



COUNTRY REPORT SWEDEN



A first analysis and profiling of social enterprises in Sweden
prepared by the SEFORIS research consortium

September 2016

INTRODUCTION

Between April 2015 and December 2015, the SEFORIS consortium surveyed over 1000 social enterprises in Hungary, Romania, Spain, Portugal, Germany, Sweden, the United Kingdom, Russia and China. This means that thanks to the diligent cooperation of social enterprises and funding from the European Union, we have been able to launch the world's largest and most rigorous panel database on social enterprises. This report presents key findings for Sweden. Where possible, we compare findings to the 2009 SELUSI survey, the predecessor of the SEFORIS project.

What is the SEFORIS Survey? - The SEFORIS database is unique in its scope and depth – in our (admittedly, lengthy) conversations with social entrepreneurs, we discussed in detail topics, ranging from their innovation habits to their perceptions of the market in which they operate. It is also unique in its methodology – we adopted a special type of snowball sampling method, called respondent-driven sampling, which allowed us to survey a representative sample of social enterprises in each country through tapping into their networks. Finally, our database is unique in its rigour as we took meticulous steps to ensure highest data quality. For instance, our interviewers (analysts) were extensively trained and we conducted ongoing checks to ascertain that interviewers are consistent in the way they recorded the answers of social entrepreneurs.

Who should read this report? - This report is designed to help social entrepreneurs benchmark their organisation against fellow social enterprises in Sweden. We hope the report can help social enterprises to better place their organisation (e.g. what makes it distinct; readily spot differences and similarities with their peers). The report will also be useful for support organisations and policy makers to obtain an overview of social enterprises in Sweden. If this report can be put to any other good uses, we would be most delighted. Of course a rich database like ours contains many more insights and policy implications, which will soon be published on www.seforis.eu.

Please feel free to contact us with any questions or remarks. Below you will find the contact details of Chloé Le Coq, Principal Investigator for Sweden and Marieke Huysentruyt, Principal Investigator and President of the Academic Advisory Board of the SEFORIS Project. If you would like to read the other country reports or find out more about the other research initiatives within SEFORIS, please visit our website: www.seforis.eu.

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A Big Thank You from us all:



SOCIAL ENTERPRISES IN SWEDEN

How to read this report?

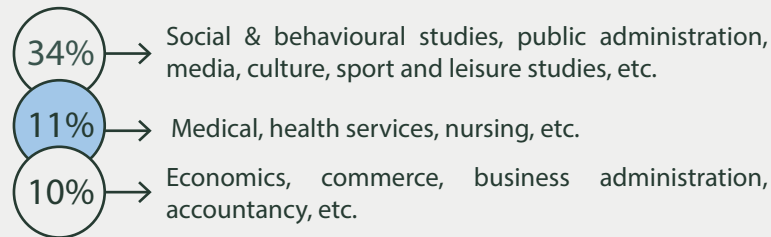
At the beginning of each topic section, we briefly recap what we measured and how to interpret the data summarised in the graphs or visuals. In case you are interested in more detail on how we analysed the information, you will find a more detailed description in the 'methods' boxes. We interviewed 106 social enterprises in Sweden. Please note though that the total sample size we base this report on varies slightly across the different sections; this is due to some missing data, some questions not being applicable to all social enterprises, and some questions having multiple answers.

CEO PORTRAIT - SWEDEN

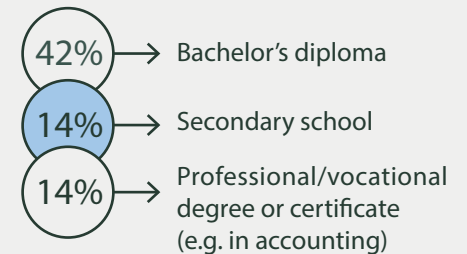
note: 3 CEOs did not disclose their information



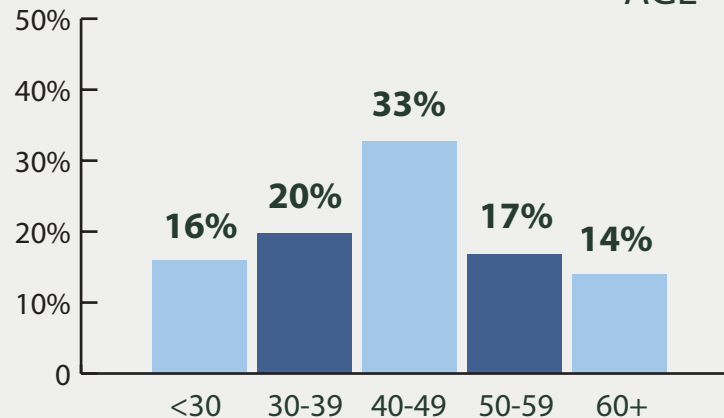
EDUCATION AREA (Top 3)



EDUCATION DEGREE (Top 3)



AGE



average age



106

social enterprises

GENDER



Female
65%



Male
35%

1. ORGANISATIONAL GOALS: MISSION AND VISION

A distinct feature of social enterprises is their pursuit of social goals. We were interested in capturing the goals that social enterprises aim to achieve more broadly and so asked social entrepreneurs to tell us about their organisation's mission and vision.

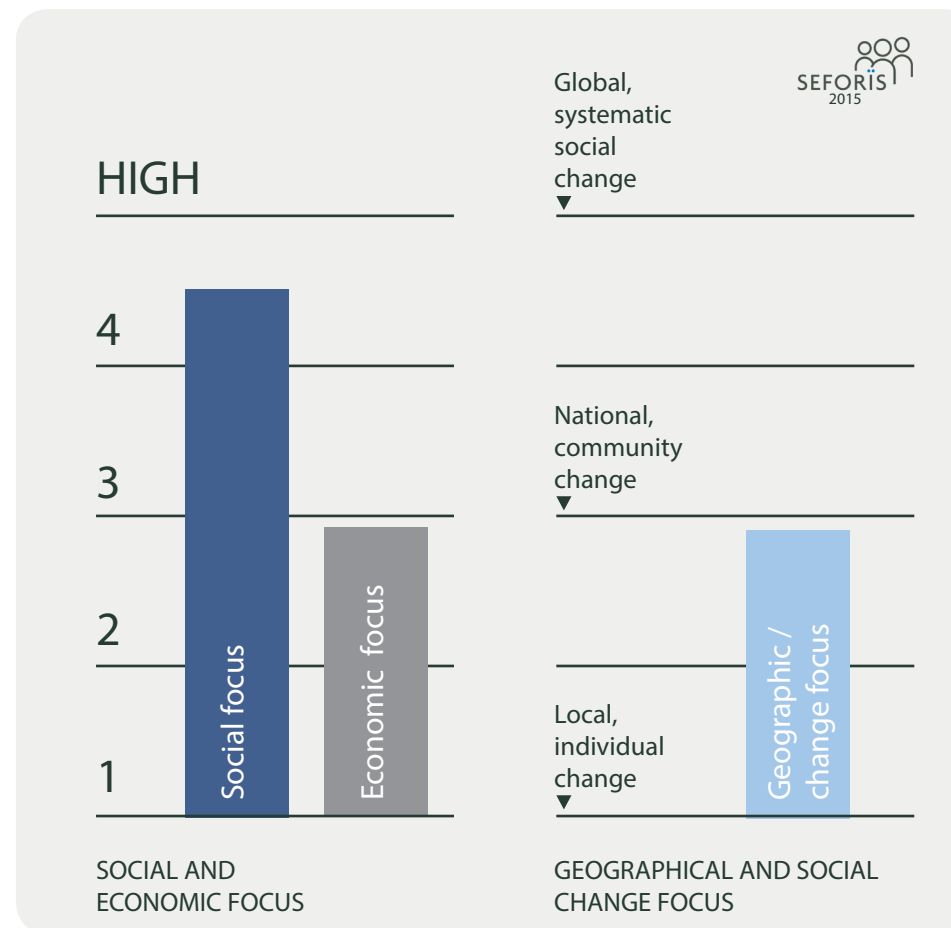
Figure 1 presents evidence on three categories of organisational goals (see also Methods Box A for more detail):

1. Social goals – capturing to what extent an organisation focuses on achieving societal change.
2. Economic goals – capturing to what extent the organisation focuses on economic success and financial viability such as developing revenue-generating activities to cover its costs and generating surpluses.
3. Geographic and social change focus – capturing to what extent the organisation works locally vs. internationally and aims to transform and empower individuals, communities or society as such.

We find that social enterprises in Sweden expressed strong social goals, reflected in concerns about the well-being of others, social justice and/or the environmental goals. They

also specified the theories of change guiding their work and how their change process will unfold. Among the interviewed organisations, the organisational goals did also encompass moderate economic matters besides the purely social aspects. Social enterprises in Sweden thus place a higher emphasis on the social and environmental aspects compared to

the economic. The ratio of economic to social goals is around 2:3. Lastly, the Swedish case highlight that the efforts of social enterprises are typically targeted between a regional and a national level, aiming to bring about change for communities and specific groups with a desirable impact nationally.



◀ **Figure 1: Organisational Goals – Mission and Vision. Note: N= 106. See Methods Box A for more information.**

METHODS BOX

A

A mission elaborates on an organisation's purpose of being and captures organisational goals, while a vision captures the closely related goals an organisation strives to achieve in the future. SEFORİS analysts scored mission and vision reports of the interviewed social enterprises using a total of 8 rating scales (scores ranged from 1 to 5). The rating scales were developed based on extant theories of social enterprise and

previous research into organisational goals. We factor-analysed the ratings to summarize the 8 scales according to their common underlying dimensions. The three underlying dimensions are: social goals, economic goals and geographic focus. These dimensions are summarised above and are described in more detail below.

The dimensions reflect:

1) SOCIAL GOALS

A score of 5 reflects strong social goals, in that the organisations mission and vision centre entirely on the alleviation of a social issue. This is reflected in great concern about the well-being of others, social justice concerns and/or environmental concerns. A high score in this dimension also reflects that the organisation had specified a theory of change, i.e. the logic of how it works to bring about societal change. A score of 3 reflects moderate and less specific social concerns, for instance when the target group or the social issue which the organisation aims to deal with are not clearly specified. A score of 1 reflects virtually no social goals.

2) ECONOMIC GOALS

A score of 5 reflects strong economic goals, in that the organisation's mission and vision put a high emphasis on economic success and financial viability of the organisation, such as earning high profits which can then be used to grow the organisation and scale social impact. A score of 3 reflects moderate economic goals, for example when the organisation addresses a social issue in a self-sustainable way such that it covers all its costs through own revenue-generating activities. A score of 1 reflects low concern for self-sustaining economic success, as is often the case with pure non-profits which are close to 100% grant financed or subsidised.

3) GEOGRAPHIC AND SOCIAL CHANGE FOCUS

A score of 5 reflects that the organisation operates internationally (across continents). Our analysis finds that these organisations typically aim for systemic societal change, i.e. aim to change society as such and in a way that the social issue that the organisation addresses would no longer exist. A score of 3 reflects that the organisation aims at community change, typically at a national level. In other words the organisation seeks to transform a community or segment of the population, with the aim of empowering that group. A score of 1 reflects that the organisation aims to change and empower individuals. These organisations typically work locally, e.g. within a certain city or town (not a region).

2. OPERATIONAL MODEL OF MAIN ACTIVITY

Industrial sectors

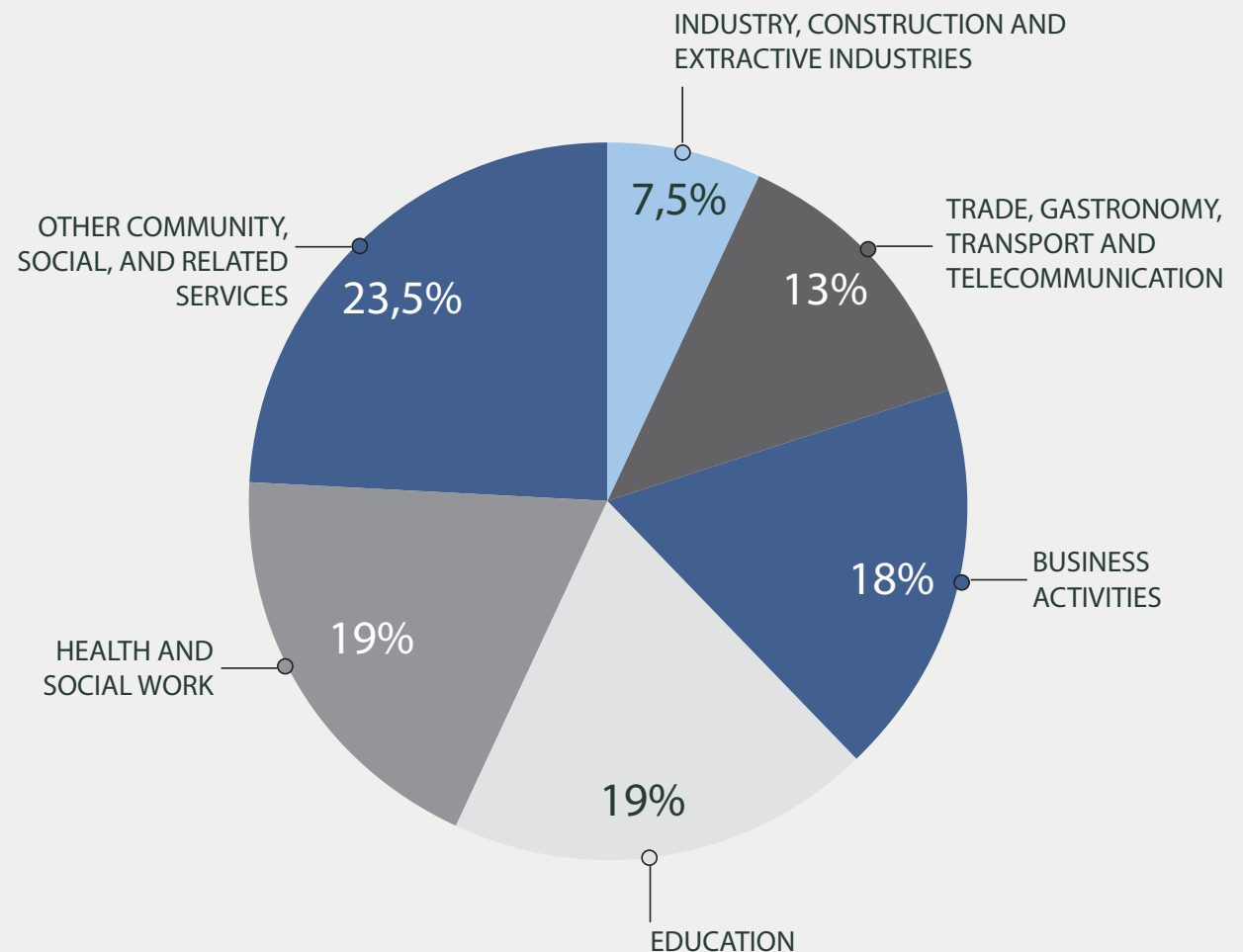
We asked managers to describe their organisation's main activities (up to five) and estimate the percentage of the organisation's time resources devoted to each of them. In this chapter we present different perspectives on the single most important activities in terms of receiving time resources from the organisation.

For the Swedish case, a majority of the social enterprises' primary activities fall into the three rather different industry sectors of 'Education' (nursery, kinder gardens, schools and other education); 'Health and social work'; and 'Business activities' (business-related services, e.g. consulting, legal advice, and advertisement). Furthermore, primary activities within 'Hotels and restaurants' as well as 'Other community and social services' (e.g. associations, parties, churches, museums, libraries, sport clubs) are also common.

Figure 2a: Top Industrial Sectors. Note: N=106. We used the 'statistical classification of economic activities in the European Community' (NACE). See Methods Box B for more information.

TOP INDUSTRIAL SECTORS - SWEDEN

SEFORIS
2015

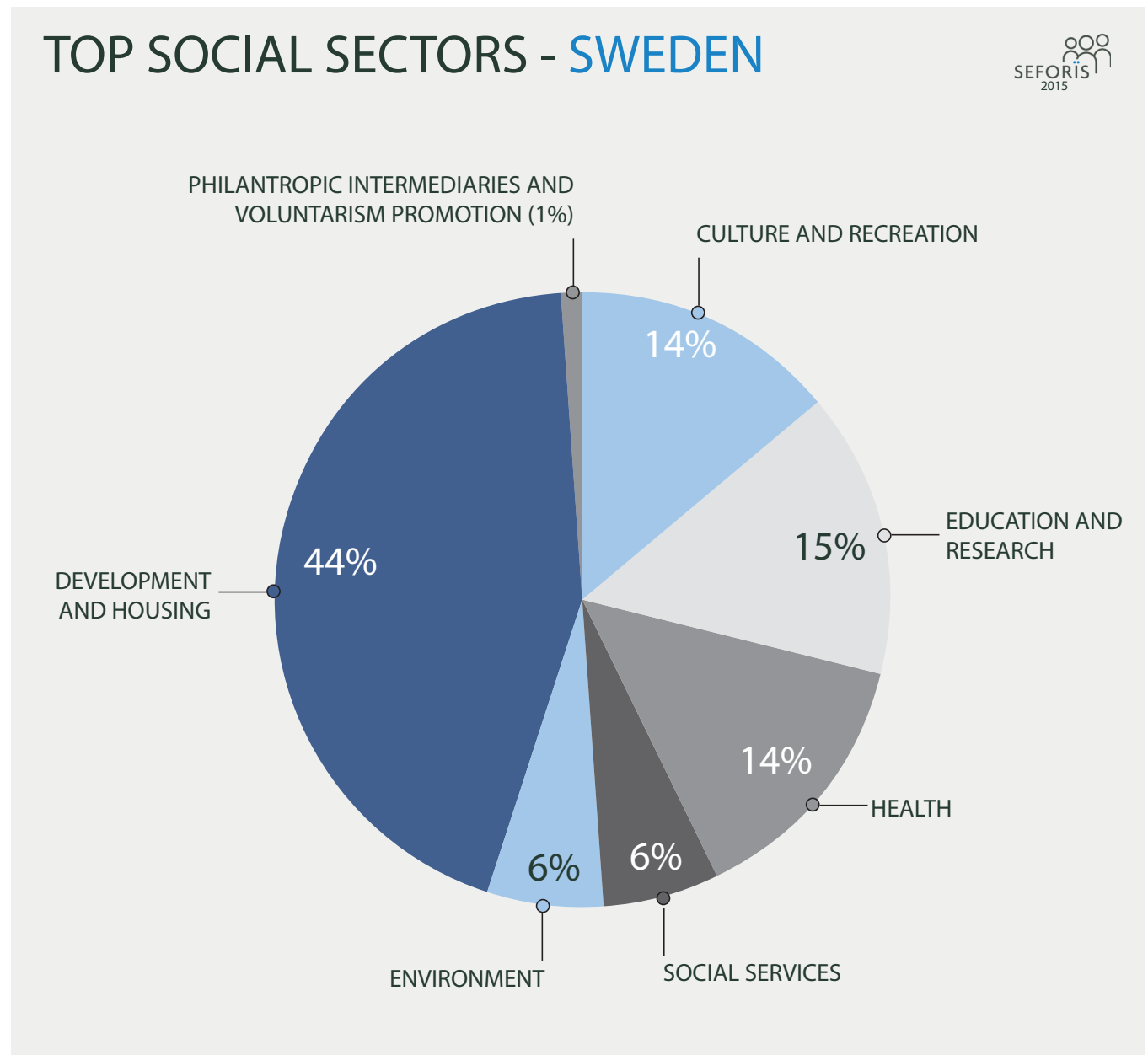


OPERATIONAL MODEL OF MAIN ACTIVITY (CONTINUED)

Social sectors

Next, we shed light on the social sectors to which the most important main activities belong. In the Swedish case more than half of the most important main activities fall into the two aggregated social sector groups of 'Development and housing' (44%) and 'Education and research' (15%). The two most common social sectors are 'Employment and training' (for instance work integration), where 27% of the activities belong, and 'Economic, social, and community development' (including fair trade and ethical clothing) (14%).

Figure 2b: Top Social Sectors. Note: N=106. ►
We used the International Classification of the Nonprofit Organisations (ICNPO). See Methods Box B for more information.



METHODS BOX

B

Social enterprise represents a unique hybrid organisational form that combines aspects of charity and business at its core. To help give you a sense of the range of activities that the surveyed social enterprises undertake, we therefore draw on two established classification systems.

1 **Industrial sectors**

The Statistical classification of economic activities in the European Community, abbreviated as NACE, was developed since 1970 in the European Union and provides a framework for collecting and presenting comparable statistical data according to economy activity at European and in general at world level.

2 **Social sectors**

The International Classification of Nonprofit Organisations (ICNPO), was developed in the early nineties through a collaborative process involving the team of scholars working on the John Hopkins Comparative Nonprofit Sector Project and provides an effective framework for classifying non-profit organisations across countries.

CASE: FOOD FOR PROGRESS SCANDINAVIA AB

CO-FOUNDER

Anna Kajsa Lidell

MISSION

We unite in the driving force to create tasty, healthy and climate smart food that suffice all people on the planet Earth.

ZOOMING IN ON 'SOCIAL SECTORS'

Food For progress is a value driven company that works with securing the food for all the people on the planet and is an example of social enterprises with a large emphasis on sustainable food. The organisation works with making “green” protein the norm by developing and producing really good foods that people want to choose.

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We work with product-driven sustainable development so that things change for real [...] to kick-start the development as powerful as possible, to reduce the foods' negative impact so that we can provide the whole planet with food. This is a lot about creating behavioural change from the product, communication and 'co-creation'. //

- Anna Kajsa Lidell, Co-Founder Food For Progress



OPERATIONAL MODEL OF MAIN ACTIVITY (CONTINUED)

Operational models

Swedish social enterprises combine several operational models to reach their goals. For the main activity the two most common operational models are to use sales profits from business services to finance the social program (64% of organisations), and to sell their social services/products to beneficiaries/third party payers (almost 57% of organisations). The employment-model is also rather common and in line with the large share of organisations within the employment and training sector. To see a more detailed description of the top 5 operational models please refer to Methods Box C.

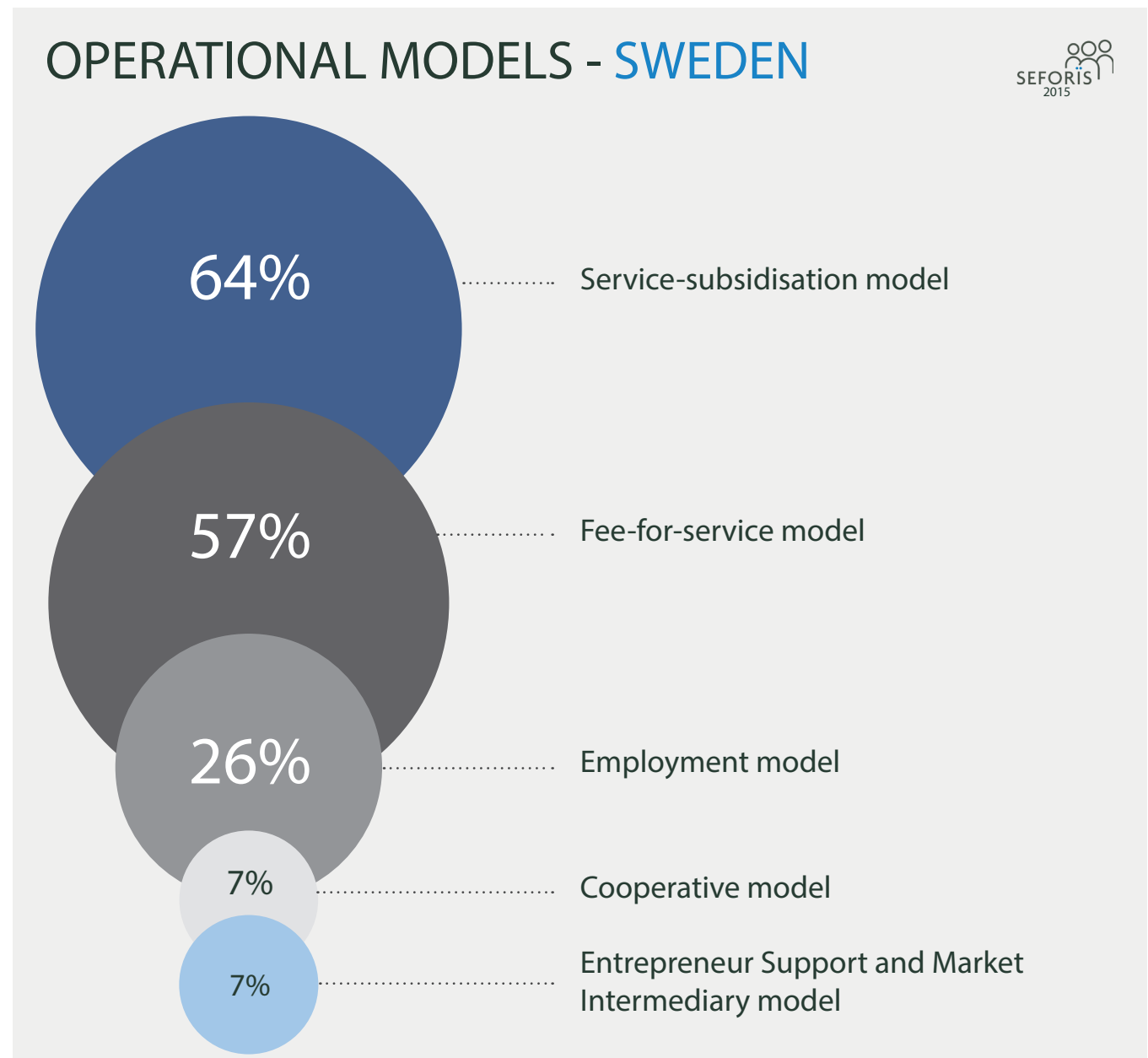


Figure 2c: Top Operational Models. ►
Note: N=106. We adapted the typology of operational models developed by Alter (2008). See Methods Box C for more information.

METHODS BOX



Operational models illustrate configurations of how organisations create social value (societal impact) and economic value (earned income). They are designed in accordance with the social enterprise's financial and social objectives, mission, marketplace dynamics, client needs or capabilities, and legal environment. Fundamental models can of course be combined and enhanced to achieve

maximum value creation (Alter, 2008). Our analysts recorded social entrepreneurs' answers verbatim, and used these answers to identify the enterprise's main operational model.

1. Entrepreneur-support & market-intermediary model

a) The Social Enterprise selling business support and financial services to its target population or "clients," which are other self-employed individuals or firms. Social enterprise clients then sell their products and services in the open market. Income generated through sales of its services to clients are used to cover costs associated with delivering the support services and the business' operating expenses.

b) Similar to a), the SE providing services to its target population/clients, small producers (individuals, firms or cooperatives), to help them access markets. The SE services add value to client-made products, typically these services include: product development; production and marketing assistance; and

credit. Unlike a) the market intermediary SE purchases the client made products or takes them on consignment, and then sells the products in high margin markets at a mark-up.

2. Employment model

The Social Enterprise provides employment opportunities and job training to its target populations or people with high barriers to employment such as the disabled, homeless, at-risk youth, and ex-offenders. The SE operates as an enterprise employing its clients and sells products in the open market.

3. Fee-for-service model

The Social Enterprise commercialises its social services, and then sells directly to the target populations or "clients," individuals, firms,

communities, or to a third party payer. Income generated through fees charged for services.

4. Service-subsidisation model

The business and social function of the social enterprise are separate. The SE sells products or services to an external market and uses the income it generates to fund its social programs.

5. Cooperative model

The Social Enterprise provides direct benefit to its target population/clients, cooperative members, through member services: market information, technical assistance/extension services, collective bargaining power, economies of bulk purchase, access to products and services, access to external markets for member-produced products and services, etc.

OPERATIONAL MODEL OF MAIN ACTIVITY (CONTINUED)

Primary beneficiaries

We also wanted to identify who were the main beneficiaries for all the main activities provided by the surveyed organisations. We find that Swedish social enterprises together target as many as 21 separable beneficiary groups. For the main activity, there is a strong emphasis on children and youth (almost 42%) along with unemployed (almost 23%) and people with mental or physical disabilities (almost 18%). The extensive focus on these groups reflects the large engagement in the education and employment and training sectors. Nonetheless, nearly 20% of the Swedish social enterprises also primarily benefit citizens and societies at large.

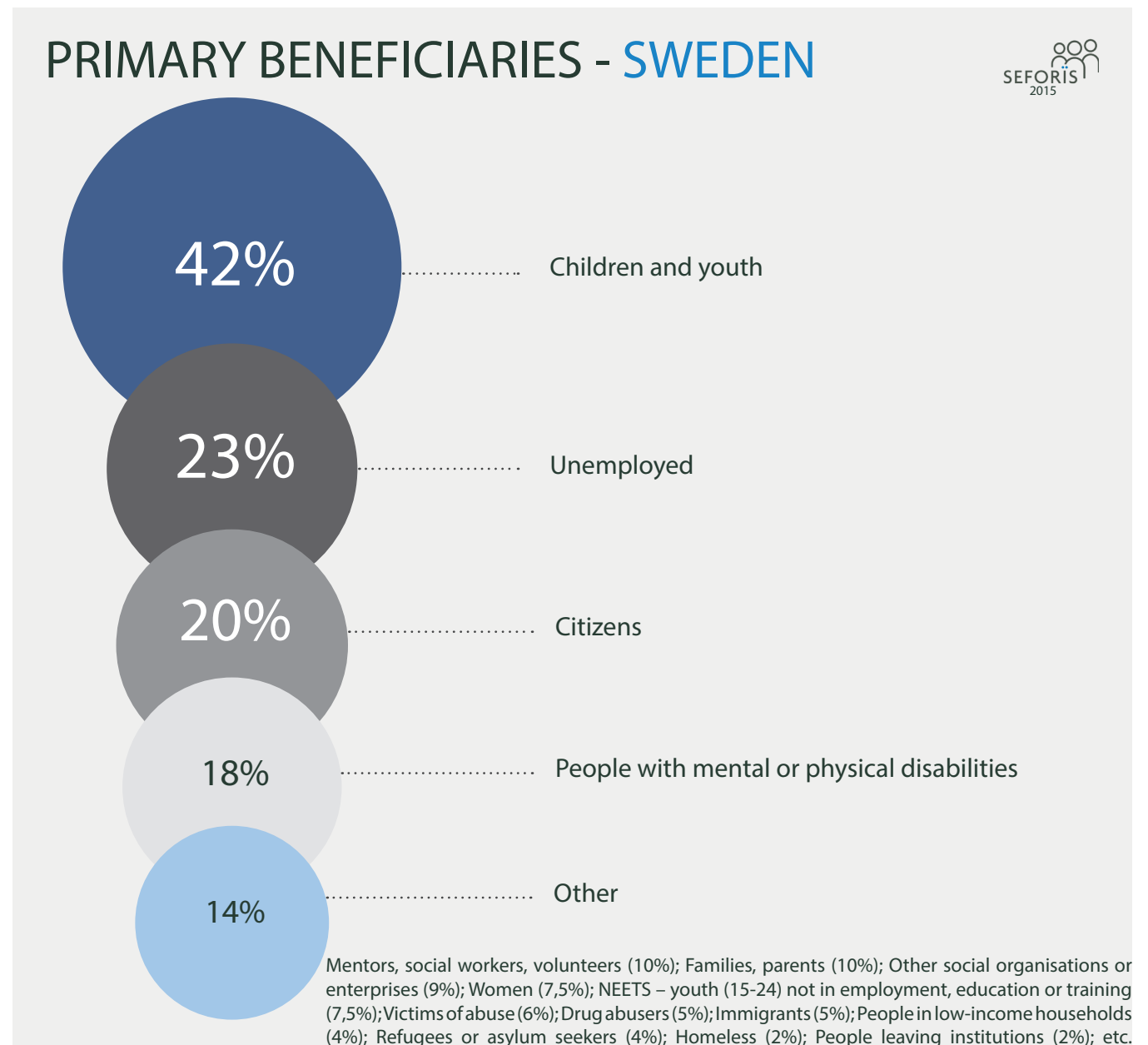


Figure 2d: Primary beneficiaries. ►
Note: N=106.

CASE: KOMPIS SVERIGE

CO-FOUNDER

Pegah Afsharian (together with Natassia Fry)

MISSION

The purpose of Kompis Sverige is to create a venue for new and established Swedes to build friendships and prevent exclusion and prejudice.

ZOOMING IN ON 'PRIMARY BENEFICIARIES'

Kompis Sverige is one among the Swedish organisations that works with integration and social inclusion. Kompis Sverige is a friend-mediation organisation. Through their activities new and established Swedes are introduced to a social network that provides the basis for a mutual exchange of experiences.

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We have four clear goals that we follow: that is to create relationships, to make our participants feel a greater affiliation with the society, and then we have a specific goal to new Swedes which is the language, that they develop their language proficiency, [...], and that there is a mutual exchange. //

- Pegah Afsharian, Co-Founder Kompis Sverige



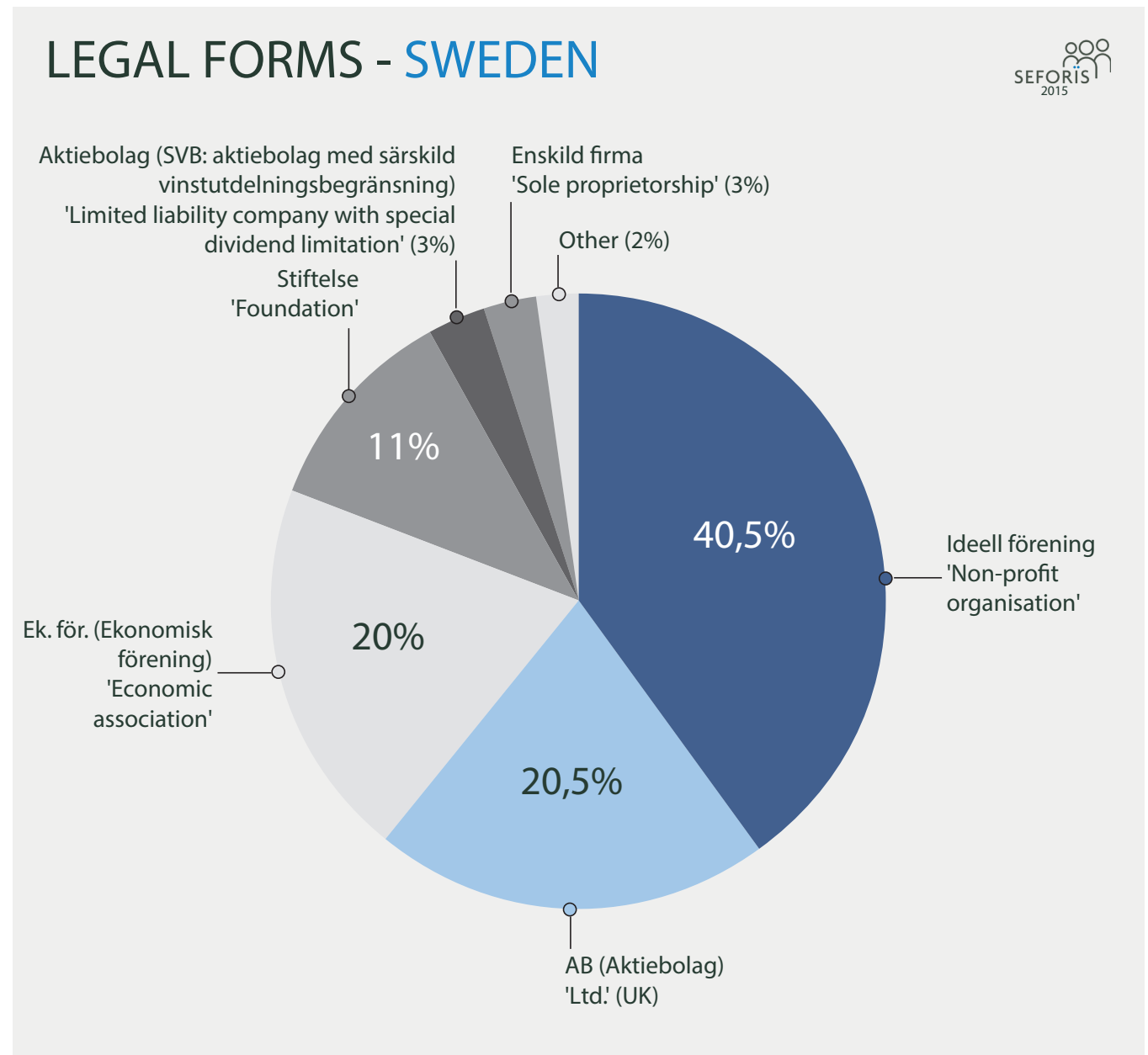
Kompis Sverige

3. LEGAL FORMS

The most present primary legal form among the Swedish organisations is non-profit organisation with almost 41% of organisations having this legal entity. The second is aktiebolag (similar to UK's Private Ltd.), where almost 21% of organisations have this entity, followed by economic association. Notably, 11% of the Swedish social enterprises primarily operate as foundations ('stiftelser').

Apart from a majority of enterprises having one single legal entity another 19% of the organisations operate through more than one legal entity.

Figure 3: Legal forms. ►
Note: N=106.



4. ALIGNMENT

During the survey, we were interested in understanding to what degree the dual realization of social impact creation and economic activity are integrated within the activities of the social enterprises. Hence, managers were asked: "If you only ran your revenue generating activity, to what extent would you then also generate social impact?" Their answers were given on a scale from 1 'to no extent' to 5 'to the largest extent'. The average of 3.95 suggests a remarkable alignment of these dual objectives among the Swedish social enterprises.

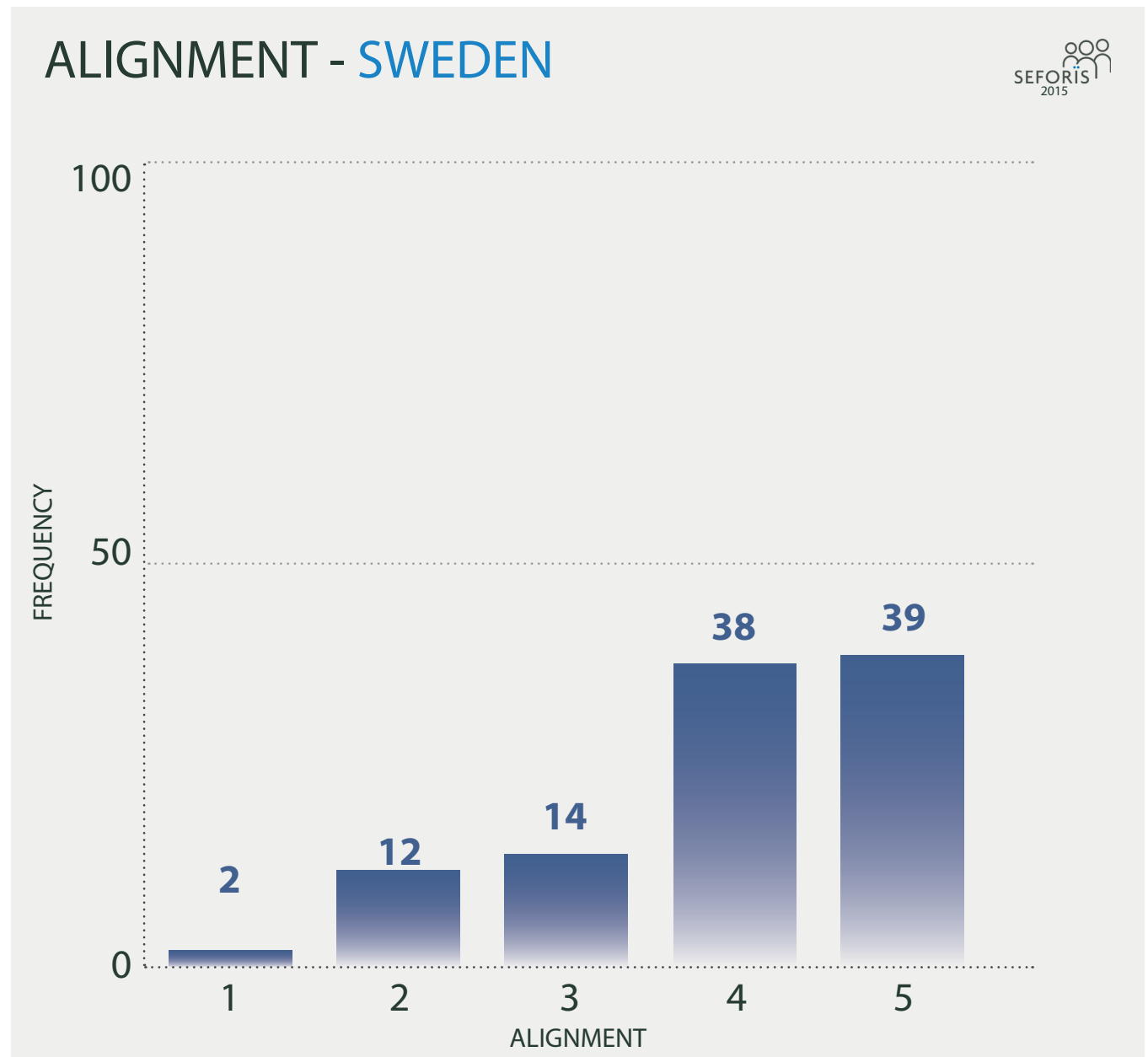


Figure 4: Alignment between Revenue-generation Activity and Social Impact Activity. Note: N=105.

CASE: KINDNESSFOOD

CEO

Isabelle Falck

MISSION

Kindnessfood exists with the aim of informing about and inspiring to a healthier and greener lifestyle and life. They do so by providing lectures within sustainability, health, and personal development, as well as food inspiration, events and different ways to engage people in creating a more sustainable and healthy lifestyle.

ZOOMING IN ON 'ALIGNMENT'

Kindnessfood is an example of a company that has adopted a holistic way of operating. Their high awareness permeates all channels, and they exhibit a strong alignment between their revenue generating activities and social impact activities.

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There is nothing in my company which I do that I see wouldn't make a difference to the society. //

- Isabelle Falck, CEO Kindnessfood



5. ENTREPRENEURIAL ORIENTATION

In order to gain more insight of how 'entrepreneurial' social enterprises are we gathered data on five components of entrepreneurial orientation: innovation, experimentation, pro-activeness, risk-taking and competitive aggressiveness. Swedish social enterprises tend to be highly proactive, typically initiating actions and introducing new programs/products/services, etc., before other similar organisations or competitors do. Furthermore, Swedish social enterprises are also experimenting and relatively risk-taking. However, they do not necessarily engage in aggressive (direct) competition or see themselves as continuously innovating new products, services or processes as such, which is indicated by the below mean score in competitive aggressiveness and innovation outputs. To see a more detailed description of the 5 components of Entrepreneurial Orientation, please refer to Methods Box D.

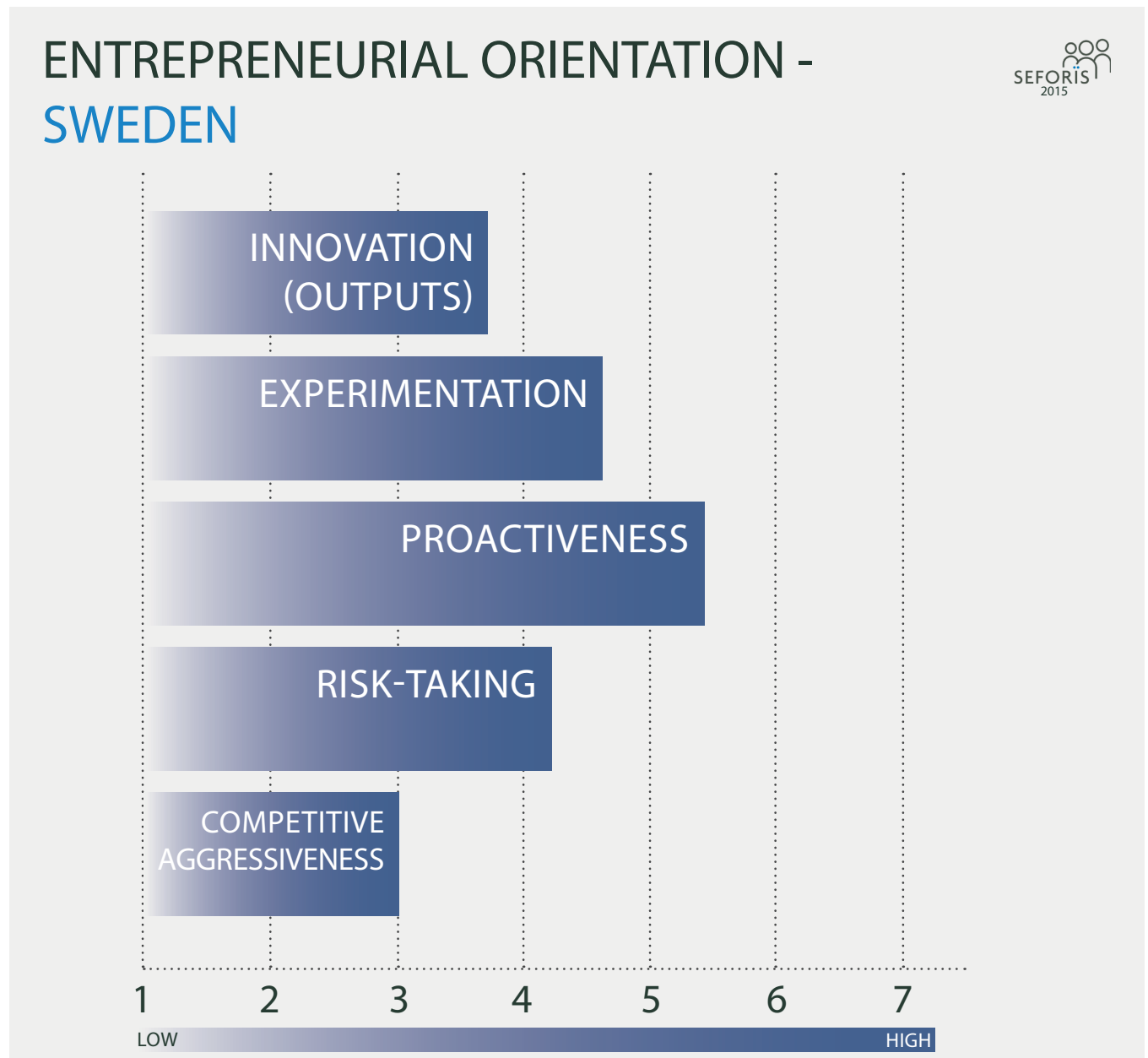


Figure 5: Breakdown of Entrepreneurial Orientation in its Five Components. Note: N=106 (innovation); N=105 (experimentation); N=101 (pro-activeness); N=104 (risk-taking and competitive aggressiveness). See Methods Box D for more information.

METHODS BOX

D

Organisations are typically understood to have an 'Entrepreneurial Orientation' when they act in the following ways (e.g. Rauch, Wiklund, Lumpkin and Frese, 2009):

Components of Entrepreneurial Orientation (EO):

- 1 They regularly introduce innovations in the market such as new products, services and processes.
- 2 They experiment with new ways of doing things such as developing unique methods and processes to solve problems.
- 3 They behave proactively in the market, i.e. they are typically the first organisations to introduce a new product, service or process in the market – ahead of similar organisations and/or competition.
- 4 They are risk-taking, i.e. have a proclivity to engage in high-risk projects, and don't shy away from bold actions in uncertain situations.
- 5* They have a competitive aggressive attitude, i.e. an attitude that prefers an aggressive stance toward similar and competing organisations rather than collaboration.

Investigating EO in Social Enterprises (SEs):

To obtain data on these four components, Innovation, Experimentation, Proactiveness and Risk-taking, we derived a series of questions from well-established measures of entrepreneurial orientation, commonly used in business studies. Social entrepreneurs were asked to indicate on a scale from 1 to 7 how much their organisation behaved like described in each of those questions. Statistical analyses such as factor analyses confirmed that these four aspects of entrepreneurial orientation were indeed meaningful in the context of social enterprises in Sweden.

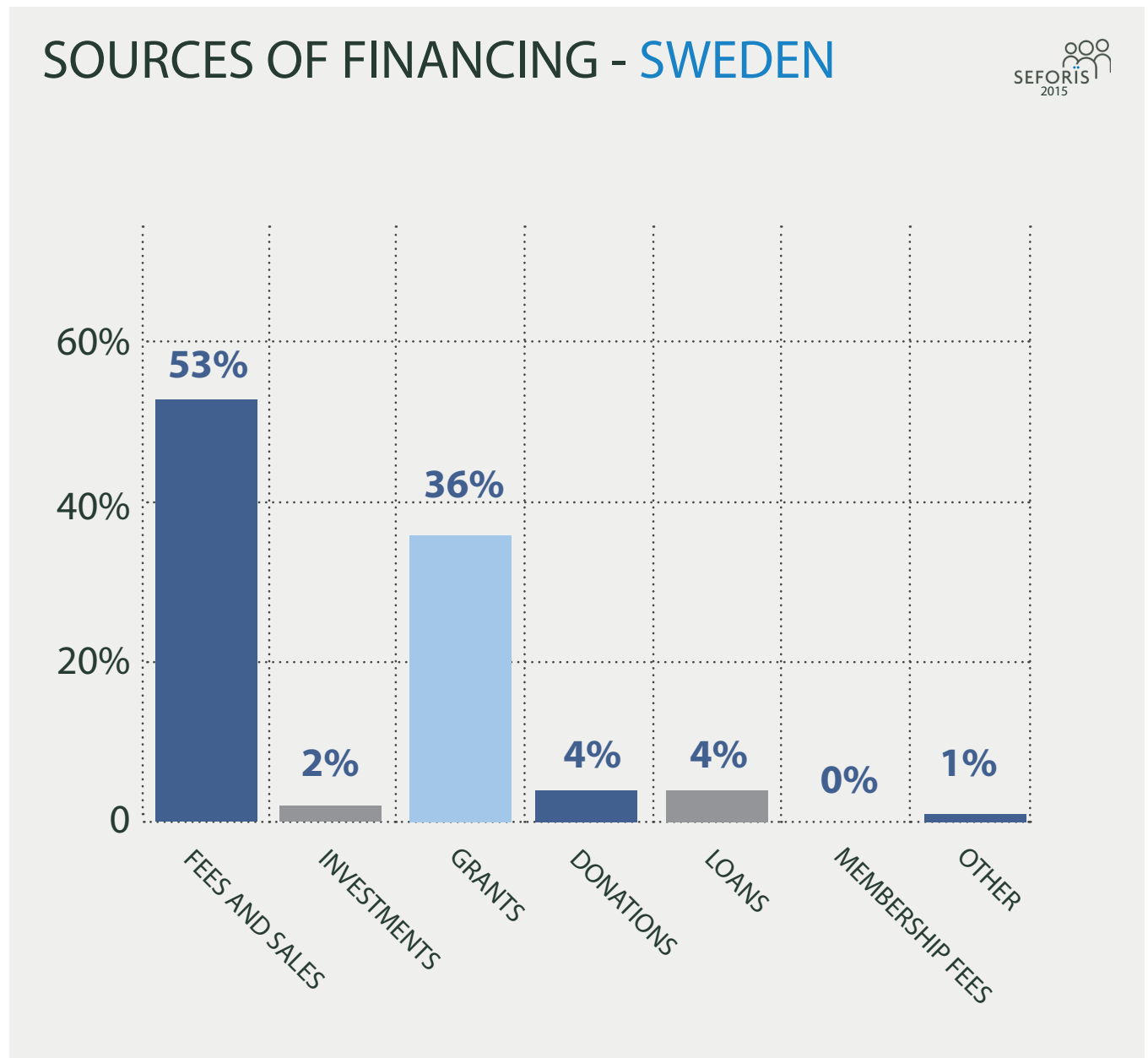
* Competitive Aggressiveness and SEs

Interestingly, competitive aggressiveness, emerged as a distinct aspect, not at all associated with the standard four aspects of a social enterprise's entrepreneurial orientation. This suggests that the entrepreneurial orientation profile of social enterprises shares with that of commercial enterprises the emphasis on innovation, experimentation, proactivity and risk-taking, but is also distinct since an aggressive stance towards competition, i.e. one in which an enterprise tries to 'outcompete' and 'fight' similar organisations in a field, is not integral to the entrepreneurial behaviours of social enterprises.

6. SOURCES OF LIQUIDITY

We invited managers of Social enterprises to elaborate on their organisation's financing sources in 2014. For each source of capital, we additionally measured its percentage contribution to the overall funding of the organisation (again in 2014).

The most important source of capital across the Swedish social enterprises is fees for services or sales of products. On average almost 53% of the organisations' financing comes from fees, with a slightly larger part coming from fees/sales to government or government organisations than from fees/sales to others. Interestingly, grants also play an important part in financing the Swedish social enterprises. On average grants stand for more than 36% of their financing, out of which government grants comprise the largest part (nearly 22%). In comparison, other financing sources are of minor size.



7. REVENUES

Total revenues in 2014

In the survey, we were interested in mapping out the total revenues that the organisation generated in the calendar year 2014 and how these compare to revenues generated in the previous year (2013). The collectively largest group of Swedish social enterprises were those who reported revenues from 80.000 EUR to 200.000 EUR (33% of organisations). Nevertheless, the results indicate that the Swedish social enterprises' revenues vary quite substantially in size. Among the enterprises, 14% expressed that their revenues fell below 80.000 EUR while a sizeable proportion of the enterprises reported revenues higher or equal to 1.000.000 EUR (almost 21% of organisations).

TOTAL REVENUE - SWEDEN

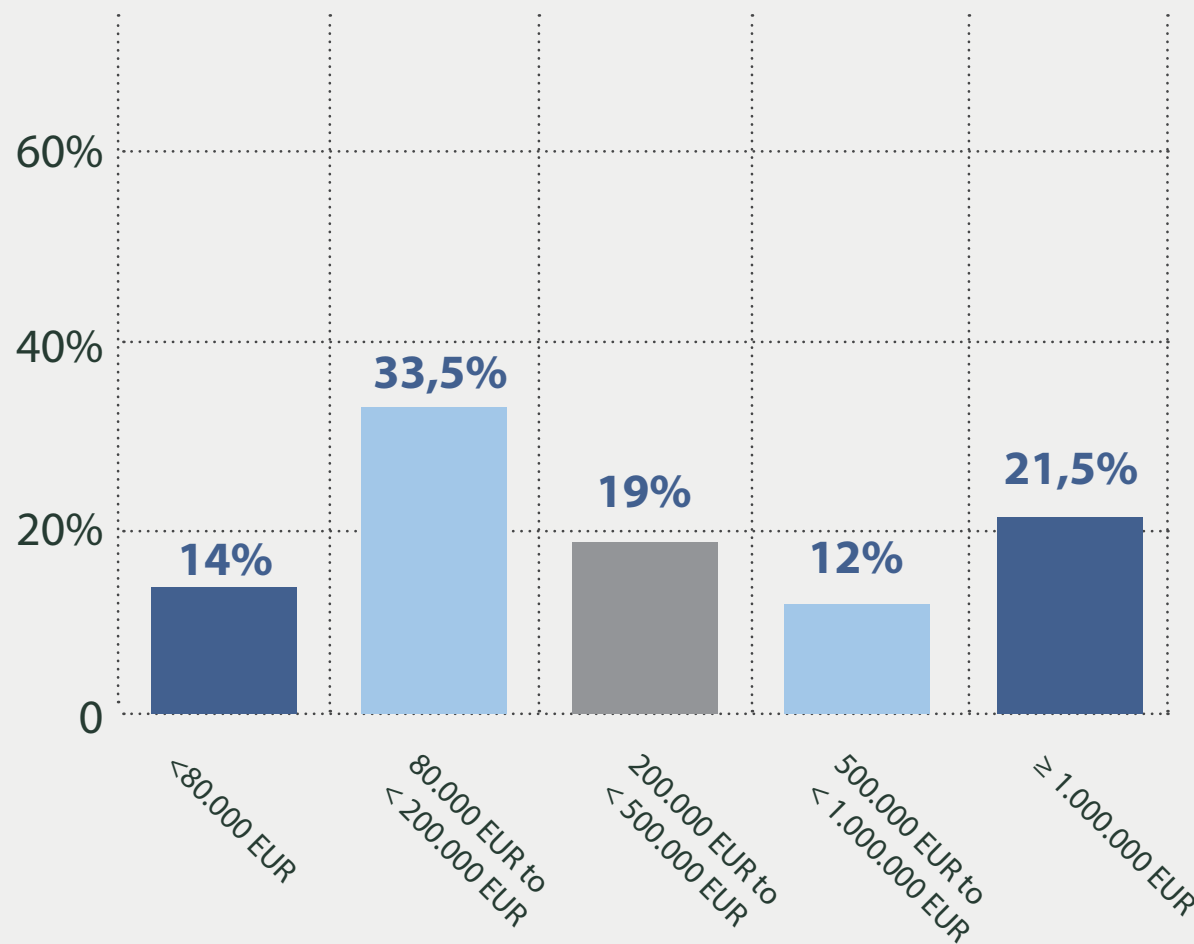


Figure 7a: Total Revenues (EUR) in 2014. Note: N=99. Figure shows percentage of social enterprises in each revenue category. The answers were given in Swedish crowns, which we converted into EUR using exchange rate of 1 EUR = 9.0985 SEK (2014). Revenue categories were chosen taking into account revenue development across the entire sample of analysed countries. According to Eurostat, GDP per capita in Sweden in 2014 was 44,400 EUR or 123% in PPS (percentage of EU28).

7. REVENUES (CONTINUED)

Change in revenues (2013 to 2014)

With regards to the annual revenue change (2014 relative to 2013) enterprises most commonly experienced moderate growth (i.e. growth not exceeding 20%), 12% experienced strong growth (20% or more) while as many as 30% of the organisations reported a significant growth rate of 40% or more. On the contrary, 11% of enterprises reported weakly negative to stable growth (i.e. up to 0%) while near 8% experienced a strong negative growth change.

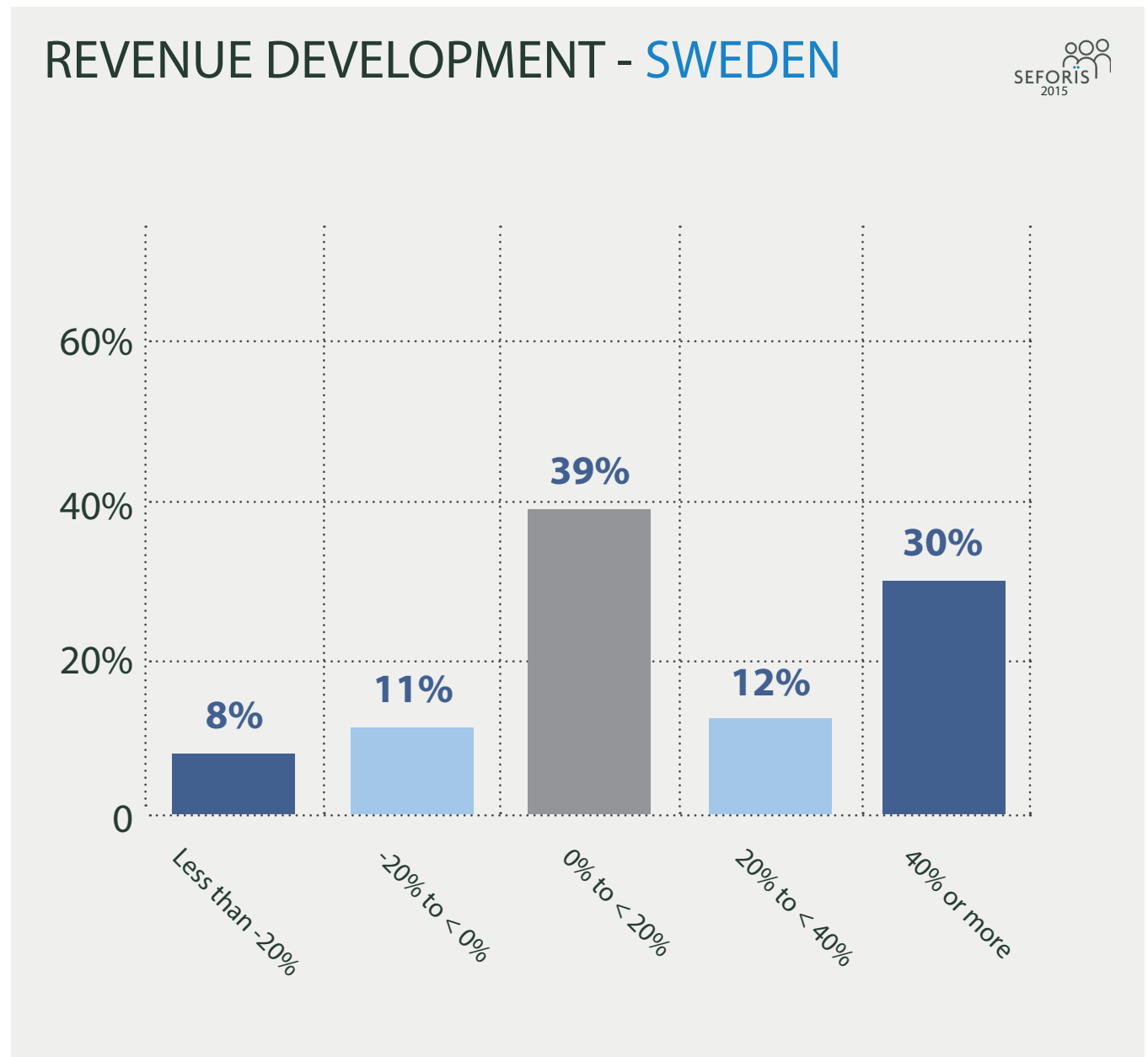


Figure 7b: Revenue Change from 2013 to 2014. ►
Note: N=90. Figure shows percentage of social enterprises in each category. Number of companies for which this question does not apply because they were founded after 2013 is equal to 15.

8. AGE AND LABOUR

Organisational age distribution

Managers were asked to state the year and the month of the formal establishment of their organisation as in the registration with the appropriate government agency. It shows that the majority of the 106 surveyed organisations are now 10 years or younger. However, the average Swedish social enterprise has an age of 14 years, as many rather old organisations drive up the average (some of the oldest organisations are close to or more than 100 years old). Thus, social enterprises are certainly not a new phenomenon in Sweden and that new ones have kept on emerging over the years.

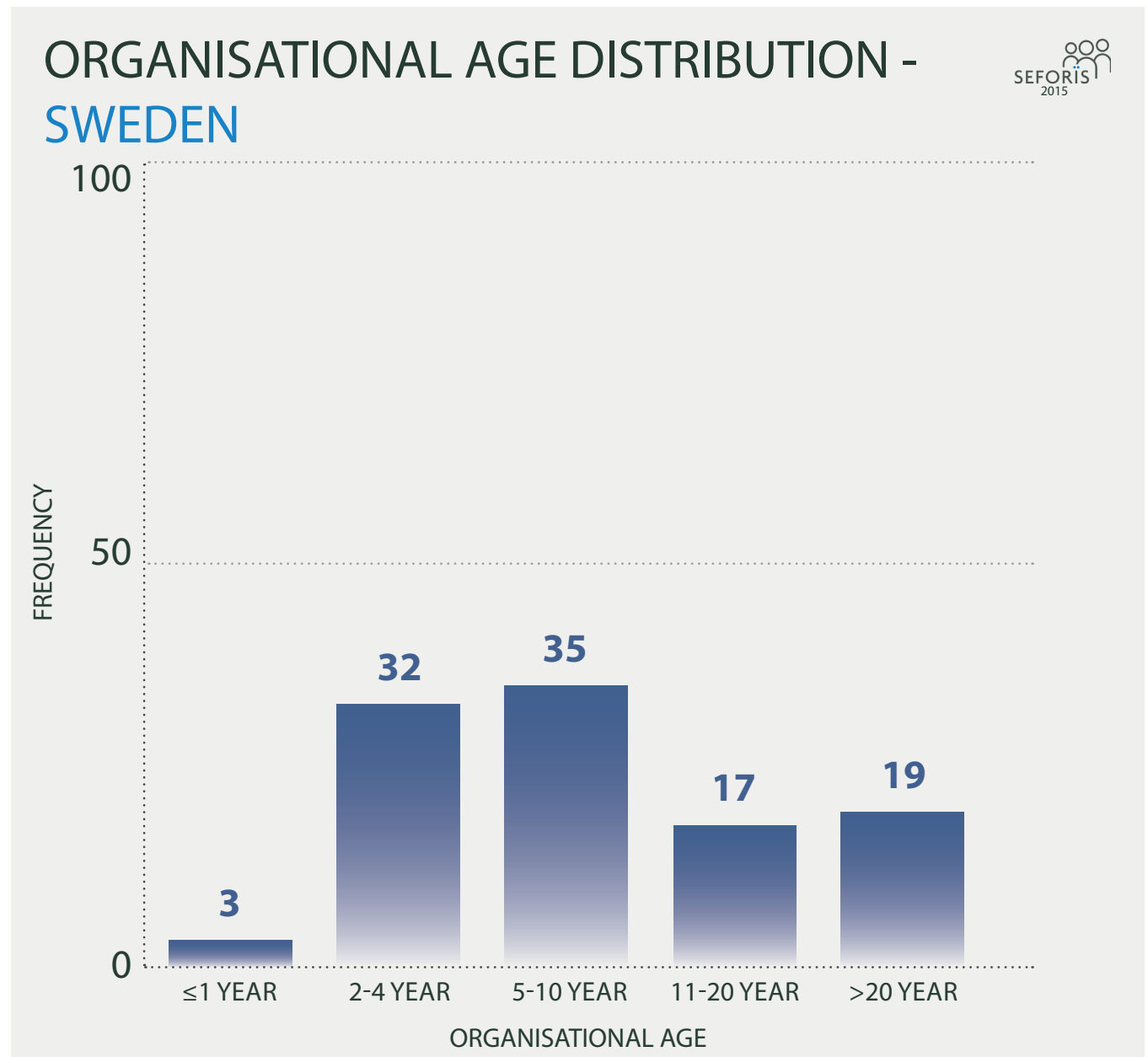


Figure 8a. Organisational Age ►
Note: N=106.

AGE AND LABOUR (CONTINUED)

Number of Full-Time Equivalents (FTE)

Another more standard but nevertheless important measure we covered was (i) the number of full-time equivalents (excluding owners) currently working for the organisation, either employees or as subcontractors, and (ii) the number of volunteers that currently work for the organisation.

We find that the vast majority of organisations employ less than 10 full-time equivalents (FTEs) and sizes of over 50 FTEs are relatively exceptional. Thus Swedish social enterprises are rather small in terms of the staff they employ.

NUMBER OF FTE - SWEDEN

SEFORIS
2015

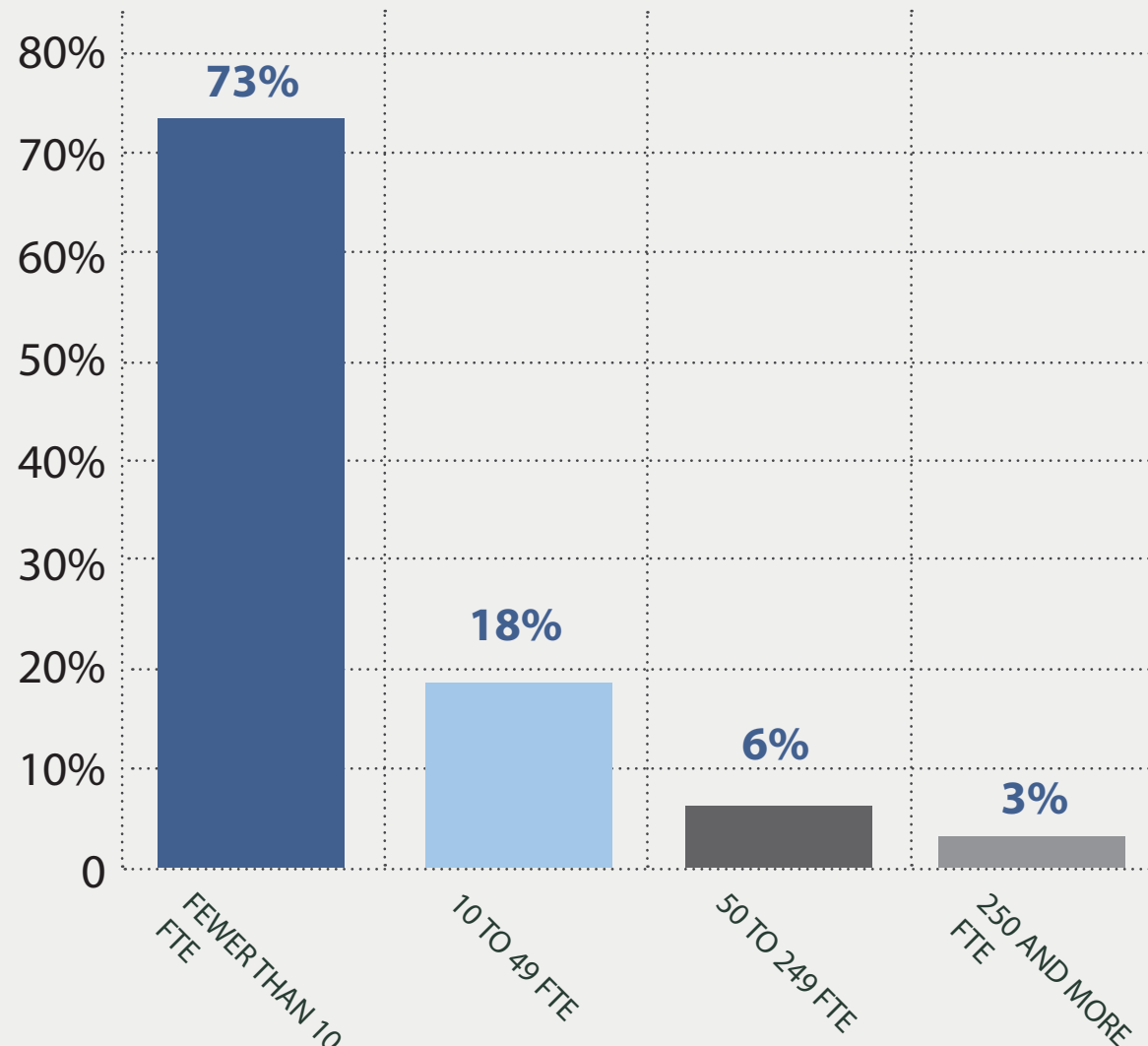


Figure 8b. Number of Full-time Equivalents Employed (not including the owners). Note: N=104.

AGE AND LABOUR (CONTINUED)

Number of volunteers

Volunteers complement FTEs in a majority of the Swedish social enterprises, where most of them work with up to 10 volunteers (53% of organisations).

NUMBER OF VOLUNTEERS - SWEDEN

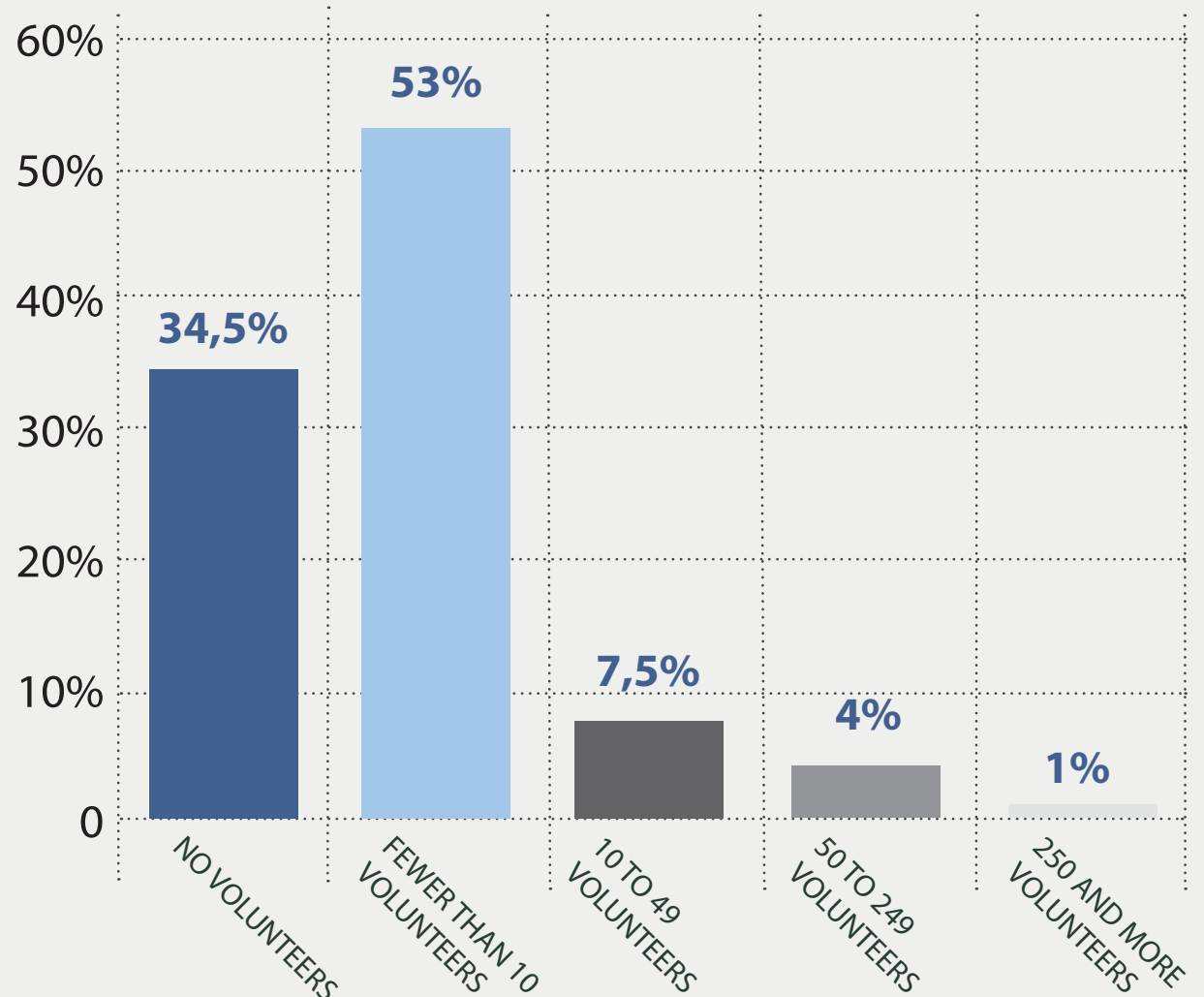


Figure 8c. Number of Volunteers Working at the Social Enterprise. Note: N=104.

9. SOCIAL PERFORMANCE INDICATORS

The survey also aimed to capture how performance is measured and valued within organisations by asking whether social performance in some way is regularly tracked, and if so, which main indicators are used. As many as nearly 72% of the Swedish social organisations do measure their social performance. Among those measuring organisations, the most used main social performance indicator is client and beneficiary satisfaction (measured by 26% of organisations), while 21% measure participatory quality or involvement of beneficiaries and/or volunteers. More quantitative indicators are also popular, such as the number of beneficiaries and/or clients served or attended (measured by 17% of organisations), as well as the number of people empowered (9%).

SOCIAL PERFORMANCE INDICATORS - SWEDEN

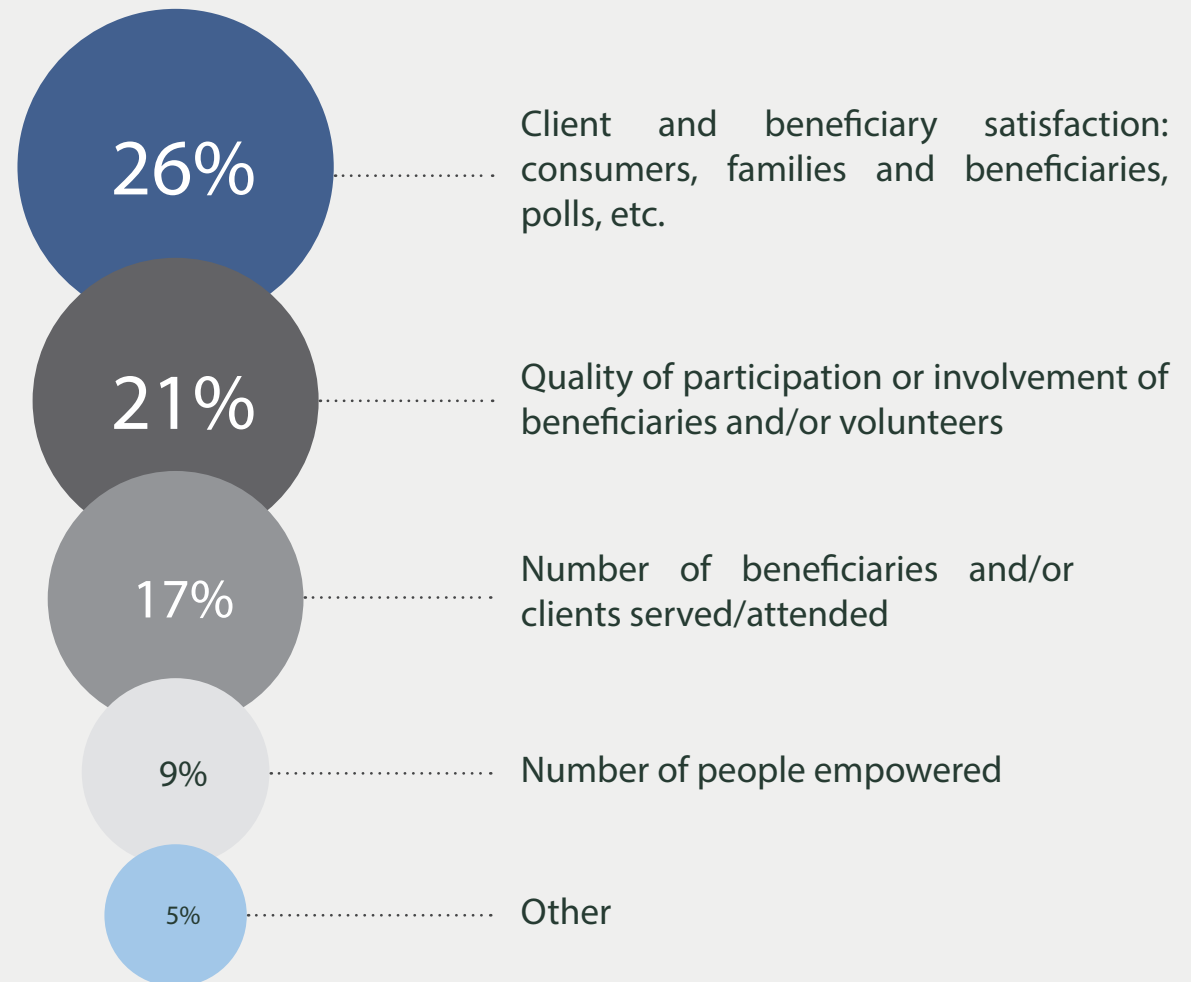


Figure 9. Top 5 most used Social Performance Indicators. Note: N=76.

CASE: GOOD SPORT

CEO

Patrik Asplund

MISSION

Good Sports wants to contribute to a world where young people grow up to be open-minded global citizens who take responsibility for themselves and the community, by offering sports activities that help to combat prejudice, build self-esteem, to convey important social codes and cultivate attractive features for the labour market.

ZOOMING IN ON 'SOCIAL PERFORMANCE'

Good Sport uses sports as a tool to reach different social components such as integration and crime. They are one of the organisations that systematically measure indicators of social performance. Their three main dimensions are: the project's success in terms of reduced crime in the areas where they are active, the project's success in terms of socio-economic variables and quality of involvement of the beneficiaries in terms of, for example, improved health and changes in attitudes.

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One is [that we measure] reduced crime in the areas we are active, then we conduct surveys with the target audience where we notice people's attitude changes and in the third part we measure the socio-economic dimension divided both on reduced crime and improved health. //

- Patrik Asplund, CEO Good Sport



10. INNOVATION

New-to-market innovations

We also emphasise another focus area namely innovation. For instance, we collected general data on 'how innovative' a social enterprise is. The results indicate that essentially all of the Swedish social enterprises (99%) reported having introduced at least one new or significantly improved service, product and/or process to their organisation during 2014. Furthermore, 77% of these enterprises had introduced at least one 'New-to-the-market' innovation, i.e. a 'Radical' innovation, over the past year (again, 2014).

NEW TO MARKET INNOVATIONS - SWEDEN

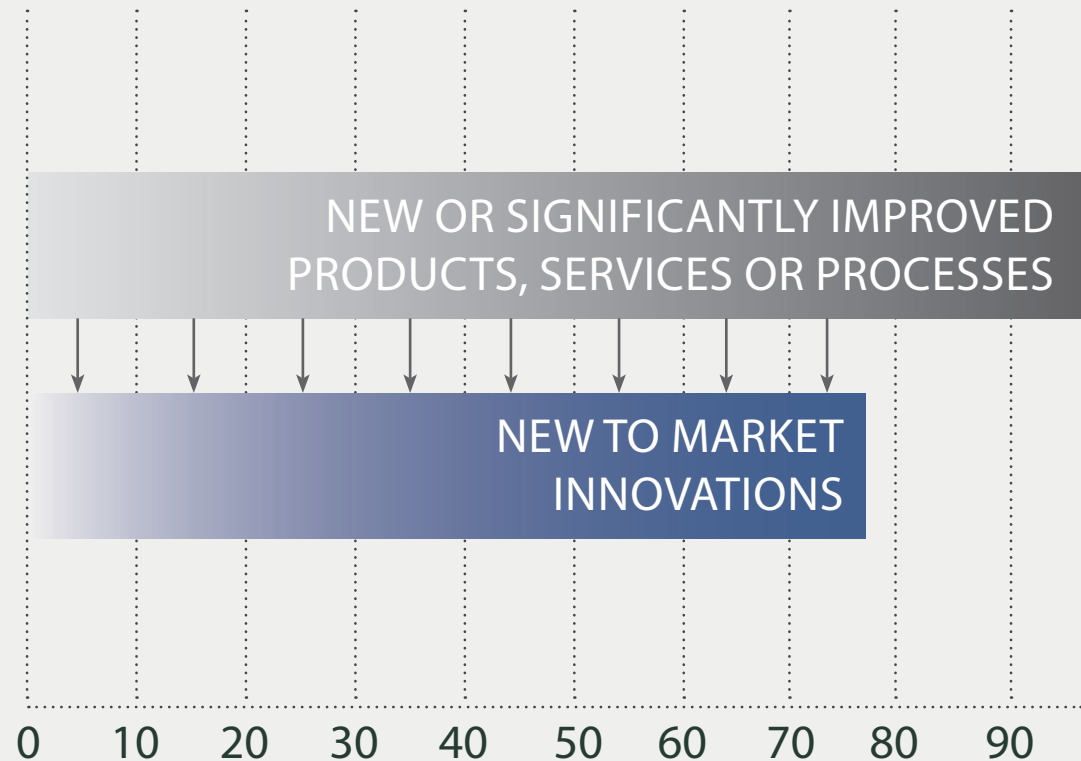


Figure 10a. Proportion of Social Enterprises that had introduced New-to-the Market Innovations during the past year. Note: N=106. ►

INNOVATION (CONTINUED)

Innovation barriers

We also asked about experienced innovation barriers over the past 12 months. These are factors that potentially hinder organisations from developing new or improved products, services and/or processes (see Methods Box E for more information). The majority of Swedish social enterprises (close to 87%) did encounter some kind of innovation barrier. Finance-related barriers are most frequently raised, especially related to the availability/lack of finance. Also market-related barriers are common, in particular pertaining to no acceptance/legitimacy in the market. Other frequently raised innovation barriers in Sweden are regulation- and institution related, especially linked to the need to meet country or local government regulations.

INNOVATION BARRIERS - SWEDEN

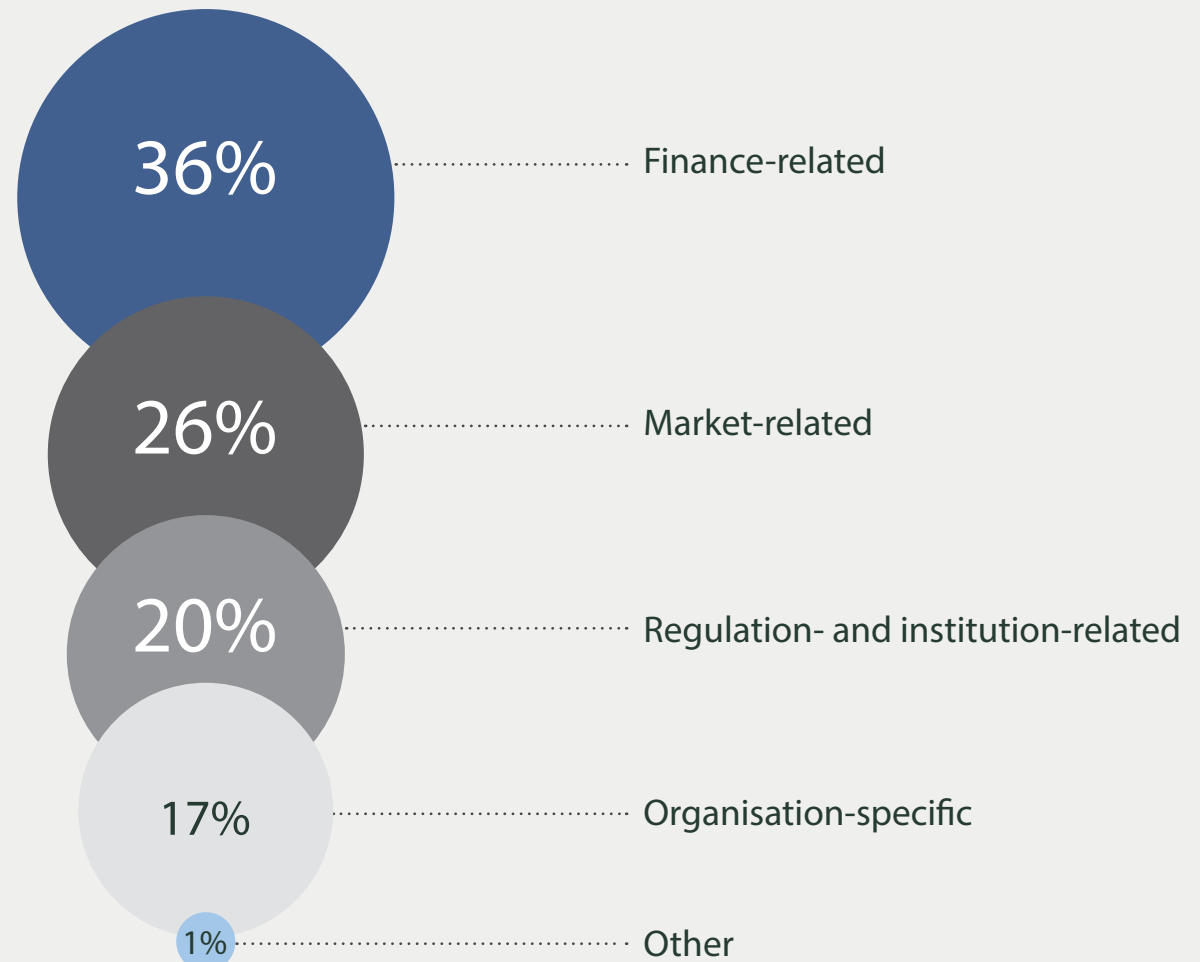


Figure 10b. Innovation barriers. Note: N=92. ►
See Methods Box E for more information.

CASE: MASKROS Barn

CEO

Elin Hågeby

MISSION

The mission is to support young people who have one or two parents with mental illness or with an addiction.

ZOOMING IN ON 'INNOVATION BARRIERS'

Maskrosbarn has encountered innovation barriers related to that their partners—governmental bodies—are fragmented due to their internal structures and thus the organisation has no coherent counterparty.

//

The biggest obstacle has been that our counterparty, the social child- and youth-care, is about to break down and have difficulties to fulfil their part. [...] It is hard to implement something in an organisation that is struggling with many things internally. //

- Elin Hågeby, CEO Maskrosbarn



METHODS BOX

E

The barriers typically reported by commercial enterprises are more numerous and most frequently relate to the cost of innovation being too high, the economic return of an innovation being uncertain, and market-related barriers (D'Este, Iammarino, Savona & von Tunzelmann, 2008).

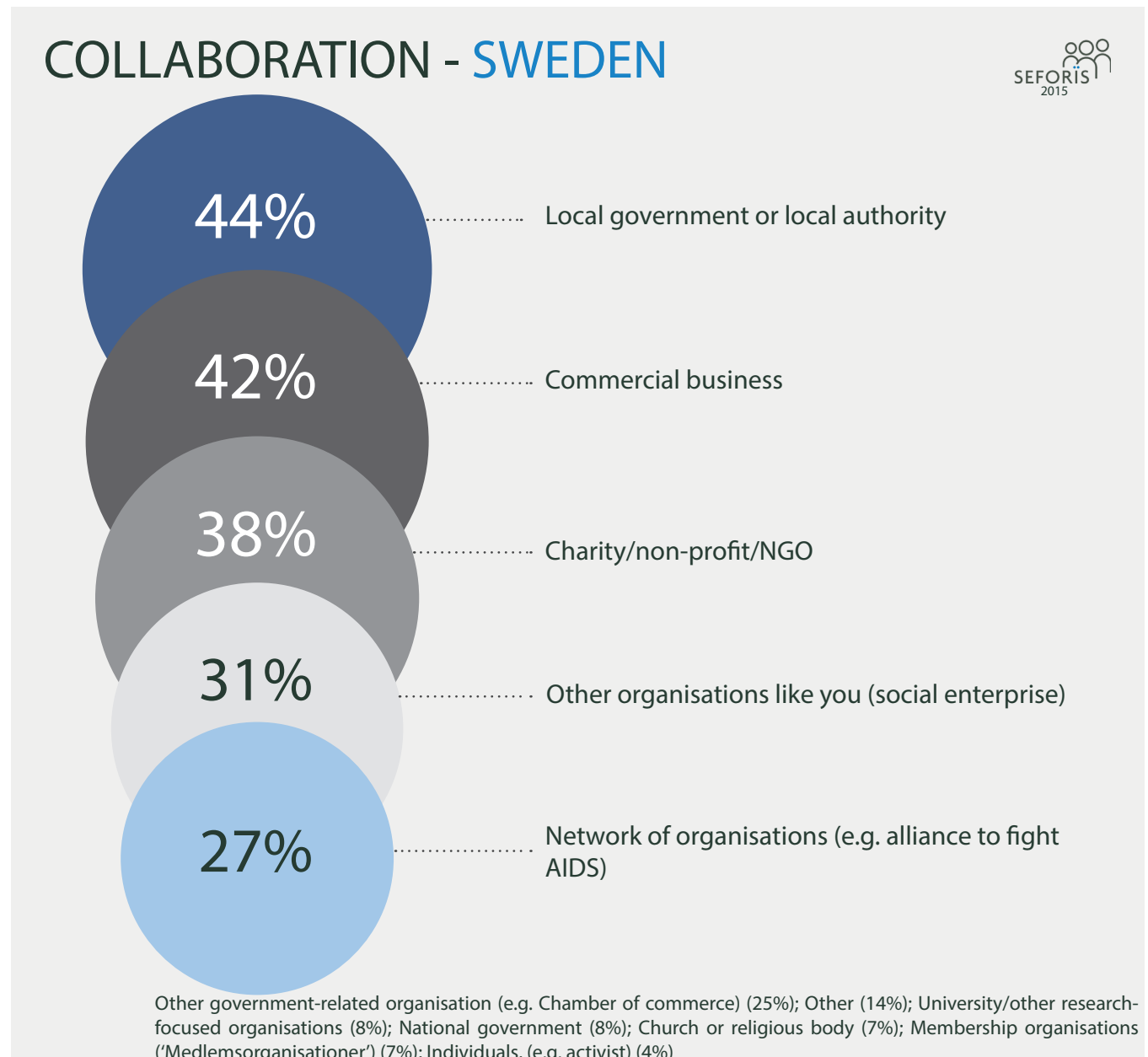
- 1 Finance-related innovation barriers – reflect excessive economic risk that would be associated with pursuing an innovation, as well as the cost and/or lack of available financing for an innovation. This category also captures whether an innovation has not been pursued due to the ongoing economic crisis.
- 2 Organisation-specific barriers – reflect lack of time, lack of qualified personnel and/or lack of information on technology and/or markets to pursue innovation activities further.
- 3 Regulation- and institution-related barriers – reflect the fact that innovations were inhibited by the need to meet government and/or EU regulations and/or also the fact that social enterprises do not receive support from official institutions because these are not familiar with 'what a social enterprise is'.
- 4 Market-related barriers – reflect the fact that an innovation was not pursued because it was envisioned that it would not be accepted by the market, e.g. potential customers. Furthermore uncertain demand for an innovation as well as the dominance of another established organisation discouraged innovation activities of social enterprises.

11. COLLABORATION

With whom do social enterprises collaborate?

We also asked managers to elaborate on their collaboration patterns in terms of whom they have been engaged in collaboration with, at least once, during the past year (i.e. 2014). We allowed detailed explanation of up to three collaborations or partnerships. Swedish social enterprises collaborate with a variety of actors in order to reach their goals. There are nevertheless three, indeed rather different, collaboration partners that stand out as the most common. Local government or local authority is the collaboration partner with whom the largest share of the organisations have partnered (44% of organisations). Yet, collaboration with commercial businesses is almost as common (42% of organisations). The third most common collaboration counterpart is Charity/non-profit/NGOs, whom 38% mentioned having worked with during the past year. Thus, the average Swedish social enterprise collaborates with actors from all three societal sectors: the government sector, the private sector and the non-profit sector. Lastly, given the large share of non-profit organisations and aktiebolag (for-profit) in our sample, the social enterprises seem to collaborate with organisations similar to themselves.

Figure 11. Top 5 organisational types with whom Social Enterprises have collaborated at least once. Note: N=106.



12. POLICY SUGGESTIONS

Top 5 Policy Suggestions to Sweden's Government

We asked all social enterprises about suggestions they may have for their country's policy makers to support social enterprises. We classified all policy suggestions into common categories, as well as selected quotes to illustrate the 5 most recurring policy suggestions for Sweden's government.

Quality of commercial & professional infrastructure (35%)

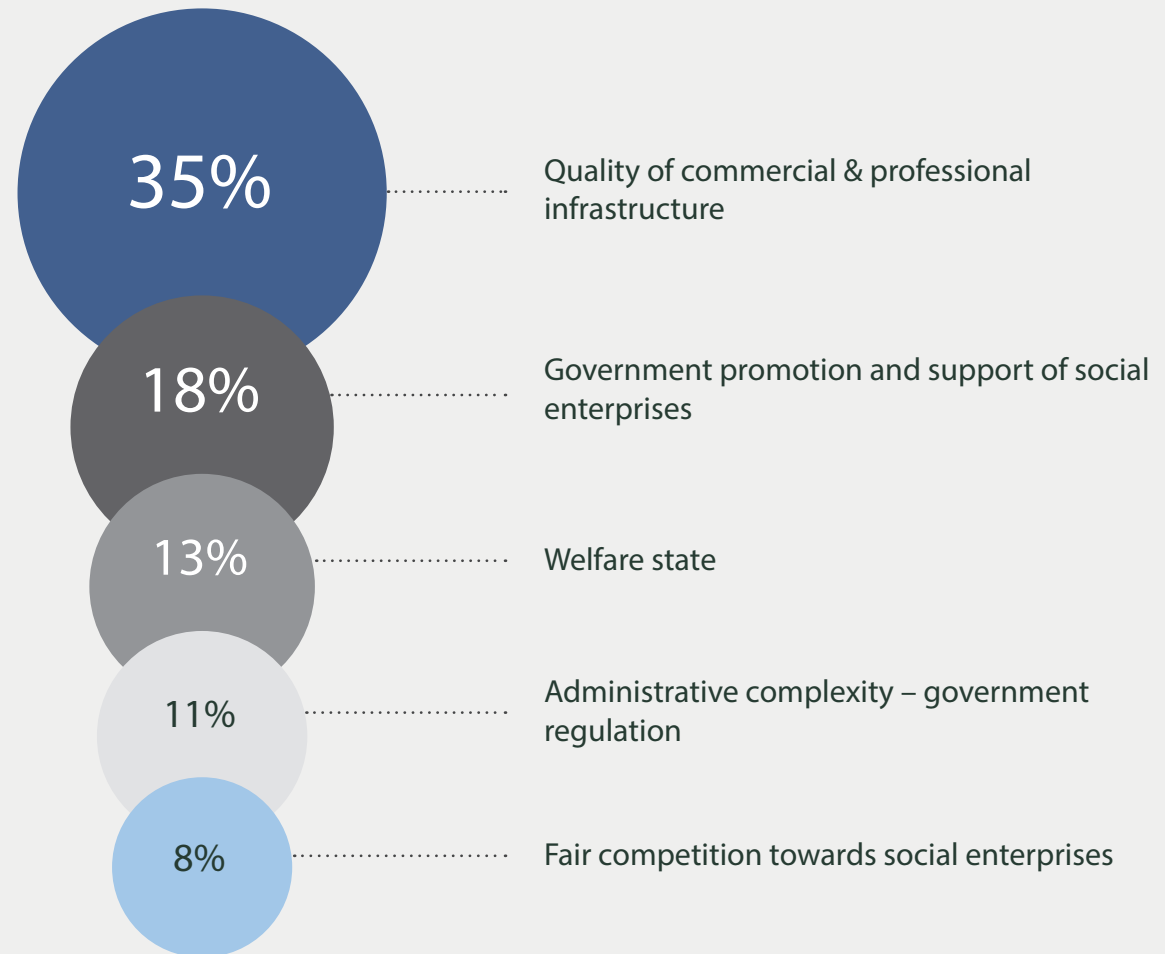
"It would be, to dare to let in players other than those they have now, dare to let in players coming from the target audience in a more extensive way than they do currently. They have begun to do so, but even more. That is the big [suggestion]: to enter those arenas should be a matter of course."

Government promotion and support of social enterprises (18%)

"It is that the government supports the non-profit sector. [...] and that they see the importance of what we do. That they support and see what we do and [that they] see that it is an important sector."

Figure 12. Overview of Policy Suggestions to their Country Government. N=96. We adapted a typology of policies used by the European Commission: http://ec.europa.eu/policies/index_en.htm

POLICY SUGGESTIONS - SWEDEN



POLICY SUGGESTIONS (CONTINUED)

Welfare state (13%)

"If we're talking at the national level I would like that one goes toward a more individually adapted enterprise which I somehow understand is difficult on a national level, but we have an unemployment scheme, generally speaking, that is way too square."

Administrative complexity – government regulation (11%)

"To simplify the conditions for non-profit organisations in terms of funding and support for applications of (financial) means, especially EU funds. Because the administration is so onerous that there are smaller municipalities here [...] that will not seek funds; so how can we then, that are a non-profit organisation, be able to deal with it?"

Fair competition towards social enterprises (8%)

"Simplifying public procurement processes so that entrepreneurial companies would be able to deliver services to the public sector. [...] A big part of our business is that we produce services that benefit both our target audiences. But today the procurement rules make it difficult for us to work directly with the municipality or even the government, which we have some cooperation with, or public companies, too; it is required

to be part of a public procurement, and that is a rather extensive process. Should these rules become simplified and should also non-profit organisations be more clearly invited to solve social challenges—to become suppliers of solutions—then that would benefit our business and probably the public sector at large as well. And in Sweden, for example, [...] there are many different companies and different formats that are tied to the procurement requirements. That excludes all smaller players because it's such a great machine for us to manage."

A FEW CONCLUDING WORDS

SEFORİS stands for “Social Entrepreneurship as a Force for more Inclusive and Innovative Societies”. It is a multi-disciplinary research programme, funded by the European Commission, that investigates the potential of social enterprise in the EU and beyond to enhance the inclusiveness of societies through greater stakeholder engagement, promotion of civic capitalism and changes to social service provision. SEFORİS combines insights from policy makers and social enterprise practitioners with cutting-edge academic research to build robust and novel evidence on social entrepreneurship. We develop theoretical frameworks for inclusion and innovation processes in context, employ novel experimentation with social enterprises, build a unique international database of in-depth case studies, and test and validate conclusions using robust longitudinal survey data. To find out more, latest news, reports, publications and upcoming events go to www.seforis.eu.



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The research leading to these results has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement no 613500.

Managed by: Oksigen Lab

