.

We cannot conclude that there are no initiatives for supporting social entrepreneurs and social innovation in Iceland, as they exist aplenty. However, the terminology, debate, research, education and initiatives for social entrepreneurs or social innovation are not yet very high on the agenda in Iceland. In this respect it seems that Iceland is lagging behind the other Nordic countries, especially since this debate has not reached our country for now. Our material clearly shows, however, that there are

various types of initiative that social entrepreneurs can use, such as advice, grants, network building, facilities, incubation, courses, etc. The initiatives are fragmented and not specially targeted at social entrepreneurship, though. What Iceland is lacking are comprehensive services for this type of activity, analysis and definitions, and a general political debate on these actors and how they relate to the welfare model in a Nordic perspective.

9. Initiatives to support social entrepreneurship and social innovation in Norway

9.1 Introduction

In Norway, the growth of social entrepreneurship and social innovation has primarily been driven by individuals, enterprises and investors. Political interest in the field was demonstrated in 2011 with the establishment of a grant for social entrepreneurs who target their initiatives at combating poverty and social exclusion. In 2014, the financial framework for this grant was increased by NOK 5 million to nearly NOK 8 million in total. At the same time as this grant scheme was set up, a large investor in Norway increased its efforts. Various networks, courses and educational opportunities in the field grew in parallel with this during the same period.

The field can now be said to be the object of increasing attention in general terms. We are seeing an increase in the number of enterprises describing themselves as social entrepreneurs, political authorities have strengthened their commitment, and educational institutions seem to be showing growing interest in the field. The government that took office in autumn 2013 stated in its political platform that it would improve the conditions for using social entrepreneurs and the voluntary sector in the welfare system.

There nevertheless remain different views and assessments in Norway as to how the field and terms should be understood, what the role of the public authorities should and can be, and how it should be organised.

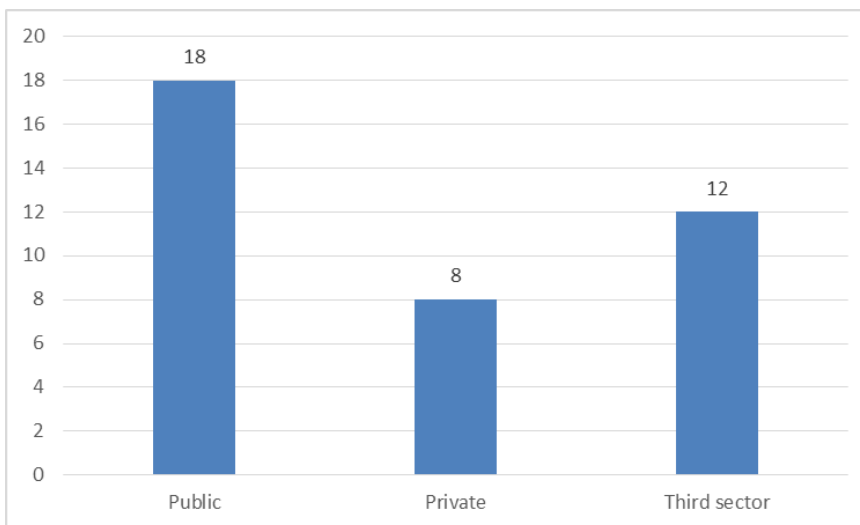
There follows a presentation of the material from the mapping in Norway.

9.2 The respondents

Questionnaires were sent out to a total of 52 actors in Norway. A total of 37 respondents completed the questionnaire.

Most of the respondents are from the public sector, followed by the third sector and private sector. One of the respondents ticked both the private and third sectors.

Figure 9.1. Sector

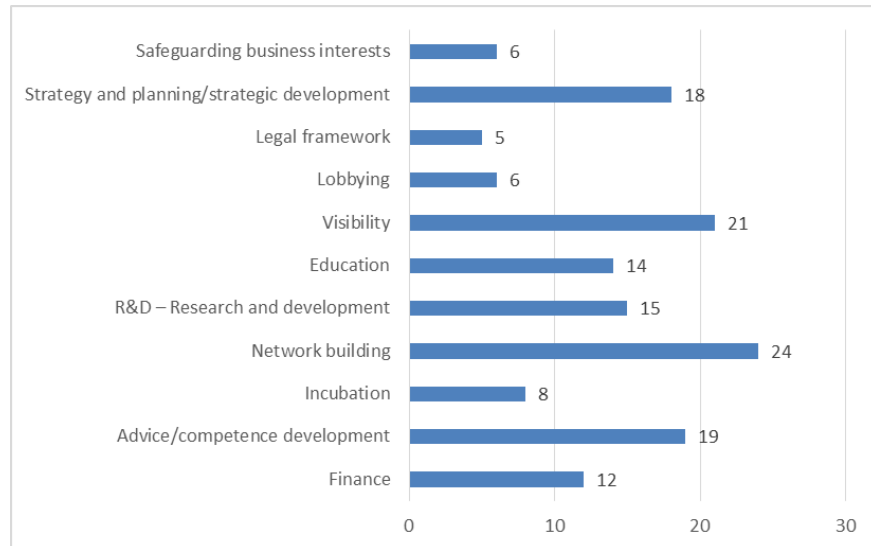


The respondents from the public sector largely come from educational institutions, central authorities and municipalities. The respondents from the private sector include investors, lenders, grant administrators, foundations, trusts/funds, incubators and actors who define themselves as social entrepreneurs. The respondents in the third sector include voluntary organisations, national and international networks, incubators, lenders and actors who define themselves as social entrepreneurs.

9.3 What main types of initiative were mapped?

In the questionnaire we had predefined a number of initiative categories based on the working group's knowledge of the subject. We also gave the respondents an opportunity to note down any other initiative types they might have. The respondents could tick several initiative types. We can give the following overview:

Figure 9.2. Initiative types



The figure shows that the majority of respondents describe their initiative as network building, increasing visibility, advice/competence development, and strategy and planning/strategic development.

All respondents ticked at least two initiative types, most more than two, with some replying that they offer all initiative types. Finance, advice/competence and network building represent the most common combination. One example of this is *Microfinance Norway*, which has been providing loans and advice for start-ups for many years.³⁹ Another example is *Ferd Social Entrepreneurs*, which combines finance, advice/competence development and network building with business development. This is illustrated as follows on its website:⁴⁰



Advice/competence development, network building and incubation also represent a relatively common combination.

³⁹ http://www.mikrofinansnorge.no/?page_id=9527

⁴⁰ http://www.ferd.no/sosiale_entrepreneur/investeringsstrategi

9.4 To what extent are the initiatives new?

Most of the initiatives described as being targeted at social entrepreneurship and social innovation were set up and launched after 2008, but there are also examples of initiatives that were set up earlier. It looks as if 2009 was when the field went from being fairly unknown and not very widespread to attracting both political and professional attention.

9.5 What are the aims and target group of the initiatives?

The material shows that the aims and target group of the initiatives are formulated at a relatively general level. We find clear goals and target groups to some extent. In what follows we examine the material on the basis of four main categories:

Initiatives to support social entrepreneurship and/or social innovation in the work to include disadvantaged groups in employment and society

A minority of respondents say that they target their initiatives at social entrepreneurship and social innovation in the work to include disadvantaged groups in the labour market in particular. Some are clear about this being the objective of the initiative, however.

One example is *Ferd Social Entrepreneurs*, which we referred to earlier. Another example is a grant scheme operated by the *Norwegian Labour and Welfare Administration* with the aim of combating poverty and social exclusion.

A third example is an actor with the overall objective of helping to get more people into work. This actor, *KREM*, describes itself as a social entrepreneur and bridge builder, and has the following to say in the mapping:

An important objective is highlighting the chasm between the need for labour and the labour available, and being a bridge across that yawning chasm.

This actor also activates labour that is excluded from ordinary working life.

Initiatives to support social entrepreneurship and/or social innovation in general

We also find examples where the initiatives are targeted at social entrepreneurship and social innovation in general.

One example is *Good Business*, which describes itself as a “business network”, where interest organisations, authorities and academia can also share experience and competence to do with corporate social responsibility.

The mapping has the following to say about its core mission:

To help businesses make responsible choices and contribute to positive social development.

Another example is the *Fil. Dr. Jan-U. Sandal Institute*, a private-sector actor offering a range of initiatives aimed at promoting social entrepreneurship and social innovation.⁴¹ A third example is *Lillehammer University College*, which says in the mapping that it does not offer:

specific programmes or action areas linked to social entrepreneurship or social innovation, but there are some educational offerings that incorporate certain elements of both social entrepreneurship and social innovation.⁴²

Initiatives to include disadvantaged groups in employment and society

The initiatives mapped also include some aimed at including disadvantaged groups in employment and society, but this is not directly linked to social entrepreneurship and social innovation. One example of this is *Kronprinsparets Fond* (The Crown Prince Couple’s Fund), which describes its mission as follows:⁴³

Kronprinsparets Fond aims to help young people in Norway have a good life, ensure that fewer are left out, and enable young people to use their own resources – and make their dreams come true. In order to achieve this, the fund works with social entrepreneurs who all have the ambition of giving young people new arenas in which to succeed. The fund supports projects financially and with work, products and services, as well as offering a competence network that shares challenges and experiences.

In our material we find examples of this type of initiative being run by private actors, banks, foundations and trusts/funds.

⁴¹ <http://www.janusandal.no/no/>

⁴² http://www.hil.no/forskning/forskningsnyheter/nyheter_2013/program_for_sosialt_entrepreneorskaps_esten_2013

⁴³ <http://kronprinsparetsfond.no/>

Other aims/target groups

We also find examples of initiatives that can contribute to inclusion, but where their objective is more general and broader in nature, as this example from the mapping shows:

The Norwegian Center for Multicultural Value Creation (NSFV) is a pilot project established in 2005 by the eight municipalities in the Drammen region to trial a multicultural value creation model by training and guiding talented people in starting their own businesses. After a 14-month pilot period the project was able to demonstrate positive results in the form of broad-based activities at the centre, comprehensive advice, coaching, and competence development of potential entrepreneurs and businesses. At the end of the pilot period the centre continued its activities as a project owned by Buskerud County Municipality.

Other examples are *Innovation Norway*, which has as its aim increased value creation in Norwegian business in general,⁴⁴ *Young Enterprise Norway*, which works to develop entrepreneurial skills among pupils and students throughout their education,⁴⁵ and the *Kavli Trust*, which describes its mission as:

Donations for humanitarian, cultural and research purposes.⁴⁶

We also find some examples of public authorities supporting initiatives in a social field, including the *Norwegian State Housing Bank*, which has as its mission the provision of housing for people at a disadvantage on the housing market, the coordination of government work in the area of social housing, and knowledge development in social housing work and the “Area Boost” initiative. The Norwegian State Housing Bank provides grants and works with competence development and advice.⁴⁷

In our material we also find initiatives aimed at combating poverty with the emphasis on children and young people.

⁴⁴ <http://www.innovasjon Norge.no/>, <http://www.ue.no/>, <http://kavlifondet.no/kontakt-oss/>

⁴⁵ <http://www.ue.no/>

⁴⁶ <http://kavlifondet.no/>

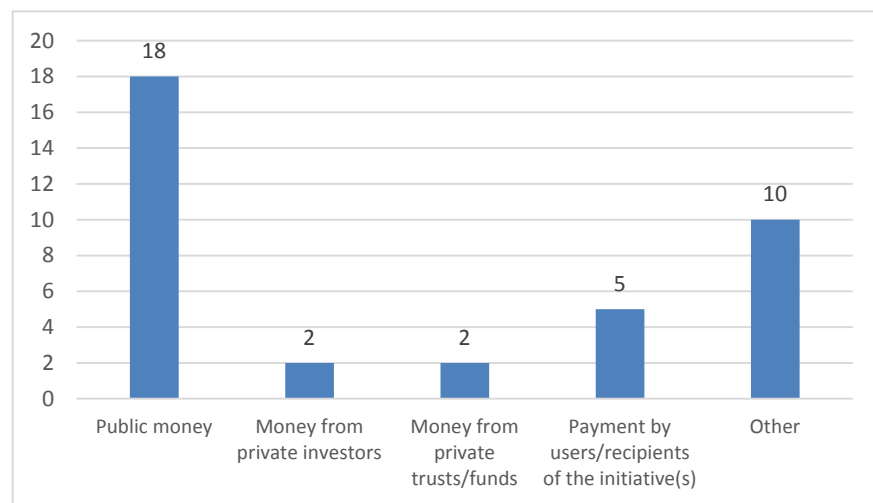
⁴⁷ <http://www.husbanken.no/>

9.6 How are the initiatives funded?

We had divided funding into four categories in advance, plus “other” if respondents had more to say. Owing to a technical error in the questionnaire, it was only possible for respondents to tick one alternative for this question.

We found the following main features for all the initiative types in our material:

Figure 9.3. Sources of funding



A considerable majority of the respondents report that they receive public funding. The “other” category is also relatively large. From the answers to the open questions it appears that “other” involves the sale of services, use of own money, business sponsorship (not investment), use of own personal time, use of work time that is “donated” to the initiative in question, exchange of services and pro bono services. One example of pro bono services from our material is the law firm *Schiødt*, which provides the following information on its website:⁴⁸

One example of cooperation with the private sector is our partnership with a large business group, whereby we offer pro bono services to individuals and small companies through its well-respected and innovative social entrepreneurship programme.

⁴⁸ <http://www.schjodt.no/hvem-vi-er/kultur/samfunnsengasjement.aspx>

9.7 How do the initiatives provide support?

Here we present examples of how the initiatives support social entrepreneurship and social innovation.

Finance

Examples of this initiative type include loans, grants and trust donations. The concrete initiative is generally the result of an active application from the party wanting to use the initiative. Certain conditions apply to how the finance is used in all cases. This can include the provider having to be represented on the board, a business plan, a timetable and milestones. In some cases we find that initiatives are open to pilot projects, with no definite conditions being imposed for a limited period. It must be clear what the pilot period is intended to achieve, however. The initiative is time-limited in all cases. In most cases the initiative can be renewed on application, but as a general rule there is an overall time limit.

One example of finance from a public actor is the *Norwegian Labour and Welfare Administration's* grant scheme, which is described as follows on the website:

Grants for social entrepreneurship aimed at combating poverty and social exclusion in Norway. Grants are available to enterprises that contribute new solutions in the work to combat poverty and social exclusion. Grants worth nearly NOK 8 million were awarded under this scheme in 2014.⁴⁹

One example of finance from the private sector is *Ferd Social Entrepreneurs*. This actor has a set of investment criteria with innovation, realism, sustainability, benefit-driven growth (scaling) and development being referred to on its website.⁵⁰ Another example is the *Fil. Dr. Jan-U. Sandal Institute*, which offers finance for education, competence development and business advice targeted at social entrepreneurship. Both these actors monitor the enterprises and actors who receive grants.

Advice/competence development

Examples of advice/competence development include courses, conferences, workshops, ongoing network dialogues and credit study programmes. In addition, we find ongoing guidance, advice and board par-

⁴⁹<https://www.nav.no/no/NAV+og+samfunn/Samarbeid/Tilskudd+gjennom+NAV/Tilskudd+til+frivillig+arbeid+mot+fattigdom/Tilskudd+til+sosialt+entreprenorskap>

⁵⁰ http://www.ferd.no/sosiale_entrepreneurer/investeringskriterier

ticipation. We also find what are described as bespoke courses at different levels, with start-up courses being just one example.

An example of an actor offering advice and guidance is *Batteriet*, which is run by the Church City Mission in Norway and receives public funding.⁵¹

Batteriet is a resource centre for self-organisation, self-help and lobbying. It contributes to targeted, stable and efficient operation in organisations fighting poverty, helps to set up new groups and organisations within poverty reduction, and brings together people and resources in this field.

In this way we find actors offering advice directly targeted at social entrepreneurship and social innovation. The newly established *Centre for Social Entrepreneurship and Innovation* also has ambitions to become an actor providing advice, for example.⁵²

Incubation

Our material shows that incubation includes providing office space, physical forums, forums on social media, and various sorts of seminars and workshops.

The duration of incubator initiatives vary. It seems to depend on the other initiatives offered by the provider. Where, for example, the provider offers finance and incubator initiatives at the same time, the initiative lasts as long as the finance.

If the initiative is offered by a provider who does not offer finance or study credits, we find that the initiative is both provided ad hoc and may last indefinitely, with need being the deciding factor.

One example of a respondent who describes its initiative as incubation is *So Central*, which says the following about its work:⁵³

If we are to solve key social challenges, we must become better at creating new solutions in cooperation across sectors, disciplines and industries. So-Central facilitates such cooperation and also plays an active role in developing new solutions. One example of new solutions is *Aktivitet og Utstyr* (Activity & Equipment), where we worked together with a public intrapreneur, identified a need, designed a concept and set up an association, which is now taking development further in close collaboration with voluntary, public and private actors. We also operate Norway's first social incubator, where we

⁵¹ <http://www.bymisjon.no/Virksomheter/Batteriet/Informasjon/>

⁵² <http://www.sosialinnovasjon.com/>

⁵³ <http://socentral.no/>

create a growth environment for new solutions to familiar social challenges. Our goal is to inspire more people to cooperate and innovate multilaterally.

Another example is *Social Innovation Camp Norway*, about which the mapping has the following to say:

Helping six potential social innovators to work on the business model for three months. The method originally comes from the United Kingdom.⁵⁴ The results are start-ups of new social innovation enterprises/social entrepreneurs and the individual development of the social innovators. The initiative is based on it being difficult to start a business, and even more difficult to start a social entrepreneurial business. The focus is on strategic work, but also very much on the practical side of things (how things work day to day, what you have to do).⁵⁵

Network building

Network building includes establishing permanent structures around defined networks, ad hoc networks and flexible networks. This can include both physical and interactive forums. Several respondents also mention the use of workshops, seminars and groups.

This initiative covers a broad spectrum, from regular network meetings, e.g. weekly or monthly, to more ad hoc gatherings based on concrete, ongoing needs.

R&D – research and development

There are also large variations when it comes to R&D initiatives. In our material we find different types of course, seminar, workshop, group meeting and conference. There are both physical and virtual offerings. The material reveals that both private and public actors work with R&D, but identifying a pattern or clear examples of this is quite difficult apart from a few university colleges and a private actor.

Education

Our material contains several examples of education in both the public and private sector. It leaves the impression that education is not very widespread as yet, however. One example of an initiative involving education is the *Fil. Dr. Jan-U. Sandal Institute* mentioned above. Another example is the *Social Entrepreneurship* study programme at the *University of Oslo*, which offers 30 credits at master level:

⁵⁴ http://en.wikipedia.org/wiki/Social_Innovation_Camp

⁵⁵ <http://sicamp.no>

The Social Entrepreneurship study programme aims to give students inspiration, knowledge, tools, experience and networks that increase the likelihood of them choosing to work with important social challenges in their future careers, and to use methods and tools from entrepreneurship and innovation in their work. In this way we hope that positive change can come about faster and more intelligently. With the university as the starting point, the overall learning benefits are:

Knowledge of theories in a new, interdisciplinary field (SE) in strong growth.

Insight into new possibilities for using own competence.

Experience of planning and implementing solutions to social problems using methods and tools from traditional entrepreneurship.⁵⁶

Legal framework

Not many respondents report that they work with legal framework. This is, of course, something that primarily falls within the purview of public actors such as ministries and government agencies. Several respondents do say, however, that they offer advice and guidance to do with legal framework as it affects corporate governance, for example, including tax legislation.

Strategy and planning/strategic development, safeguarding business interests, increasing visibility and lobbying

Most of the respondents ticked strategic development and increasing visibility. It is quite difficult to identify what these initiatives actually consist of, however, It seems that networks and advice are types of activity that should contribute to strategic planning. These activities are also among the initiatives offered by providers.

A small number of respondents provide businesses with support. One example is the aforementioned Ferd Social Entrepreneurs, which says that it also has board representation in enterprises where it provides finance.

⁵⁶ <http://www.mn.uio.no/sfe/studier/sosialt-entreprenorskap.html>

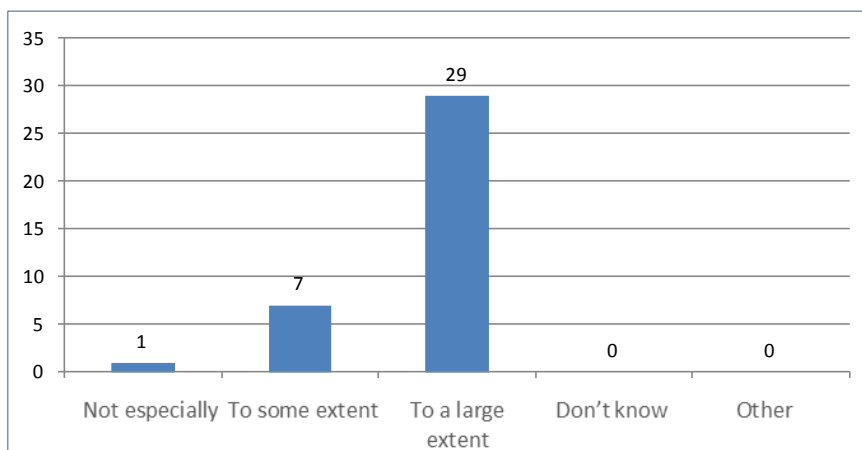
9.8 To what extent do the initiatives focus on the four characteristics of social entrepreneurship?

Based on the working group's understanding of what the key characteristics of social entrepreneurship are, we asked about the extent to which the initiatives focus on developing and trialling new solutions, solutions that involve the target group in the social entrepreneurial work, solutions that stimulate cooperation across disciplines and business models, and solutions that attach importance to sustainability (financial and socioeconomic).

Developing and trialling new solutions

The following overview shows how the respondents themselves describe the extent to which they are concerned with developing and trialling new solutions.

Figure 9.4. Developing and trialling new solutions

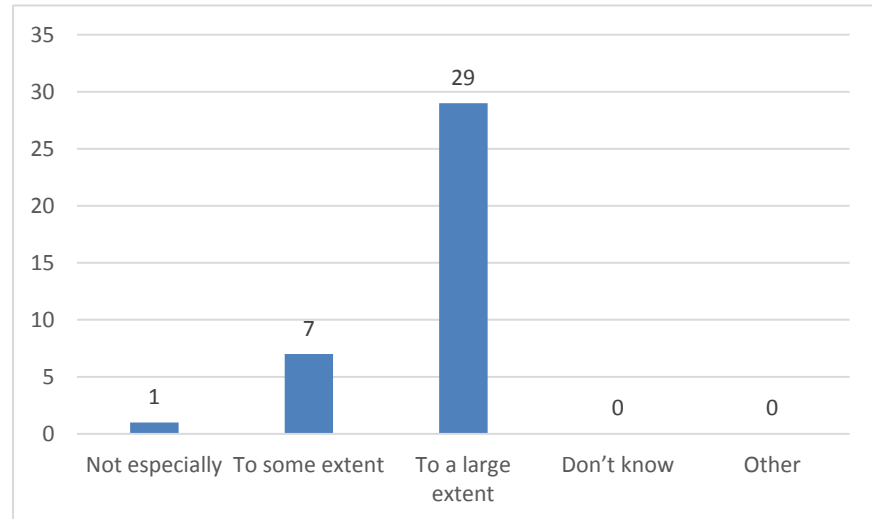


The majority of the respondents report that they focus on developing and trialling new solutions “to a large extent.” Most point out that the social challenges faced by society today cannot be solved by the public authorities alone.

Target group involvement

In the mapping we were also interested in measuring the extent to which the respondents involve the target group.

Figure 9.5. Developing and trialling new solutions that involve the target group of the social entrepreneurial work



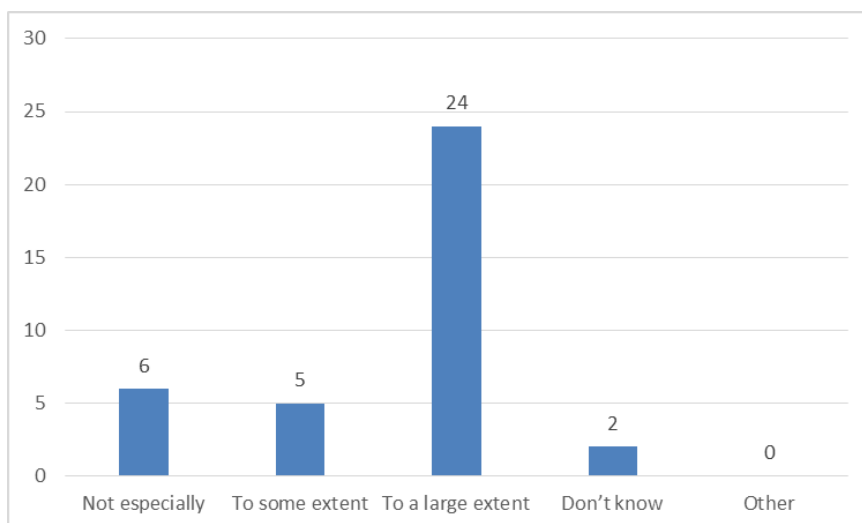
The majority report that they involve the target group “to a large extent.” In their descriptions they talk about models being developed and further developed based on feedback from users, scrutiny of what produces the best results in collaboration with investors, and their own evaluations, for example.

The wording we used, “the target group of the social entrepreneurial work”, may also have been understood in different ways. The extent to which respondents see this as meaning the end-user and/or the party carrying out the social entrepreneurial work may have influenced their replies.

Cooperation across disciplines and business models

Social entrepreneurship and social innovation are also referred to as phenomena that are genuinely concerned with developing what are described as “new forms of cooperation across established structures.” We were therefore interested in identifying in more detail how the respondents position themselves in this respect.

Figure 9.6. Stimulating cooperation across business models

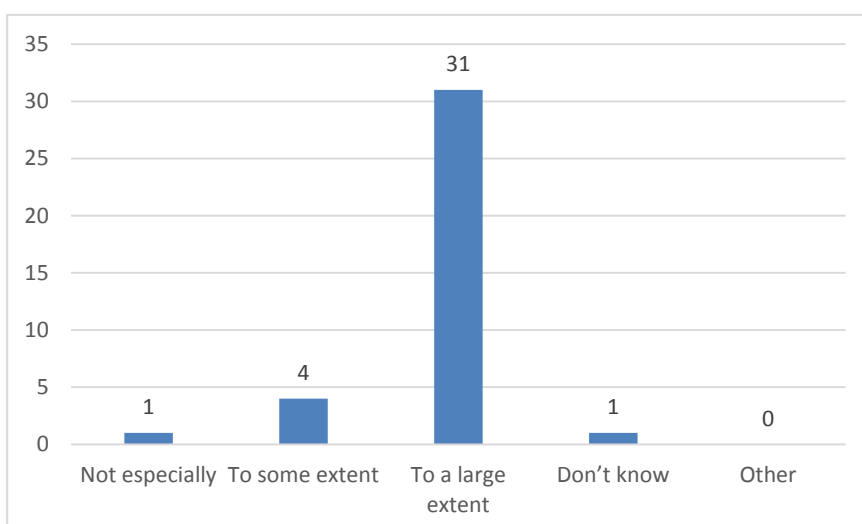


The majority of the respondents report that they stimulate multilateral cooperation “to a large extent.” It is a recurring feature in the material that providers regard social entrepreneurship as being characterised by multilateral cooperation, among other things.

Sustainability (both financial and socioeconomic)

We asked about both financial and socioeconomic sustainability. The following overview shows how the respondents themselves describe sustainability.

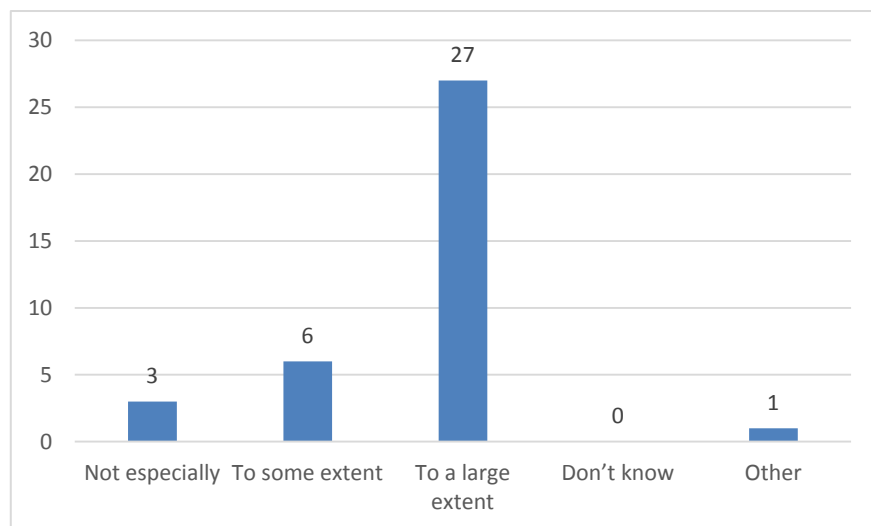
Figure 9.7. Developing sustainability, both financial and socioeconomic



Looking more closely at how the respondents themselves describe their work with regard to sustainability, we find that they are concerned both with socioeconomic sustainability and sustainability for the enterprises they support or run themselves. We did not ask the respondents to differentiate, but the answers reveal that most focus on both.

In the group that reports being concerned with financial and socioeconomic sustainability “to a large extent” we find that application processing and follow-up are based on this focus on the sustainability of initiatives. We also find descriptions that show that there is increased interest in measuring and communicating social impact, and that there are discussions regarding how projects launched with public money can be spun out and become sustainable enterprises.

Figure 9.8. Developing sustainability, both financial and socioeconomic



9.9 Summarising remarks

Overall, the material leaves the impression that initiatives to support social entrepreneurship and social innovation are a relatively new area in Norway. We found examples of initiatives in all the categories we asked about. Network building, advice and competence development, and finance seem to be the commonest initiative types. Network building and advice in particular are initiatives offered by a large number of respondents.

Public authorities do not seem to offer initiatives aimed at stimulating social entrepreneurship and social innovation to a great extent. One exception is the aforementioned social entrepreneurship grant scheme targeted at combating poverty and social exclusion. So far it mainly seems to be private actors who have got to grips with the field and its development. We may, however, have failed to pick up the full scope and variety of the initiatives that exist through the choices we made along the way.

10. Initiatives to support social entrepreneurship and social innovation in Sweden

10.1 Introduction

There has been growing interest in social entrepreneurship, social innovation and social enterprise (socialt företagande) in recent years. We encounter a need and demand for development and knowledge in this field from all sectors of society, and there is growing awareness that new collaborative configurations among the private and public sectors and civil society need to be found in order to meet our social challenges.

When it comes to politics, there is an awareness of the speed of development. The national innovation strategy launched in 2012 highlights social innovation and social enterprises (sociala företag) as key areas for meeting future social challenges. This strategy includes investing in the *Forum for Social Innovation* as a national centre of expertise and a national coordinator for social innovation and social entrepreneurship (sämhälls-entreprenörskap).

Municipalities and regions have started setting up social investment funds, focusing initially on early initiatives for children and young people, but also on creating new jobs and combating homelessness. Private investors are moving slowly towards so-called “impact investing”, which means that the investors expect to make a positive impact on the challenges they choose to address, as well as a reasonable return.

When, in the early 2000s, we started talking about social enterprises, it was largely to do with creating new jobs and ways into the labour market for groups that have special problems getting or keeping a job. These are the enterprises now referred to as work integration social enterprises (arbetsintegrerande sociala företag), and the establishment of such enterprises has been in progress since the 1980s, often on the initiative of non-profit organisations or employees in the public sector. Over the last 10 years or so, the term social enterprise has been expanded to include enterprises aimed at solving social challenges, developing other aspects of welfare and contributing to development in poor coun-

tries. At the same time, other terms are also used in parallel. sometimes overlapping completely, sometimes partly. Societal entrepreneurship is often used as a more general term to cover the whole field of “enterprises with a social purpose,” rather than to denote any difference when it comes to dividends, participation, etc. Enterprises within the social economy (företag inom den sociala ekonomin og socialt företagande) and non-profit enterprises (idéburet företagande) are another two terms that partly overlap with social enterprises in their usage.

Social innovation is a recent introduction that remains unfamiliar to the great majority of people, but it largely seems to be defined as a new service, method or product that aims to respond to social challenges and can be disseminated in a market. The market, up to and including the business model, can be private, public or non-profit/social.

The Swedish government has adopted a number of measures to stimulate development in the field, and in 2010 the initiative was taken for an *Action Plan for Social Enterprise*, for example.⁵⁷ In 2009, funds were allocated for an information campaign, and *Arbetsfömedlingen* (The Swedish Public Employment Service) has been commissioned by the government to produce certain services from work integration social enterprises and other actors. The innovation strategy mentioned above is another example.

Many public actors are contributing to development in different ways, but no authority has an overall, clear responsibility. In the last 10 years the *Swedish Agency for Economic and Regional Growth* has performed a coordinating role in promoting knowledge and experience transfer, the coordination of initiatives, etc., with a view to supporting those wanting to start and run enterprises in the field. *The Swedish Public Employment Service*, the *Swedish Social Insurance Agency*, the *Swedish Association of Local Authorities and Regions*, the *Swedish Inheritance Fund*, the *Swedish ESF Council*, *Sweden’s Innovation Agency* and the *Forum for Social Innovation* take part in this work together with representatives of advisers/incubators and the enterprises’ organisations. The *Sofisam* website is operated as part of this cooperation.

There are no separate legal forms (specific organisational rules) for social enterprises/social entrepreneurs, very little targeted financing and no special conditions for public procurement of services in the area. In connection with implementation of the EU’s new public procurement

⁵⁷ <http://www.regeringen.se/sb/d/13048/a/144655>

directive, discussions are taking place regarding how to make more use of social criteria in procurement and procedures for the introduction of reserved contracts.

One problem that Sweden shares with many other countries is the lack of follow-up and statistics for development in the field. We know far too little about what the enterprises do, how they evolve, how much work they create and the extent to which they contribute to sustainable growth. In 2014, the *Swedish Agency for Economic and Regional Growth*, together with *Statistics Sweden* and the *Stockholm School of Economics*, took the initiative to develop a model for monitoring over time the development of social initiatives in a broad sense (social entrepreneurs, work integration social enterprises, community entrepreneurs, non-profit enterprises, etc.) that are registered as conducting economic activity and having employees.

A mapping is needed in order to paint a true picture of research linked to social enterprises and work integration.

For the time being, support for starting and developing social enterprises is linked in many parts of the country to the *Coompanion* advisory organisation, which focuses on cooperative, social and other activities within the social economy. Recently, however, there has been some development in advice, incubation, networks, etc., linked to university college incubators/science parks and civil society organisations. These have a broader mission within social entrepreneurship and social innovation.

Enterprise associations and interest organisations are also being developed to look after enterprises' interests, conduct development and provide support for enterprises. Together with advisers, ethical banks, etc., the initiative is also being taken to develop new financing solutions, including regional microfunds, local enterprise banks and crowdfunding. There is great demand for development funding. This became apparent in 2012, when the *Swedish Agency for Economic and Regional Growth* announced a total of SEK 13 million for development work within social entrepreneurship and social innovation, receiving around 550 applications for a good SEK 200 million. In total, 89 projects were granted funding (approx. SEK 25 million). Most applicants are seeking funds to combat unemployment by means of enterprises or new methods. The areas seeking funding include financing solutions, incubators, etc., as well as development in nursing and care, and green business and enterprises.

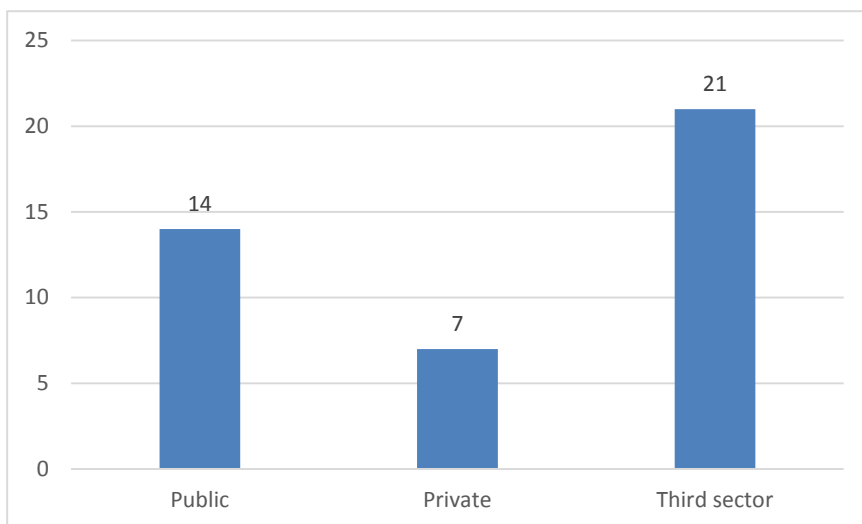
10.2 The respondents

In the Swedish part of the mapping, questionnaires were sent out to 47 actors who conduct activities targeted at promoting social entrepreneurship and social innovation. In some cases the recipients passed the questionnaire on to member organisations or within their own board. This means that the questionnaire reached more than 47 actors. Of those originally invited to take part, nine did not reply.

Most of the actors mapped said that they are in either the third (21 initiatives) or public sector (14 initiatives). Seven of the actors mapped said that they are in the private sector.

The distribution of the actors between sectors is shown in the following figure:

Figure 10.1. Sector



The public actors include several government authorities that provide project funding (from either their own coffers or the EU), but also *Arbetsförmedlingen* and municipalities that cooperate with social entrepreneurs in order to create jobs.

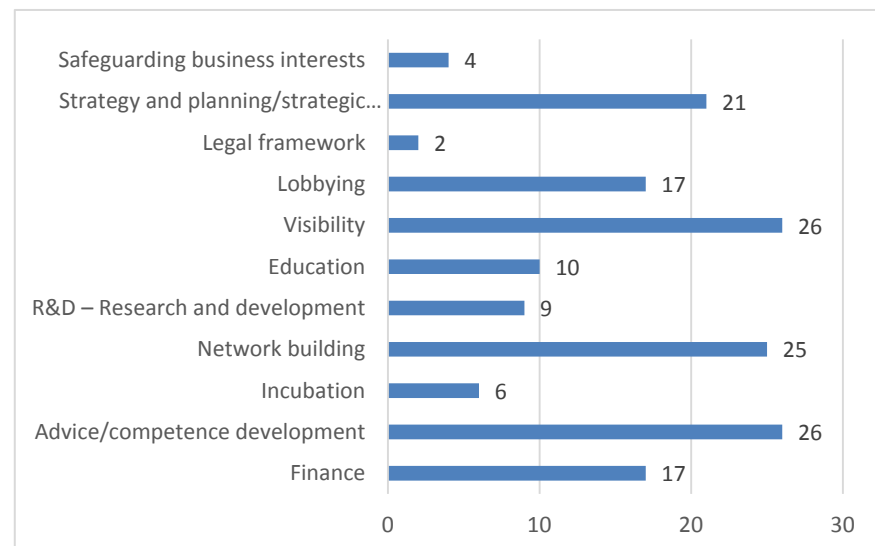
The actors who said they were in the private sector include two enterprises that are both social entrepreneurs and work to develop more such enterprises, as well as *Ekobanken* (an ethical bank) and *Reach for Change* (a Kinnevik initiative). The *SERUS* consultancy organisation, whose most work and customers are in the third sector, says that it belongs to both the private and the third sector.

Respondents in the third sector are dominated by organisations working with counselling, training, incubators, etc., to enhance enterprises (women’s, cooperative, etc.), but also working with social enterprises, organisations working specifically with the development of social entrepreneurship in a broader sense, social movements and interest groups.

10.3 What main types of initiative were mapped?

Respondents were able to tick more than one answer to this question to describe the nature of their initiatives.

Figure 10.2. Initiative types



The answers reveal that the majority of respondents have initiatives in several categories. Increasing visibility, advice and competence development, network building and strategic development are the initiatives that occur most frequently. Just a few are active in legal framework, safeguarding interests and incubation. Incubation is operated by some university colleges in association with ordinary incubators or science parks, but also by private and non-profit actors.

One example of a respondent combining many different initiatives is the *Centre for Social Entrepreneurship in Sweden (CSES)*. On its website it says:

CSES stimulates and supports the development of social innovations in order to contribute to the growth of new enterprises and organisations that solve pressing social problems. We believe the personal prime mover to be more important in success than the level of innovation. The centre is therefore committed to also providing assistance in the very early stages of a concept in the form of personal advice. For social entrepreneurs who are further down the road and want support in order to reach the market faster and more reliably, there is a CSES incubator. We also hold various inspiration and knowledge seminars in social entrepreneurship.⁵⁸

In the area of finance there are, above all, several government authorities that arrange project funding to support social entrepreneurship, but also two banks, one microfund and some organisations that provide support by finding financing (Impact Invest, incubators). In this area too, several initiatives and joint action are combined to offer the best possible support for enterprises. *Mikrofonden Väst* (Microfund West), for example, working with other actors, offers both advice and networking to those seeking financing through the fund.⁵⁹

Networking activities usually involve creating arenas for meetings and the exchange of experiences, but also business development for the social entrepreneurs whom the respondent supports in various ways.

Increasing visibility is about showcasing models for and the social benefits of social entrepreneurship, but also highlighting the special qualifications and needs social entrepreneurs have. Strategy and planning, etc., are about trying to influence decision-makers, among others, but also developing in-house activities and cooperation so as to be able to offer broad-based, long-term support to entrepreneurs, making it more likely that they will survive and become sustainable.

⁵⁸ www.cses.se

⁵⁹ <http://mikrofondenvast.se/vara-tjanster/>

10.4 To what extent are the initiatives new?

There is quite a wide age distribution among the initiatives covered by the mapping. Around 40% of the initiatives were started after 2009, with the same proportion being started in the period 2000–2009. A small percentage (6%) were started before 1999.

Social entrepreneurship and social innovation initiatives have often emerged as part of the natural development of organisations targeted at supporting the establishment of enterprises, cooperation, social enterprise, work/employment, etc. In some cases it is therefore uncertain whether the replies to this question reflect the year in which the particular organisation or initiative started. The respondents who say they have been active in the field longest are primarily organisations in the third sector. In recent years, however, some incubators and organisations have been set up with social entrepreneurship and/or social innovation as their most important or sole objective. The majority of these initiatives are in the private sector and in most cases, with one exception, started after 2009.

Around 10% of the respondents, mostly from the public sector, did not answer the question.

10.5 What are the aims and target group of the initiatives?

Some of the respondents have clear, defined objectives and target groups. The *Swedish Agency for Youth and Civil Society*, for example, only supports projects targeted at young people, while *Unga sociala entreprenörer* (Young Social Entrepreneurs) aims to create more (and stronger) social entrepreneurs. *Winnnet* focuses on entrepreneurship among women and works to strengthen women's role in regional development, for example. It sees social entrepreneurship as a means of boosting sustainable regional development. Precisely this is an overall objective for several of the authorities: Social entrepreneurship and social enterprises contribute to sustainable social development, more people in work and greater participation for citizens. That is why there are activities aimed at strengthening development by distributing project funding, building networks, generating and disseminating knowledge, etc., linked to the authorities' overall remit or regional sphere of responsibility.

The majority of the respondents have target groups and objectives in several areas. We are frequently looking at information, advice, educa-

tion and incubation targeted at prospective and/or established social entrepreneurs, social enterprises, social economy, etc. There follows a review with examples based on four main categories of objective:

Initiatives to support social entrepreneurship and social innovation in the work to include disadvantaged groups in employment and society

The actors in this field are mainly in the third sector and social economy, but *Arbetsförmedlingen* also has initiatives that make a contribution. The initiatives mapped include counsellor training, lectures, production and circulation of information and educational materials, networks, training for the unemployed, competence development for entrepreneurs, advice, long-term support, etc. *IOGT-NTO* has allocated funds for risk capital, *Tillväxtlån* (Growth Loans), for member associations that start social enterprises to create work, mainly for former addicts.

Initiatives that support social entrepreneurship and social innovation in general

It is in this category that we find most actors. They represent the public sector (central and regional government, university colleges, etc.), the third sector, the social economy and private initiative in various forms. The initiatives mapped include:

Public sector: Distribution of project funding for innovation and entrepreneurship to develop society and new innovation processes, trials, method development, project and incubator activities, support to help entrepreneurs go to market, developing/adapting the innovation system, information and knowledge dissemination.

Third sector: Support through advice, financial guidance, networking and mentoring, expert assistance, accelerator programmes, innovation laboratories, round-table meetings and forums/inspirational events, financing solutions through guarantees and loans, competence development for teachers, support for changemakers.

Private initiatives: Support for change leaders, mainly to do with the situation for children and young people, in the form of pay, knowledge and networking, work to increase investments and access to capital through networking and forums for investors and enterprises, and through support for enterprises in the investment process, loans for enterprises and projects that generate ecological, social or cultural added value, implementation of methods for measuring social benefit.

Initiatives to include disadvantaged groups in employment and society in general

The actors here are in the public sector and include, in addition to *Arbetsförmedlingen's* general initiatives, initiatives targeted at young people and people with disabilities. In both cases the support is channelled to organisations in the third sector in the form of project funding. The project support is conditional upon a high degree of target group involvement and can be used to create work, enterprises and various educational activities.

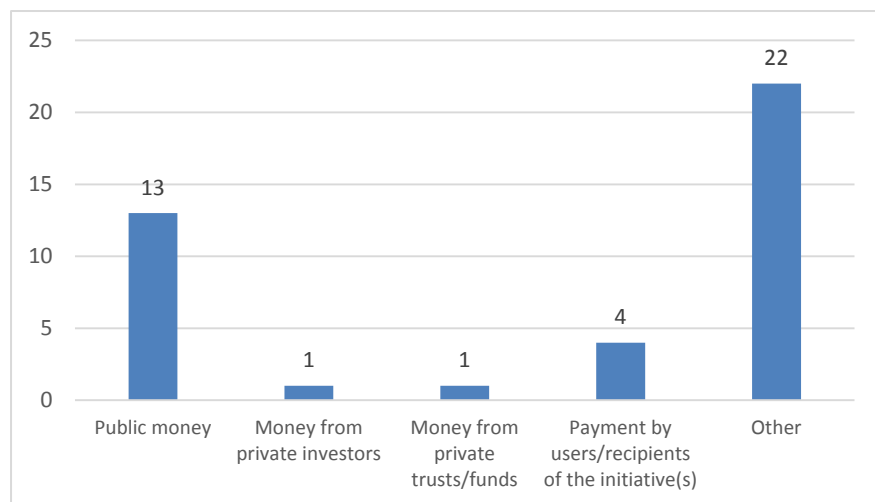
Initiatives with other aims

In this area we find actors in the third sector and social economy. They offer advice, competence development, lobbying, networking, etc., with a view to strengthening the role of different groups (e.g. women) or groups of enterprises (e.g. value-based) in business, society and social development.

10.6 How are the initiatives funded?

Thirteen of the respondents say that the initiative is funded with public money. One respondent says that the initiative is funded by private investors, another that it is funded by a private trust. Four say that they are client-funded, while 22 replied "other". The questionnaire only allowed respondents to choose one alternative for this question. The respondents who answered "other" are largely actors who are funded from both public and private sources, making this the form of funding most widely used by the actors mapped.

Figure 10.3. Sources of funding



As 14 public actors responded, it is likely that they are among the 13 funded purely with public money. The majority of the actors within the social economy have composite funding, in which public money can come from operating grants or project funding, but also paid assignments. Many of them also accept payment for education and other activities, primarily from enterprises and organisations, but also from private individuals to some extent. The two who obtain their funding from private sources are *Inkludera Invest* (advice/long-term support for selected social entrepreneurs) and *Reach for Change* (support and pay for a small number of selected entrepreneurs working to improve children's lives).

10.7 How do the initiatives provide support?

There follows a presentation of some examples of social entrepreneurship initiatives.

Finance

Mikrofonden Väst (there are several regional microfunds) offers guarantees and financing for associations, cooperatives, local communities, social enterprises, foundations and development groups in Västra Götaland:

Among other things, the microfund offers security when an organisation needs a bank loan for investments, for example. This means that directors or members, for example do not have to provide a personal guarantee. We also offer other financial support, such as capital contributions as subordinated debentures, equity stakes, microloans, crowdfunding, finding external capital, etc. We cooperate with Coompanion, Ekobanken and Almi, among others.⁶⁰

Another example is *Impact Invest Scandinavia*:

Founded in 2012, is the first impact investor membership network in Scandinavia. Our mission is to promote the growth of social and sustainable enterprises in Scandinavia and around the world by supporting investments in companies that deliver measurable social as well as financial returns. We offer a community of practice to facilitate and support impact investing by matching our member investors with pre-qualified social enterprises, entrepreneurs or funds. Impact Invest Scandinavia's six-month Investment Readiness Programme is designed specifically to support ventures that are in early

⁶⁰ www.mikrofondenvast.se/

commercial phase or wish to seek capital to scale-up. The business idea should deliver clear benefits to society and/or environment.⁶¹

Advice and competence development

We can give the following examples of advice and competence development:

Coompanion widens the scope of entrepreneurship and gives those wanting to realise business ideas bespoke information, business advice and training – from idea to successful enterprise.

Coompanion is in 25 locations throughout Sweden, with a *Coompanion* in nearly every county.⁶² *Coompanion* runs projects, as well as providing information and advice on starting and operating social enterprises so that more people participate in employment.⁶³

Inkludera Invest is a not-for-profit association:

Inkludera invests in social development. The investment does not consist of money, but a long-term partnership with our entrepreneurs. We have designed a model, the “Inkludera model”, which we follow together with the respective entrepreneur. Inkludera gives the entrepreneurs a professional business perspective, helping them to develop and consolidate their enterprises.⁶⁴

Incubation

Social innovation at LU Open Innovation Center.

The mission is to create a social innovation hub together with our community that supports individuals and organizations that address social, environmental or cultural needs through new strategies, concepts, ideas and organizations. SoPact is a project funded by Tillväxtverket aimed at testing the startup accelerator model with social ventures. The aim of this is to determine the feasibility of this method in starting and growing social ventures that address a social, cultural or environmental need, and can become financially sustainable social ventures.⁶⁵

⁶¹ www.impactinvest.se

⁶² www.coompanion.se

⁶³ www.coompanion.se

⁶⁴ www.inkluderainvest.se

⁶⁵ www.lusic.se/

CSES – Centre for Social Entrepreneurship in Sweden

The incubator provides free assistance with developing social entrepreneurship more reliably and faster in the form of comprehensive business development support and a creative environment. Incubator enterprises are offered a free personal business coach and a physical workplace for 4–6 months. The coach helps draw up joint targets, after which there are regular meetings that follow a structured coaching and advice process adapted precisely for social entrepreneurs. The incubation period is 4–6 months with continuous admissions. CSES is operated by a not-for-profit association.⁶⁶

Network building

Examples of network building include the *SKOOPI Association* and *Centrum för publikt entreprenörskap* (Centre for Public Entrepreneurship):

The SKOOPI association is a national interest and networking organisation that provides support and training for work integration social enterprises. SKOOPI is also involved in opinion forming with a view to influencing the conditions for starting and operating work integration social enterprises. SKOOPI acts as a forum for its member organisations, and organises fairs, regional meetings and cooperation events.⁶⁷

Centrum för publikt entreprenörskap:

is a regional forum and development arena for social entrepreneurs in Skåne that supports individuals and organisations with ideas and initiatives for improving society. With a method based on adult education and in cooperation with other actors, it contributes to local engagement and infrastructure by developing local development models. This CPE is a support function for these development nodes, providing regional knowledge and network building linked to international networks with broad-based expertise.⁶⁸

Research and development

Several Swedish researchers are involved in the *Social Entrepreneurship Research Network for the Nordic Countries, SERNOG*.⁶⁹ It conducts research in the field at a number of educational institutions in Sweden.

VINNOVA runs programmes aimed at strengthening innovative capacity in Sweden. The programmes vary in nature and include several areas of society and branches of industry. *VINNOVA*'s programmes have

⁶⁶ www.cses.se

⁶⁷ www.skooopi.coop

⁶⁸ www.publiktentreprenorskap.se

⁶⁹ <http://sernoc.ruc.dk>

three primary focuses: strategically important areas, the innovativeness of specific target groups, and cross-border cooperation. VINNOVA does not have any special initiatives targeted at social enterprises, but gives priority to this area to some extent in several current and future initiatives.⁷⁰

Education

One example of education is *Tanke & Handling* (Idea & Action), which:

focuses on the development of social work cooperatives and other work integration social enterprises, together with user influence solutions.

T&H gives lectures, runs courses, writes books, takes part in projects, works on research assignments and assists with strategic planning. It also runs an *Instructor and Business Leader Course* in social enterprise, which is taught at a Folk High School. *T&H* organises a longer course in starting social enterprises targeted at the long-term unemployed, which has been produced by *Arbetsförmedlingen (The Swedish Public Employment Service)*.⁷¹

Coompanion offices throughout the country hold and take part in various courses on start-ups and different stages in the development of cooperatives and social enterprises.⁷²

Increasing visibility and knowledge dissemination

An example of increasing visibility and knowledge dissemination is provided by *Malmö University – Forum for Social Innovation*:

The Forum for Social Innovation's primary task is to follow what is happening in the field, both in Sweden and internationally, and ensure that knowledge and experience are disseminated. It also initiates research, development work and new collaborative configurations. It brings out publications to disseminate knowledge and organises large conference and knowledge seminars with a national, Nordic and international reach, frequently in collaboration with other partners. The four areas currently focused on by the Forum for Social Innovation are: Collaboration Models, Finance and Impact Measurement, Social Innovation and CSR, and Research and Education.

⁷⁰ www.vinnova.se

⁷¹ <http://tankeochhandling.coop/>

⁷² www.coompanion.se

The news portal coordinates, gathers and shares information on social innovation and social entrepreneurship. Stakeholders can also use it to follow social innovation in politics within Sweden and at EU level.⁷³

Another example is the *Swedish Agency for Economic and Regional Development*, which operates a programme aimed at promoting social entrepreneurship and social innovation. The programme consists of several different initiatives and is intended to make social entrepreneurship more visible, among other things. This is achieved through ongoing cooperation with the authorities and organisations affected, distribution of project funding, etc. The *Swedish Agency for Economic and Regional Growth* has published several reports and documents in the field. Part of this work consists of operating and developing the knowledge portal www.sofisam.se in collaboration with other authorities and the enterprises' organisations.⁷⁴

Lobbying

SERUS is an example of lobbying:

SERUS is a development-oriented company that provides services to businesses and organisations that want to develop and realise ideas. *SERUS* works to inform, renew, strengthen and develop social enterprises. For *SERUS*, social enterprises are companies working with social purposes. This can include everything from energy cooperatives to care facilities or from village community companies to work integration social enterprises. Through expert knowledge and networks linked to the social economy and local/regional development, *SERUS* influences policy and social structure.⁷⁵

Strategy and planning

Social innovation at LU Open Innovation Center took the initiative for and conducts project/development work aimed at driving forward a national agenda for research and development to do with social entrepreneurship. The work is being done in the form of broad-based collaboration and should be ready in the late autumn of 2014.⁷⁶

Region Skåne has contributed to and signed an agreement on cooperation with the non-profit sector in Skåne. It includes statements concerning social enterprises and entrepreneurship. The region also takes

⁷³ www.socialinnovation.se

⁷⁴ www.tillvaxtverket.se

⁷⁵ www.serus.se

⁷⁶ www.lusic.se

other initiatives and conducts strategic development work in the field as part of its regional development and entrepreneurship work.

Legal framework and administration

This is very much the responsibility of the authorities. As things stand, no separate legislation and very few specially adapted rules exist. Development is under way, however, with authorities and municipalities reviewing their information and rule adaptation with a view to ensuring that they include social entrepreneurs and social enterprises in a better way.

10.8 To what extent do the initiatives focus on the four characteristics of social entrepreneurship?

Generally speaking, the Swedish initiatives tally well with the four characteristics of social entrepreneurship stressed by the working group: Developing and trialling new solutions, developing and trialling new solutions that involve the target group of/employees in the social entrepreneurial work, stimulating cooperation across disciplines and business models, and stimulating sustainability – financial and social.

The vast majority say that they do this “to some extent” or “to a large extent,” with well over half answering all the questions with “to a large extent.”

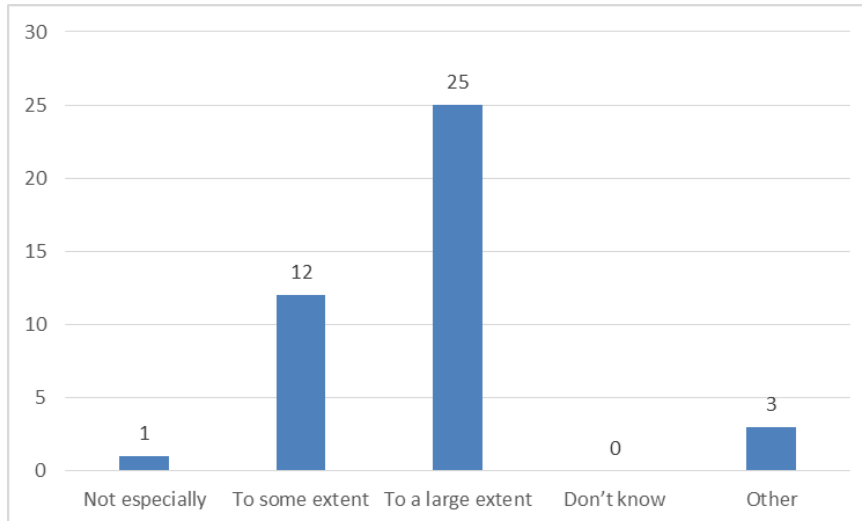
Slightly fewer of our respondents say the same for developing and trialling new solutions, while around half reply that they focus on involvement of the target group and financial sustainability respectively “to a large extent.”

The respondents seem to have a particularly strong focus on developing socially and financially sustainable enterprises, with nearly 8 in 10 replying that they focus on this “to a large extent.”

It is difficult to see clear differences between the replies from different groups of actors. A question where there is some difference, however, is the one about involving the target group. For the most part, private and more recent initiatives focus less on target group involvement. In some cases it might be suspected that the respondents made the assessment based on the nature and implementation their own activities, and not what the initiatives aim to achieve.

Developing and trialling new solutions

Figure 10.4. Developing and trialling new solutions

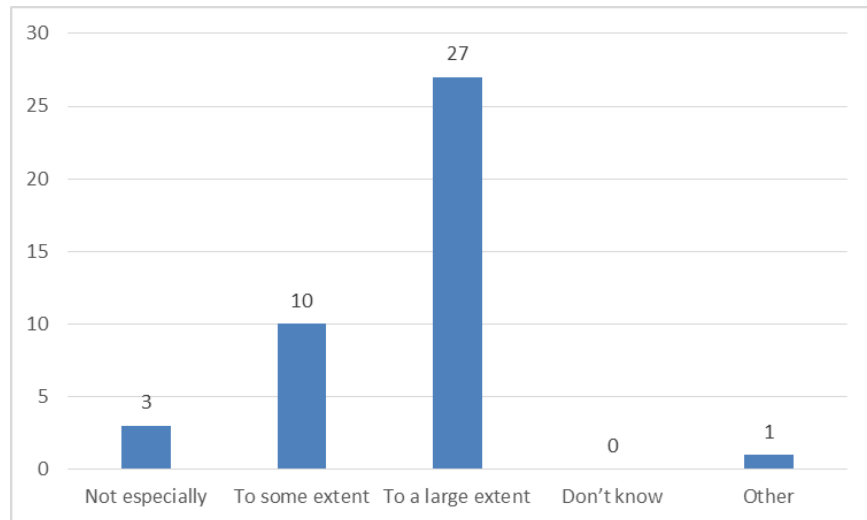


One example is provided by *SE-Forum's* accelerator programme and innovation lab, which endeavour precisely to trial new solutions to the social problems brought along by their participants. Other examples are extra long course durations for the *Arbetsförmedlingen* courses aimed at starting social enterprises, and support for start-ups and developments through the social franchising of business ideas that are socially and financially sustainable.

Target group involvement

The vast majority of the respondents working directly with creating or supporting social enterprises replied “to a large extent.” Involvement of the target group is highlighted as a key factor in developing understanding of the target group’s needs. The target group is often the initiator and operator.

Figure 10.5. Developing and trialling new solutions that involve the target group of the social entrepreneurial work

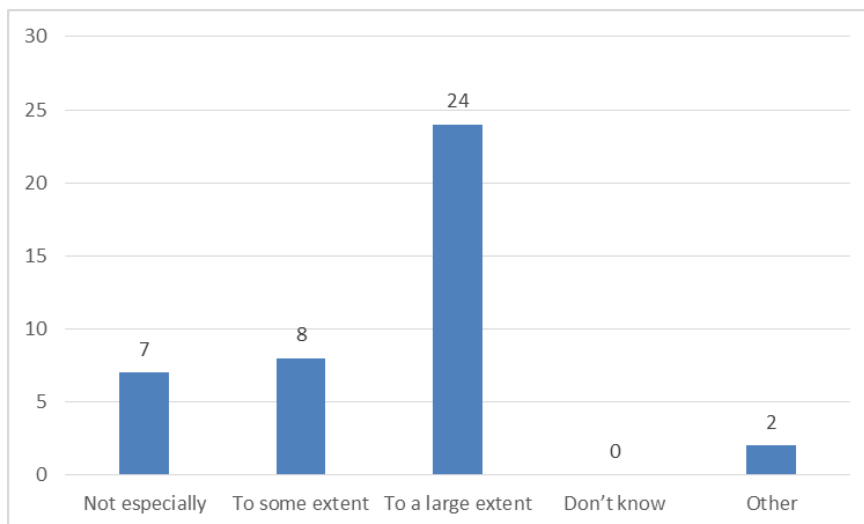


Examples include pilot activities aimed at trialling different solutions/social innovations, and developing forms of business development for enterprises through advice, education, network building, etc., but also new ways of providing security for loans, and implementing methods to demonstrate the social benefit of the activities by means of *Social Return on Investment (SROI)*, for example.

Cooperation across disciplines and business models

The purpose of the cooperation varies with the actors' mission. Several work to develop cooperation between social enterprises, society and private business with a view to strengthening the role of social enterprises in society and the opportunities for acting in a market. Cooperation is often a prerequisite for the activity, not least when it comes to financing. Authorities sometimes impose cooperation requirements in order to qualify for financing.

Figure 10.6. Stimulating cooperation across business models



Others focus on strengthening business cooperation in order to boost enterprises' financial sustainability and long-term durability.

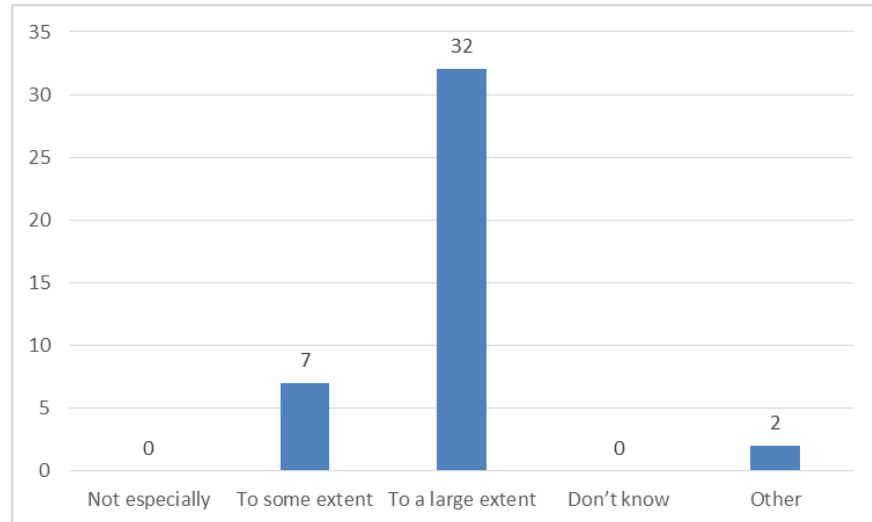
Cooperation between the different sectors promotes sustainability and holistic problem solving. Work is being done in several quarters to integrate a social dimension in *Triple Helix = Quadruple Helix*.

Those who reply "not especially" have a clearly defined activity or target group, such as creating investor networks or working in and with schools, for example.

Developing sustainability (financial and socioeconomic)

Virtually all the answers stress the importance of sustainability in both senses of the term, with financial and socioeconomic development being strengthened by cooperation and integration in society's initiatives. Several respondents point out that precisely this is the reason for social entrepreneurship – that both (all) aspects are present: social, economic and ecological sustainability.

Figure 10.7. Developing sustainability, both financial and socioeconomic



10.9 Summarising remarks

The terms social entrepreneurship and social innovation are relatively new in Sweden, but have become increasingly established over the last 10 years. The majority of actors who now support the area also have a broader mission of supporting entrepreneurship, enterprises or innovation, with support for social entrepreneurship representing a larger or smaller part of their activities. Several of the actors who provide direct support for entrepreneurs are in the third sector, and many have long been working to support innovation in the social economy. Private actors, largely targeting social entrepreneurs, have appeared more recently. Several incubators and science parks linked to universities are expanding and developing new, or adapting existing, work methods. The opportunities for obtaining support for start-ups and development vary in different parts of the country, however. In the last 10 years the government has given several national authorities the task of developing the area. To begin with, this has mainly involved increasing visibility, studies, increased use of procurement and distribution of project funds.

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Sammendrag

I denne rapporten presenteres resultater fra en kartlegging av innsatser for sosialt entreprenørskap og sosial innovasjon i Norden.

Bakgrunnen er utfordringene de nordiske landene står overfor knyttet til å opprettholde og videreutvikle den sosiale velferden. Nordisk Ministerråd (NMR) har ved flere anledninger satt disse utfordringene på dagsorden. Høsten 2012 arrangerte det norske formannskapet et nordisk seminar om sosialt entreprenørskap. En erfaring fra dette seminaret var at det finnes ulike typer innsatser for å legge til rette for sosialt entreprenørskap i de nordiske landene, og at det derved også bør finnes et potensial for gjensidig læring.

NMR besluttet på denne bakgrunn sommeren 2013 å nedsette en arbeidsgruppe som fikk i oppdrag å kartlegge innsatser for sosialt entreprenørskap og sosial innovasjon. Alle de fem nordiske landene og de selvstyrte områdene ble invitert til å delta. Arbeids- sosialdepartementet i Norge ble gitt prosjektansvaret.

Høsten 2013 ble to medlemmer fra hvert land oppnevnt. Medlemmene har bakgrunn fra forvaltning, forskning og utdanning. De selvstyrte områdene valgte å ikke delta.

Hovedmålet for kartleggingen var å øke kunnskapen om innsatser i Norden for sosialt entreprenørskap og sosial innovasjon i arbeidet med å inkludere utsatte grupper i arbeid og samfunnsliv.

Arbeidsgruppens mandat var todelt: Arbeidsgruppen skulle i første fase definere terminologi og emnet for arbeidet, herunder identifisere den delen av det nordiske samarbeidet som kan gi "added value" til arbeidet som allerede pågår i landene og i EU. I andre fase skulle innsatser i de nordiske landene for sosialt entreprenørskap og sosial innovasjon kartlegges.

Vi presenterer i denne rapporten resultatene fra arbeidet som er gjennomført. Rapporten har tre deler.

Del 1 presenterer bakgrunn, formål og hovedinnhold i rapporten. I kapittel 1 presenteres bakgrunn og hovedmål for kartleggingen, samt arbeidsgruppens forståelse av mandatet og begrepene sosialt entreprenørskap og sosial innovasjon, i kapittel 2 gir arbeidsgruppen forslag til videre oppfølging.

I del 2 settes kartleggingen inn i en bredere kontekst. Kapittel 3 omhandler begrepene sosialt entreprenørskap og sosial innovasjon og er

skrevet av professor Linda Lundgaard Andersen og professor Lars Hulgård ved Roskilde Universitet på oppdrag fra arbeidsgruppen. Forfatterne gjennomgår først hvordan disse begrepene har blitt definert i litteraturen, deretter presenteres noen nordiske perspektiver. Kapittel 4 gir et overblikk over utfordringer knyttet til inkludering av utsatte grupper i arbeid og samfunnsliv i Norden.

Del 3 presenterer resultatene fra kartleggingen, først i kapittel 5 resultater fra det samlede nordiske materialet, deretter i kapitlene 6–10 resultatene for hvert enkelt land.

Sosialt entreprenørskap, sosialøkonomiske virksomheter og sosial innovasjon

Sosialt entreprenørskap er i arbeidsgruppens mandat forstått som en type virksomhet med følgende tre kjennetegn:

- Er rettet mot et sosialt formål der det er et udekket velferdsbehov.
- Bidrar med nyskapende løsninger på disse utfordringene.
- Drives av de sosiale resultatene, men også av en forretningsmodell som kan gjøre virksomheten levedyktig og bærekraftig.

Vi valgte i vårt arbeid å ta utgangspunkt i denne forståelsen og supplere med ytterligere to kjennetegn:

- Involvering av målgruppen for det sosialentreprenøriske arbeidet, medarbeiderne og andre sentrale interessenter.
- Samarbeid på tvers av fagfelt og virksomhetsmodeller.

Vi har her pekt på at sosialt entreprenørskap i mandatet forbindes med forretningsmessige metoder. Vår vurdering er at vi også kan finne sosialt entreprenørielle prosesser og arbeid innen etablerte (offentlige) institusjoner og organisasjoner. Sosialøkonomiske virksomheter kan kjenne- tegnes ved sosialt entreprenørskap, men ikke nødvendigvis. Sosialt entreprenørskap og sosial innovasjon, slik vi kjenner det i dag, er også nært forbundet, men kan også være to helt avgrensede områder. I dette ligger at vi kan oppnå sosial innovasjon uten forutgående sosialt entreprenørskap. Begrepene sosialt entreprenørskap, sosialøkonomiske virksomheter og sosial innovasjon er nærmere gjennomgått i kapittel 3.

Gjennomføringen av kartleggingen

Det følger av mandatet at kartleggingen skal legge vekt på å få fram bredde og variasjon i innsatser, og at den skal gi en beskrivelse, ikke en vurdering av innsatsene.

Ingen av de nordiske landene har noen form for register eller andre former for dokumentasjon av aktører og innsatser for sosialt entreprenørskap og sosial innovasjon. Valg av respondenter har derfor skjedd ved at hvert lands medlemmer har utarbeidet lister med utgangspunkt i egen kunnskap på feltet, nettverk og nettsøk. Det ble også åpnet for at respondentene, kunne foreslå andre eller trekke seg dersom de ikke vurderte egen aktivitet som relevant.

En gjennomgang av hvilke begreper som benyttes i forvaltning og annen praksis i de fem landene, viste at det varierer i hvilken grad begrepene sosialt entreprenørskap er kjent og benyttet. Gjennomgangen viste også at det benyttes flere andre begrep som delvis, men ikke helt, overlapper med forståelsen i mandatet. Vi valgte derfor en åpen tilnærming til hvilke aktører og innsatser som skulle inkluderes. Kartleggingen omfatter således ikke kun innsatser som er direkte rettet mot sosialt entreprenørskap og sosial innovasjon, men også innsatser som kan legge til rette for dette uten at disse begrepene benyttes.

Kartleggingen ble gjennomført i mai og juni 2014. Vi sendte ut et spørreskjema til i alt 193 respondenter, og fikk inn 131 svar, om lag 2/3 av de inviterte. Vi har ingen sikker kunnskap om hvorfor noen ikke valgte å delta. Vår vurdering er likevel at de innsamlede dataene samlet sett inneholder en god bredde og variasjon i innsatser. Det er i alle land kartlagt innsatser både i offentlig, privat og tredje sektor, og innsatser innenfor alle kategorier som er nevnt i mandatet.

Spørreskjemaet som ble benyttet, inneholdt en kombinasjon av strukturerte og åpne spørsmål. Vi presenterer i rapporten både en oversikt over hvilke typer innsatser som finnes og kjennetegn ved disse, og gir eksempler på hvordan innsatsene legger til rette. Alle eksempler som benyttes, er valgt ut for å belyse bredde og variasjon i hva en innsatstype kan innebære i praksis. Det faller utenfor rammen for denne kartleggingen å foreta vurderinger av de ulike innsatsene.

Hvilke typer innsatser er kartlagt

Kartleggingen viser at det finnes et bredt spekter av innsatser i de nordiske landene.

Det er kartlagt eksempler på følgende typer innsatser i alle land: Finansiering, rådgivning/kompetanseutvikling, inkubatorvirksomhet, nettverksbygging, FoU, utdanning, synliggjøring, lobbying, juridisk rammeverk, strategisk utviklingsarbeid og ivaretagelse av foretaks interesser.

Kartleggingen viser også at de fleste respondentene har noen hovedinnsatser som følges opp av andre innsatser for å understøtte hovedinnsatsen. Alle respondenter har krysset av for minst to typer innsatser, de fleste for mer enn to, og noen har svart at de tilbyr alle typer innsatser.

Det er både i det samlede materialet og i dataene for hvert enkelt land kartlagt flest eksempler på rådgiving/kompetanseutvikling, synliggjøring og nettverksbygging. Blant innsatser med fokus på rådgivning/kompetanseutvikling finner vi ulike typer kurs og annen opplæring, konferanser, workshops, veiledning og rådgivning gjennom deltakelse i styrer. Nettverksbygging handler både om etablering av faste strukturer rundt definerte nettverk (nettverksforeninger), og ad hoc grupper etablert i ulike organisasjoner, bruk av workshops og seminarer. Synliggjøring handler om flere av de samme aktivitetene og ulike former for kunnskapsdeling.

Vi gir i kapitlene 5–10 eksempler på innsatser innenfor alle de kartlagte kategoriene.

Bak dette overordnede bildet skjuler det seg en god del variasjon mellom landene. Det gjelder blant annet hvor mange innsatser som er kartlagt innenfor hver kategori og kjennetegn ved de ulike innsatsene. Et land kan i noen tilfeller kun ha ett eksempel innen en kategori, andre land en lang rekke eksempler. Og for eksempel i kategorien utdanning, kan det skjule seg både et masterprogram i sosialt entreprenørskap ved et universitet og mindre og mer kortvarige kurs.

Det er også stor variasjon i hva som er formål og målgruppe for innsatsene. Som tidligere nevnt varierer det mellom de nordiske landene i hvilken grad begrepene sosialt entreprenørskap og sosial innovasjon er kjent og blir benyttet. Dette gjenspeiler seg også i de innsatsene som er kartlagt.

Vi finner både i det danske, svenske og norske materialet flere eksempler både på innsatser som retter seg direkte mot sosialt entreprenørskap og sosial innovasjon i arbeidet for å inkludere utsatte grupper i arbeid og samfunnsliv og innsatser retter seg direkte mot sosialt entreprenørskap og sosial innovasjon generelt. Vi ser samtidig at i Danmark er flere av innsatsene knyttet til begrepet sosialøkonomiske virksomheter og i Sverige til begreper som sosiale arbeidsintegrerende foretak og samfunnsentreprenørskap.

I det finske innsamlede materialet finnes ingen egne innsatser for sosialt entreprenørskap og sosial innovasjon, men eksempler på innsatser for å fremme sysselsetting og næringsvirksomhet, innsatser for å legge

til rette for samfunnsmessige foretak og innsatser for å inkludere utsatte grupper i arbeid og samfunnsliv.⁷⁷ Det finnes heller ingen egne innsatser for sosialt entreprenørskap og sosial innovasjon i det islandske materialet, men innsatser som retter seg mot entreprenørskap og innovasjon, samt innsatser rettet mot tredjesektororganisasjoner som arbeider med inkludering av utsatte grupper generelt. Disse innsatsene kan bidra til sosialt entreprenørskap og sosial innovasjon, selv om de ikke er direkte rettet mot dette.

Det er vårt generelle inntrykk at innsatser som er direkte innrettet mot sosialt entreprenørskap og sosial innovasjon i arbeidet med å inkluderer utsatte grupper i arbeid og samfunnsliv er av nyere dato.

I hvilken grad har innsatsene fokus på kjennetegnene ved sosialt entreprenørskap

Vi har som tidligere nevnt i vår forståelse av sosialt entreprenørskap valgt å trekke fram fire kjennetegn. Det er utvikling og utprøving av nye løsninger, involvering av målgruppen for det sosialt entreprenøriske arbeid, samarbeid på tvers av fagfelt og virksomhetsmodeller, og bærekraft (økonomisk og samfunnsøkonomisk).

Det samlede materialet viser at en stor andel av respondentene "til en viss grad" eller "i stor grad" har fokus på disse kjennetegnene. Andelen varierer fra om lag 80 prosent for involvering av målgruppen til over 90 prosent for fokus på nye løsninger. Det er noe, men ikke stor variasjon mellom landene.

Fokus på de fire kjennetegnene ved sosialt entreprenørskap kan således synes å være noe respondentene har fokus på, selv om innsatsen ikke direkte er rettet mot sosialt entreprenørskap.

Respondentenes vurderinger av hindre og behov for nye innsatser

Respondentene ble stilt spørsmål om sine vurderinger av de viktigste hindre for sosialt entreprenørskap og sosial innovasjon, og behovet for nye innsatser. Svarene fra respondentene kan og må forstås ut fra den nasjonale konteksten og området respondentene arbeider på. Det er samtidig et generelt inntrykk at mange av de samme hindre og behov for nye innsatser er å finne i svarene fra respondenter i alle land. Disse kan oppsummeres i følgende hovedkategorier:

⁷⁷ Informasjonen kan være mangelfull pga. lav deltakelse i spørreskjemaundersøkelsen i Finland.

- Manglende tilgang til finansiering og utilstrekkelige eller manglende støttestrukturer: Som svar på disse utfordringene pekes på behov for bedre finansieringsmuligheter både fra det offentlige og andre finansieringskilder.
- Regelverk og praktisering av regelverk: Det er særlig utfordringer knyttet til regelverk for offentlige anskaffelser og praktisering av dette som nevnes. Det pekes på behov for endringer i dette regelverket, og at kvalitet, samfunnsansvar og sosial verdi i større grad bør etterspørres.
- Manglende kunnskap om sosialt entreprenørskap og sosial innovasjon: Det pekes både på manglende kunnskap i samfunnet generelt og blant offentlige myndigheter spesielt. Som svar på disse utfordringene, nevnes en stor bredde av innsatser, herunder forskning og utdanning, kartlegging og utveksling av erfaringer med gode eksempler, og informasjonskampanje.
- Holdning, kultur og organisering i det offentlige: Det pekes på et motsetningsforhold mellom sosialt entreprenørskaps tverrsektorielle og tverrfaglig karakter og offentlige aktørers organisering i spesialiserte enheter. Det pekes også på manglende kompetanse og insentiver til å arbeide på tvers. Som svar på disse utfordringene pekes på behov for å se nærmere på hvordan strukturer og systemer kan mykes opp, slik at de ikke bremser for sosialt entreprenørskap. Det er behov for tettere samarbeid mellom offentlig myndigheter og privat og frivillig sektor om løsning av velferdsutfordringer.

Arbeidsgruppens anbefalinger til videre oppfølging

Sosialt entreprenørskap og sosial innovasjon har gjennom flere år blitt vist økende oppmerksomhet og interesse. Det er i EU tatt initiativ til en rekke programmer og tiltak for å legge til rette for aktivitet på området. Vi gir i denne rapporten et lite innblikk i hvilke innsatser som finnes i de nordiske landene med vekt på innsatser som er relevante for arbeidet med å inkludere utsatte grupper i arbeid og samfunnsliv.

Vår vurdering er at felles utfordringer for de nordiske landene knyttet til å videreutvikle den nordiske velferdsmodellen gjør det både relevant og interessant med et videre felles nordisk samarbeid der det nordiske perspektivet ivaretas. Kjennetegn ved sosialt entreprenørskap og samspillet med en bred offentlig sektor i de nordiske landene, kan være forskjellig fra tilsvarende samspill i land med andre velferdsmodeller. Et felles nordisk samarbeid kan skje på ulike områder og måter.

Vi presenterer her noen anbefalinger til videre oppfølging. Anbefalingene er basert på erfaringer vi har gjort gjennom dette arbeidet, svarene fra respondentene og kompetansen som arbeidsgruppen samlet besitter.

1. Begreper og forståelser – etablere en bedre felles grunn for videre samarbeid.

Vår erfaring er at ulike begreper og definisjoner på dette området bidrar til at det i noen tilfelle kan være vanskelig å vite hva man snakker om, og om man snakker om det samme.

- Det tas et initiativ til et arbeid for å gjøre begreper og definisjoner som benyttes i de nordiske landene på dette området bedre kjent og forstått.
- NMR identifiserer noen kjennetegn ved sosialt entreprenørskap som legges til grunn for eget arbeid på området.

2. Praksis – legge til rette for utveksling av erfaringer med ulike typer innsatser.

Kartleggingen som presenteres i denne rapporten gir et lite innblikk i bredde og variasjon i innsatser i de nordiske landene. Hva er så erfaringene med disse innsatsene? I hvilken grad bidrar innsatsene til oppsatte mål og i hvilken grad er innsatsene et godt svar på de utfordringene som sosiale entreprenører møter?

- Det tas initiativ til en nordisk konferanse med formål å utveksle kunnskap og erfaring med ulike typer innsatser for sosialt entreprenørskap og sosial innovasjon.

3. Forskning og utdanning – styrke kunnskapsgrunnlaget.

Lars Hulgård og Linda Lundgaard Andersen gir i kapittel 3 en kort status for forskning og utredning på feltet i de nordiske landene.

Feltet er fremdeles forholdsvis nytt, og det pekes på flere tema og problemstillinger av felles nordisk relevans. Behov for økt kunnskap om sosialt entreprenørskap og sosial innovasjon, trekkes også frem av respondentene i kartleggingen.

- Det tas initiativ til et arbeid med formål å styrke forskning og høyere utdanning på området i de nordiske landene. Arbeidet deles inn i to trinn: Først gjennomføres en kartlegging av forskning og høyere utdanning som allerede pågår. Deretter foretas en vurdering av en mulig utforming av et felles nordisk forskningsprogram med fokus på tema av spesielt relevans for de nordiske landene, og det vurderes mulige tiltak for å utvikle eksisterende tilbud om høyere utdanning.

4. Forskning og utvikling – etablere et felles nordisk senter for kunnskapsutvikling og spredning av kunnskap.
Kartleggingen gir eksempler på flere miljøer – både store og godt etablerte og andre mindre miljøer – som arbeider med forskning, kunnskapsutvikling og spredning av kunnskap og erfaringer på feltet. Enkelte av disse har etablert samarbeid med andre land i Norden, og det er også etablert et samarbeid om forskning mellom flere av de nordiske landene gjennom forskningsnettverket SERNOC. Vår vurdering er at det bør bygges videre på dette samarbeidet.
 - Det etableres en felles nordisk senter for kunnskapsutvikling og spredning av kunnskap og erfaringer på feltet. Senteret kan være fysisk og/eller virtuelt og bygge på eksisterende nordiske og/eller nasjonale strukturer og samarbeid.
5. Politikk – økt samarbeid mellom sektor og departement.
Manglende samarbeid på tvers og silotenkning i det offentlige peker på som et hinder for sosialt entreprenørskap og sosial innovasjon i alle land. Gitt et politisk ønske om å bidra til å utvikle og styrke sosialt entreprenørskap og sosial innovasjon, ser vi et behov for å adressere feltet på et mer tverrdepartementalt og strategisk plan.
 - Nasjonale myndigheter oppfordres til å adressere feltet på et mer tverrdepartementalt og strategisk plan. Blant aktuelle tema i et tverrdepartementalt samarbeid er erfaringer og utfordringer knyttet til anskaffelsesregelverket, samt ulike finansieringsløsninger og andre støttestrukturer for sosialt entreprenørskap og sosial innovasjon.
6. Sosialt entreprenørskap og sosial innovasjon som tema i yrkesutdanningene.
Sosialt entreprenørskap, sosialøkonomiske virksomheter, sosiale foretak og sosial innovasjon berører mange samfunnsområder, og dermed ulike yrkesgrupper i økende grad. Det er vårt inntrykk at dette i dag ikke speiles i utdanningsplaner, kurslitteratur mv.
 - Nasjonale myndigheter oppfordres til å vurdere behovet for utvikling av dette området.

Appendix 1 – Examples of terms and definitions in the Nordic countries

In the initial phase of the work, the working group conducted a review of the terms and definitions used in the Nordic countries. The review revealed that a number of different terms are used that partly, but not entirely, overlap the understanding in the mandate.

Here are some examples:

Denmark

From Denmark, the term “socialøkonomisk virksomhed” (social enterprise) can be mentioned. The *Committee on Social Enterprises* has defined this term as follows:

“Socialøkonomiske virksomheder’ are private and conduct business with the aim of promoting special social objectives through their activities and earnings. “Socialøkonomiske virksomheder’ are understood to be enterprises that fulfil the following five criteria:

- Social purpose – the enterprise’s primary purpose is socially beneficial in nature; in other words, the purpose has a social, employment, health, environmental or cultural aim that also promotes active citizenship.
- Essential business element – the enterprise has an essential business element through the sale of services or products that represents a significant part of its turnover.
- Non-governmental – the enterprise has its own CVR number and functions without there being any significant public influence on its management and operation.
- Social use of profits – the enterprise uses all its profits primarily to promote social objectives and reinvest in its own or other social enterprises, and secondarily to pay a limited dividend to investors.

- Responsible and inclusive enterprise management – the enterprise is transparent in its activities and has a value-adding, ethically responsible management.”

Sweden

From Sweden we can mention the term “samhälls­entreprenörskap” (social entrepreneurship), which is defined as follows:

“A “samhälls­entreprenör’ (societal entrepreneur) takes an innovative initiative to develop socially beneficial functions. A “samhälls­entreprenör’ is an entrepreneur whose objective is social benefit.”

From Sweden we can also mention the term “arbetsintegrerande sociale företag” (work integration social enterprise), which the Swedish government defines as follows:

“An enterprise that conducts business with the overall objective of integrating people who have severe difficulties in obtaining and/or keeping a job in employment and society,

- which creates participation for its employees through ownership, agreement or other well-documented means,
- which for the most part reinvests its profits in its own or similar enterprises,
- which is organisationally independent of the public sector.”

Work integration social enterprises are understood to be an expression of societal entrepreneurship.

Iceland

Iceland has a long tradition of non-profit organisations engaging in social entrepreneurship and social innovation. There is no official definition of the term social entrepreneurship. The Innovation Center of Iceland (which is a publicly operated organisation) defines social innovation as follows:

“Ideas and plans which meet societal needs and can lead to increased welfare and standard of living in communities. According to their understanding social innovation is not different from traditional innovation except that it relies on certain assumptions and ideas about honesty,

ethics, sustainability and justice. Iceland participated in the GEM study of se in the year 2009 and they define se as a process of value creation, where resources are combined in new ways and used to exploit an opportunity with the aim of creating social value by stimulating social change or meeting social needs and involves the offering of services and products but can also refer to the creation of organization.”

Finland

From Finland, the terms “sociala företag” and “samhälliga företag” (social enterprise) can be mentioned. “Sociala företag” is defined as follows in the Finnish Act on Social Enterprises:

A “sociala företag’ is a registered trader who is entered in the register of social enterprises.

- it is entered in the trade register under the said Act
- it produces goods and services on a commercial principle
- at least 30% of the employees in the company’s employ are persons referred to in section 1 (1), or at least 30% are persons referred to in section 1 (1) and other persons referred to in section 1 (percentage of placed employees); and (28.1.2012/924)
- it pays all its employees, irrespective of their productivity, the pay of an able-bodied person agreed in the collective agreement, and if no such agreement exists, customary and reasonable pay for the work done.

The social enterprises referred to in this Act provide employment opportunities in particular for persons who;

- have an injury or illness that makes their employment difficult
- have been unemployed jobseekers continuously for 12 months or in several periods of unemployment have been unemployed jobseekers for at least 12 months in total and based on repeated unemployment and the total time unemployment has lasted can be compared to jobseekers who have been continuously unemployed for 12 months
- have received unemployment benefit owing to unemployment for at least 500 days.

The “Ett samhälliga företag market” (Finnish Social Enterprise Mark) is awarded by the Finnish Social Enterprise Committee. Enterprises applying for the mark undergo a comprehensive analysis based on the criteria in the mark rules. The analysis stresses the three primary criteria, but it also looks at how the other characteristics that define a social enterprise are manifested in the applicant’s activities.

Award criteria – the primary criteria:

- The primary objective and aim of a social enterprise is to promote social welfare. A social enterprise acts responsibly.
- Limited distribution of profits. A social enterprise uses most of its profits for the benefit of society either by developing its own operations or by giving a share of its profits to charity according to its business idea.
- Transparency and openness of business operations. In order to assure transparency, the enterprise applying for the Mark must write down its social goals and limited distribution of profits in its Articles of Association or Rules.

In addition to the above-mentioned key characteristics defining a social enterprise, one or more of the following characteristics may be associated with the enterprise: loyalty to the workforce, commitment to developing occupational health, well-being at work and the chance for employees to exert an influence, customer-oriented development of the business and regular contact with the local community, minimising the enterprise’s impact on health and the environment, developing the local economy, special consideration for vulnerable people, and a demonstrable social impact.”

Norway

From Norway we can mention the interpretation on which the rules for a social entrepreneurship grant are based. The purpose of the scheme is to stimulate the development of social entrepreneurship targeted at poverty and social exclusion in Norway. The aim is also to encourage self-organised groups that have experienced poverty and social exclusion to contribute to the development of social entrepreneurship in which experience-based knowledge and expertise are relevant.

The following actors can apply for funding:

- They must define themselves as social entrepreneurs.
- They are enterprises that aim to solve social problems in a new way.
- The Articles of Association stipulate that dividends will not be paid.
- They are driven by the social results, and also by a business model that can make the enterprise viable and sustainable after a time.
- They are entered in the Register of Non-Profit Organizations (they can be an AS (limited liability company), foundation or voluntary organisation).

Appendix 2 – Covering letter

Invitation to take part in a mapping of social entrepreneurship and social innovation initiatives in the Nordic Region

(Name of organisation) is invited to take part in a mapping of initiatives for supporting social entrepreneurship and social innovation in Sweden, Norway, Denmark, Finland and Iceland. The main focus of the mapping will be on social entrepreneurship and innovation of relevance to the work to include disadvantaged groups in employment and society.

The mapping is part of the *Sustainable Nordic Welfare Programme* under the Nordic Council of Ministers. A working group with members from the five Nordic countries is responsible for its implementation. See here for further information on the working group's mandate: <http://www.norden.org/no/tema/haallbar-nordisk-vaelfaerd/utdanning-og-arbeid-for-velferd/socialt-entreprenoerskap>

Social entrepreneurship and social innovation are about developing and implementing new solutions to social and societal problems, and developing new networks across disciplines and business models, with the actors interacting in new ways.

Social entrepreneurship and social innovation can address a broad spectrum of social objectives. The main focus of this mapping will be on initiatives to support social entrepreneurship and social innovation of relevance to the work to include disadvantaged groups in employment and society. Social innovation can be a result of social entrepreneurship, but also other forms of activity.

The purpose of this mapping is not to gather information on all initiatives covered by this definition, but to show the scope and variety of the many different types of initiative that exist in the Nordic countries. The term "initiatives" means framework conditions, policy instruments, measures and activities. "Supporting" means contributing to the achievement of an objective.

Based on its knowledge of the field, networks and internet searches, the working group has drawn up a list of actors identified as being responsible for one or more relevant initiatives. Your organisation is among the actors on this list and we hope that it will take part. You can

access the questionnaire by following this link (insert link). It is estimated that answering the questions will take x minutes.

If you have any questions concerning the mapping, feel free to contact (name of person, telephone number and email address).

If your organisation is not responsible for/does not work with initiatives of relevance to the mapping, please reply to the above email address to say that it is not relevant for it to take part.

Thank you for your participation!

Kind regards

(members of the working group from the country in question).

Appendix 3 – Questionnaire

Nordic mapping of social entrepreneurship and social innovation initiatives.

Please read the following before completing the questionnaire

This questionnaire contains both questions with set answers to choose from and open-ended questions to provide supplementary information.

Most of the questions are about the nature of the initiative(s) for which your organisation is responsible or works with. Initiative can refer to framework conditions, policy instruments, measures and activities.

Your organisation can be responsible for one or more initiatives, and an initiative can consist of different elements. The questionnaire should only be completed once, however. If the answer would be different for different initiatives/elements of an initiative, please indicate this in the free text boxes.

We hope that you will describe the initiative(s) in as much detail as possible. Feel free to include a link to a website when answering the open-ended questions. The aim is to provide the best basis for understanding and describing the scope and diversity of initiatives for supporting social entrepreneurship and social innovation in the Nordic countries.

We also ask two questions about your opinions on obstacles to social entrepreneurship and social innovation, and the need for new initiatives in your country. The replies to these questions will only be used as part of the basis for the working group's recommendations for further follow-up in the area. They will not be linked to you personally or your organisation.

It is up to your organisation to decide who should complete the questionnaire. Please indicate that person's role in question 1.

1. What is the role in the organisation of the person completing the questionnaire?

- Employee.
- Manager.
- Owner.
- Other, please specify.

2. Which sector does your organisation belong to?

- Public sector.
- Private sector.
- Third sector.

3. Which category/categories best cover(s) the initiative(s) your organisation works with? (please select one or more)

- Finance (e.g. grants, loans, risk capital).
- Advice/competence development (e.g. mentoring, pro bono services, courses, guidance).
- Incubation.
- Network building (e.g. providing forums, making own network available).
- R&D (research and development).
- Education (all levels).
- Increasing visibility (e.g. knowledge dissemination in general, increasing visibility for specific actors).
- Lobbying (attempting to influence public policy).
- Legal framework (development and administration of legislation and regulations).
- Strategy and planning/strategic development work.
- Safeguarding business interests.
- Other.

4. Does/do the initiative(s) have a name? If so, what is it/are they?

5. What is the primary objective of the initiative(s)? Describe the background to the initiative(s) and the objectives/results that the initiative(s) is/are trying to achieve. Feel free to include links to websites, etc.

6. What does/do the initiative(s) consist of? Describe which (concrete) activities the initiative(s) involve(s).

7. How long has/have the initiative(s) been offered?

8. Is/are the initiative(s) time-limited for those using/receiving it/them? If so, how?

9. How is/are the initiative(s) funded? (please select one or more)

- With money from public funds.
- With money from private investors.
- With money from private trusts/funds.
- With payments by users/recipients of the initiative.
- Other, please specify.

10. If relevant, please name important partners in implementing the initiative(s)

11. To what extent does/do the initiative(s) focus on the following?

- Developing and trialling new solutions.
- Developing solutions that involve the target group of the social entrepreneurial work.
- Stimulating cooperation across disciplines and business models.
- Developing sustainability (both financial and socioeconomic).
- Other characteristics.

(please select one of the following for each point: not especially, to some extent, to a large extent, don't know)

12. If relevant how does/do the initiative(s) focus on developing and trialling new solutions?

13. If relevant, how does/do the initiative(s) focus on involving the target group of the social entrepreneurial work?

14. If relevant, how does/do the initiative(s) focus on stimulating cooperation across disciplines and business models?

15. If relevant, how does/do the initiative(s) focus on solutions that are sustainable (both financially and socioeconomically)?

16. In your opinion, what are currently the greatest obstacles to social entrepreneurship and social innovation in the work to include disadvantaged groups in employment and society in your country?

17. In your opinion, what new initiatives (public sector or otherwise) for supporting social entrepreneurship and social innovation in the work to include disadvantaged groups in employment and society are needed in your country.

18. Do you know of any important initiatives for supporting social entrepreneurship and/or social innovation that you think should be included in this mapping? Please provide the name of the person responsible for them?



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Social entrepreneurship and social innovation

The Nordic countries are currently facing major challenges with regard to maintaining and further developing social welfare. Against this background, the Nordic Council of Ministers decided in autumn 2013 to appoint a working group to map initiatives to support social entrepreneurship and social innovation in the Nordic countries. The main purpose of this mapping is to increase knowledge of initiatives to support social entrepreneurship and social innovation in the Nordic Region in the work to include disadvantaged groups in employment and society. This report presents the results from the mapping and the working group's recommendations for further follow-up.

– a programme for new
welfare solutions for
people in the Nordic Region

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