European Commission

SOCIAL ENTERPRISES AND THEIR ECOSYSTEMS IN EUROPE

Country report

SWEDEN

Malin Gawell

Social Europe

This report is part of the study “Social enterprises and their ecosystems in Europe” and it provides an overview of the social enterprise landscape in Sweden based on available information as of December 2018. It describes the roots and drivers of social enterprises in the country as well as their conceptual, fiscal and legal framework. It includes an estimate of the number of organisations and outlines the ecosystem as well as some perspectives for the future of social enterprises in the country.

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This report provides an overview of the social enterprise landscape in Sweden based on available information as of December 2018. The report updates a previous version, submitted by ICF Consulting Services to the European Commission in 2014. The current report has been prepared as part of a contract commissioned by the European Commission to the European Research Institute on Cooperative and Social Enterprises (Euricse) and the EMES International Research Network (EMES). Malin Gawell from Södertörn University was responsible for the revision of the report.

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Countries included in the three social enterprise mappings by the European Commission

No	Country	TYPE	2014	2016	2018-19
1	Albania	Fiche	-	-	✓
2	Austria	Report	✓	-	✓
3	Belgium	Report	✓	✓	✓
4	Bulgaria	Report	✓	-	✓
5	Croatia	Report	✓	-	✓
6	Cyprus	Report	✓	-	✓
7	Czech Republic	Report	✓	-	✓
8	Denmark	Report	✓	-	✓
9	Estonia	Report	✓	-	✓
10	Finland	Report	✓	-	✓
11	France	Report	✓	✓	✓
12	Germany	Report	✓	-	✓
13	Greece	Report	✓	-	✓
14	Hungary	Report	✓	-	✓
15	Iceland	Fiche	-	-	✓
16	Ireland	Report	✓	✓	✓
17	Italy	Report	✓	✓	✓
18	Latvia	Report	✓	-	✓
19	Lithuania	Report	✓	-	✓
20	Luxembourg	Report	✓	-	✓
21	Malta	Report	✓	-	✓
22	Montenegro	Fiche	-	-	✓
23	The Netherlands	Report	✓	-	✓
24	North Macedonia	Fiche	-	-	✓
25	Norway	Fiche	-	-	✓
26	Poland	Report	✓	✓	✓
27	Portugal	Report	✓	-	✓
28	Romania	Report	✓	-	✓
29	Serbia	Fiche	-	-	✓
30	Slovakia	Report	✓	✓	✓
31	Slovenia	Report	✓	-	✓
32	Spain	Report	✓	✓	✓
33	Sweden	Report	✓	-	✓
34	Switzerland	Report	✓	-	-
35	Turkey	Fiche	-	-	✓
36	United Kingdom	Report	✓	-	✓

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List of acronyms

- **EU** European Union
- **ICNPO** International Coding of Non-profit Organisation
- **NACE** Statistical Classification of Economic Activities in the European Community
- **NPO** Non-profit organisation
- **SBI** Social Business Initiative
- **SNI** Swedish Standard for Industrial Classification
- **UN** United Nations
- **VAT** Value Added Tax
- **WISE** Work Integration Social Enterprises

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Executive summary

Background

The interest in social enterprises has increased rapidly during the last decades in Sweden as in many other countries. The use of the concept continues evolving and a commonly agreed definition has yet to emerge— 'different versions' provide points of reference for different groups in society as well as in policy initiatives.

Even if the concept of social enterprise remains relatively new in the Swedish context, the phenomena referred to as such today have a long history and must be understood in relation to the development and strong position of public welfare structures as well as their current transformation.

During the pre-welfare state phase in history, social initiatives predominantly focused on those who experienced social disadvantages in a rather poor society. These types of charity initiatives during late 19th century combined with strong social movements such as the labour movement and democracy movement, highlighting equality and democracy which later characterised the Swedish welfare state.

Since late 20th century, services provided by the public sector have increasingly been subject to competition, thus growing the market for private welfare services– including those sold by social enterprises. Policies, procurements and different client choice models have not been limited to certain types of private initiatives. Social enterprises do therefore compete on the same market as non-profit organisations (NPOs) and conventional enterprises.

Concept, legal evolution and fiscal framework

Social enterprises consist of various types of organisations operating in diverse fields of activities. For a period of time, work integration social enterprises (WISE) fell into the focus of policy attention. But gradually, attention has diffused to social enterprises in other niches and in general.

A predominantly positive connotation attaches to social enterprises, even if an understanding of the concept is not always clear. Many times it interlinks, even synonymously, with *social entrepreneurship* as well as *idea based organisations, civil society* and/or *social innovation*. Clear boundaries that separate social enterprises from conventional commercial enterprises and NPOs remain unclear.

Social enterprises, as defined by EU, can in Sweden take the legal forms *non-profit association, economic association or limited company*. None of these legal forms do

however automatically fulfil the criteria set by EU. Adjustments of statutes and/or practices must arise on an individual basis. This means that some of the organisations using these legal forms qualify as social enterprises, though not all.

Policies aim to treat different types of organisations or enterprises neutrally. Social enterprises therefore receive no different treatment than other organisations. However, different types of support for social initiatives do exist, such as subsidies for employing people with reduced working capacity. Social enterprises and other types of organisations, enterprises or public actors can tap into these subsidies.

Mapping

Even if aspects of the EU definition of social enterprise, as defined in the Social Business Initiative, correspond with the view of several key stakeholders in Sweden, this definition is not directly coherent with legal and statistical structures. This therefore creates challenges in currently identifying social enterprises in a statistically reliable way in Sweden. This report focuses on some indicators that can illustrate part of an emerging social enterprise sector in Sweden.

Ecosystem

A number of public authorities, financial intermediaries, interest organisations as well as educational and research institutions all help create the ecosystem of social enterprises. In many ways, social enterprises share their ecosystem with other types of ventures that provide social services. With a need-based focus participants (beneficiaries) comprise the most important group of stakeholders– the people engaging in everyday activities are crucial for the development of social enterprises.

Several different types of policy schemes related to social enterprises over the years primarily focused on information and knowledge development. Recently, the Swedish Government published a strategy referring to social enterprises, regardless of legal form and field of activities, as a key element for social innovation and sustainable development.

Perspectives

Social enterprises provide some indicators for general developments in Swedish society. In this context, their presence firstly points to the current welfare system's transformation, which allows more private service providers. While this provides opportunities for social enterprises, it also increases competition. Many social enterprises and key allies furthermore raise concerns over increased social challenges in society, including tension and polarisation between groups.

Social enterprises and their allies stress the need for developing competencies among social enterprises and public authorities. This includes a more general understanding of social enterprises, procurements and other policy effects on social enterprises, as well as business skills among social enterprises.

Finally, several social enterprises and key stakeholders emphasise difficulties in developing long-term sustainable business models. They also stress the need for conditions that allow sufficient qualitative work for target groups that require extensive support.


SWEDEN

1

BACKGROUND: SOCIAL ENTERPRISE ROOTS AND DRIVERS

Social enterprise is, on the one hand, a relatively new concept in Sweden. On the other hand, what we currently refer to as social enterprises, is an old phenomenon that throughout history has taken different expressions. The transformation of Swedish society during the 19th century when economic growth was combined with an emerging democracy–and labour movement influenced social initiatives in a way that we still see traces of also in contemporary NPO characteristics. The emergence of a strong welfare state during the 20th century, influenced the organisation of welfare services throughout the Swedish society. The non-profit sector had during this time a more limited role as service providers but still an important mobilizing role and as voice in society. During the last decades there has been a new transformation of welfare structures in Sweden. Public service provision has increasingly been subject to competition and the number of private service providers have increased. Policies have explicitly emphasized 'competitive neutrality' meaning that call for tenders and different client choice solutions are open for private for-profit and non-profit ventures. It is during this transformation that the term social enterprise has emerged and alongside with other terms such as social entrepreneurship, social innovation, or civil society, become part of the political and popular landscape. Social enterprise has however, not been formally defined.

The development and current context for social enterprises in Sweden ties in many ways to the development (and recent transformation) of the welfare state. The terminology still seems relatively new and the term itself has not circulated for much more than a decade. But the phenomenon has a long history, and initiatives that we today refer to as social enterprises have developed as chameleons through time and values (Gawell 2016).

During the pre-welfare state, social initiatives predominantly targeted social disadvantaged groups of people in a rather poor society. Between1850–1910, one million people (approximately 25% of the population) emigrated from Sweden to the United States in order to escape poverty and legislation restricting social and political freedom. One could label many of the social initiatives at that time as charity initiatives with gradual but strong influences from the democratic and labour movements, which emphasised equality and democratic values (Gawell 2016). They worked through fundraising, including the sale of different types of garments, qualifying many of these organisations as social enterprise according to current vocabulary. These organisations laid the foundation of what later became known as the popular mass movements (*Folkrörelser*), characterised by broadly based and democratically structured membership organisations, combining social services with advocacy in society (Wijkström and Lundström 2002). A cooperative movement intertwined with these popular mass movements, sharing many ideals through history with non-profit organisations (NPOs) as well.

Some of these movements with roots in late 19th century increased their influence during the 20th century and provided a platform for the development and institutionalisation of the Swedish welfare state (Larsson 2008). **The Swedish welfare state included an extensive public provision of welfare services such as health care, childcare, elderly care and social care for people with special needs**. Limitations applied to privately provided social services such as elderly care and social care; they were seen as optional and complementary to the public system (Svedberg 2005). Often, they received funding through associational fund raising activities, including membership fees, combined with public grants (rather than sales).

In the 1980s a number of reforms started transforming the welfare state. The financial and transportation sectors faced deregulation and in 1992 a school reform followed. This opened the door for private alternatives to emerge (Gawell 2016). During the first decade of the 21st century, services in health care, childcare, and elderly care previously provided by the public sector suddenly became subject to competition through procurements and/or client choice models (Munkhammar 2009). This did not result from deregulation, but rather re-regulation influenced by the so-called new public management (Westerberg and Forsell 2014, Jacobsson *et a*l. 2014). Conventional and non-profit based entrepreneurship hereby was invited to the (social) welfare arena (Gawell *et al*. 2016).

The concept social economy was introduced to the Swedish debate in the 1990s. The Ministry of Interior and the Ministry of Culture published reports on the topic on 1998 and 1999 respectively, which discuss the concept in relation to the Swedish context. Initiatives to develop measurement also bloomed in collaboration with the Johns Hopkins study of NPOs (Lundström and Wijkström 1997). These initiatives laid the ground for a governmental commission to Statistics Sweden to develop a satellite account on NPOs in collaboration with the UN's working group for NPO statistics (Prop 2009). Administratively, the public support to cooperative advice services moved from the Ministry of Culture to the Ministry of Industry (at present the Ministry of Enterprise) with a stronger focus on start-ups than before. Apart from this, the initiatives of the 1990s did not get extensively implemented in policies or legal frameworks despite an increased interest in, for example, cooperative child care (Pestoff 2009) as an alternative to public service provision.

Concepts such as *social enterprises and social entrepreneurship* were introduced and popularised during the first decade of the new century, along with social innovation a bit later. At first, some equated *social enterprises* with the cooperative tradition and a focus on work integration, while equating *social entrepreneurshi*p with more business traditions. These tendencies have blurred over time, and lately it seems more relevant to refer to different versions of the concepts based on different spheres in society; some receive more influence from business logics while others operate more under cooperative principles or non-profit logic (Gawell 2014a, 2015).

Narratives of social enterprise in Sweden emerge both from current welfare dynamics and the social movements that influenced Sweden and other Nordic countries (Andersen *et al*. 2016). A renewed interest has sparked these types of ventures, although they tend to remain somewhat scant due to a lack of correspondence between the conceptual understanding/definition, legal structures, and adequate statistical measurements.

2

CONCEPT, LEGAL EVOLUTION AND FISCAL FRAMEWORK

The understanding of social enterprises in Sweden has emerged in an interplay of practices, policy initiatives and established legal structures. Ventures that conceptually align with social enterprises according to the EU operational definition adopt different legal forms that do not necessarily fulfil the operational criteria as such. But with adjustments in organisational statutes, or even in practice, they might operate in ways that fulfil the criteria. The account for conceptual, legal and fiscal situation of social enterprises in Sweden is therefore characterised by reference to an emerging field where social enterprises consist of various types of organisations operating in diverse fields of activities. For a period of time, work integration social enterprises (WISE) fell into the focus of policy attention. But gradually, attention has diffused to social enterprises in other niches and in general. Policies aim to treat different types of organisations or enterprises neutrally means that social enterprises do not receive different treatments than other organisations. However, different types of support for social initiatives exist, such as subsidies for employing people with reduced working capacity. Social enterprises and other types of organisations, enterprises or public actors can tap into these subsidies.

2.1. Defining social enterprise borders

2.1.1. The EU operational definition of social enterprise

This report draws on the organisational definition included in the Social Business Initiative (SBI) of 2011. According to the SBI, a social enterprise is an undertaking:

- whose primary objective is to achieve social impact rather than generating profit for owners and shareholders;
- which uses its surpluses mainly to achieve these social goals;
- which is managed by social entrepreneurs in an accountable, transparent and innovative way, in particular by involving workers, customers and stakeholders affected by its business activity.

This definition arranges social enterprise key features along three dimensions:

- an entrepreneurial dimension,
- a social dimension,
- a dimension relative to governance structure.

Provided that the pursuit of explicit social aims is prioritised through economic activities, these three dimensions can combine in different ways, and their balanced combination matters most when identifying the boundaries of the social enterprise.

Building upon this definition, the Commission identified an operational set of criteria during the previous stages of the Mapping Study (European Commission 2015, 2016) and refined them again for the purpose of current phase of the study (see appendix 1 for further details).

2.1.2. Application of the social enterprise operational definition in Sweden

No specific unified operational definition or legal form in Sweden fully corresponds with the EU operational definition, but the current understanding of the concept has adjusted in relation to the evolution of the EU definition over time.

The official working group relating to the concept social economy in the 1990s has already received mention. They defined social economy as “consisting of organised ventures primarily with societal aims and with an organisational autonomy from the public sector” (Swedish Ministry of Interior 1998, author’s translation), which resembles the basics of current EU operational definition.

A focus on work integration social enterprises

Approximately a decade later, the Swedish Agency for Economic and Regional Growth suggested a more specific definition of social enterprise, based on a collaborative EU programme "Equal"-funded project called "NTG – Social Enterprise that enlarge the labour market." **They referred to "enterprises that sell/buy products or services on a market and are organisationally autonomous from the state, have a primary aim to integrate unemployed people into the labour market and society and use an including and participatory approach, and reinvest surplus in the enterprise or similar types of activities"** (Swedish Agency for Economic and Regional Growth 2007, author's translation). This suggested definition, focused on work integration, has since provided the base for informational initiatives stemming from the Swedish Agency for Labour Market, the Swedish Agency for Social Insurances, and in relation to municipalities as a potential collaborative partner for rehabilitation and other types of labour market support schemes (Sofisam 2018). This definition has also provided a guide for a 'list' of social enterprises published by the Swedish Agency of Economic and Regional Growth with the aim to visualise the phenomenon of WISE and to provide a platform for mapping (Sofisam 2018). The list emerges out of voluntary self-identification and self-reporting from the social enterprises themselves, with only basic publication monitoring. Therefore, despite initial hopes, it primarily functions today as a means of communication rather than a base for statistical conclusions.

The definitions suggested by the Ministry of Interior 1998 and the Swedish Agency for Economic and Regional Growth in 2007 have proven rather vague, lacking correspondence with legal structures or other types of ordinary statistical indicators. As such, different project groups have employed slightly different definitions. The term *social enterprise* finds more common use among people who relate to *social economy* ideals such as empowerment and participatory governance, while *social entrepreneurship* finds more common use among people within business spheres that focus rather on individual entrepreneurs' intentions (Gawell 2014a). Additionally, NPOs make further reference to both these terms, often paraphrasing them as *non-profit entrepreneurship* or *non-profit enterprises* (Gawell 2014a). In fact, many ventures adjust their terminology depending on the situation, e.g. some shift between presenting themselves as a social enterprise, cooperative or NPO while others shift between presenting themselves as social enterprises or only as enterprises (Gawell 2013b, 2015).

Social enterprises influenced by cooperative movement

One core group in social enterprise discussions includes the people and organisations with roots in the cooperative movement. These actors, including the umbrella organisation Coompanion (earlier *Föreningen för kooperativ utveckling*), worked to promote social cooperatives with influences from southern European countries

and primarily Italian cooperatives (Swedish Agency for Economic and Regional Growth 2007). They adopted the term "social enterprise" or "WISE" during the mid 2000s. Many of these enterprises fulfil the EU operational definition but are difficult to identify in statistics due to the lack of coherence with legal structures in Sweden (see section 2.2).

Illustration 1. *Vägen Ut!* (The way out!)[1]

In 2002, people who experienced drug abuse, criminal life styles and other challenges joined forces with people working within the Labour Market Authorities, Correctional Authorities and cooperative movement, together founding a social cooperative. They received strong influences from Italian social cooperatives. The name *Vägen Ut!* means "the way out," symbolising hope and emphasising empowerment.

Today *Vägen Ut!* consists of eleven cooperatives run as economic associations framed by a co-owned consortium. Approximately 200 persons participate in different types of activities on a daily basis. Out of these, approximately 100 persons receive employment. Approximately 90% of participants have some kind of support from labour market authorities due to reduced working capacity. Everyday activities also receive partial funding through sales. Throughout the years, they have also received grants from the Swedish Inheritance Fund (at the initial stage) as well as the Swedish ESF Council and other funders.

Vägen Ut! operates in several different sectors. They run supported housing, rehabilitation programmes and many different types of social activities. They furthermore run cafés, restaurants, a Le Mat hotel, textile printing, recycling, art, gardening and carpentry. They operate primarily in the Gothenburg region but they also run and support activities throughout the country through activities like social franchise.

www.vagenut.coop

Social service delivery related social enterprises

The complete picture always portrays more complexity. As mentioned, the transformations in welfare provision during the last decades have increased the space for private initiatives, resulting in a significant increase in private service providers. Primarily, the number of conventional enterprises has increased even though NPOs also provide these services (Gawell *et al.* 2016). **Most of the conventional enterprises**

(1) Information about all the illustrations included in this country report update draw on websites and prior studies such as Gawell 2011a, 2011b, 2013c; Westlund and Gawell 2012; Srba 2014.

cannot be considered social enterprises. However, some do prioritise social aims over economic aims, therefore fulfilling the EU criteria for social enterprises. For instance, some case studies suggest that at least some smaller enterprises ought to receive consideration as social enterprises (Sundin 2009, Gawell and Sundin 2014). Furthermore, some young entrepreneurs identify themselves as social entrepreneurs (or their ventures as social enterprises), prioritising social aims prior to economic aims. But whether these ventures fulfil the criteria of the EU operational definition remains an open question, and most ventures under legal forms used by conventional enterprises are not social enterprises.

Societal entrepreneurship and community development enterprises

Other 'streams of influence' also feed into the body of social enterprises. One such stream has a predominant foundation in community development, particularly the development of rural communities. The north, for instance, has a sparse population that faces long distances to various services. **This stream of influence commonly refers to the concept of *societal entrepreneurship* or, in earlier days, *community entrepreneurship*** (in both cases *samhällentreprenörskap* in Swedish) (Johannisson and Nilsson 1989, Gawell *et al*. 2009; Westlund 2009, von Friedrich *et al*. 2014). Scholars as well as practitioners have also elaborated on this term, with references also to more general entrepreneurship as a driving force for change (Berglund *et al*. 2012). Researchers also address a phenomenon referred to as social enterprises through (for example) references to *idea based innovations* (Lindberg 2017).

Towards a SBI-aligned use of the term social enterprise

Recently, the Government launched **"A strategy for social enterprises – a sustainable society through social enterprise and social innovation"** (Swedish Government 2018), in which they refer to social enterprises as a heterogenic group of actors that, independent of legal form, use business activities as a means to reach social benefits, to evaluate results in relation to societal aims, and to primarily reinvest profits in the organisation (Swedish Government 2018, author's translation). Enterprises and associations fulfilling these criteria are referred to as *social enterprises* and important drivers of *social innovations* defined as initiatives that meets social challenges with new ideas and solutions that improve services to citizens (Swedish Government 2018, author's translation).

2.2. Legal evolution

No specific legal framework applies to social enterprises and none of the existing legal forms automatically fulfil the EU operational definition. However, the following legal forms offer structure for social enterprises with appropriately adjusted statutes:

- economic association (*ekonomisk förening*)
- non-profit association (*ideell förening*)
- limited company (*aktiebolag*)

Many ventures that identify themselves as social enterprises use the legal form of economic association (*ekonomisk förening*) or non-profit association (*ideell förening*). But far from all economic and non-profit associations identify themselves as social enterprise, or relate to cooperative principles and ideas of social economy. Members and statutes help compose both these legal forms. They thereby enjoy a relatively large space for self-governance as long as they follow basic legal structures and tax laws. This means that they decide on membership fees, principles for distributing assets apart from stake holders' rights if discontinued etc. One finds differences between the forms in that economic associations aim to benefit members' economic interest and basically gets classified as an enterprise. Meanwhile the non-profit association may sell products and services, and will get taxed for potential profits, though with certain exceptions. Generally, a non-profit association cannot distribute potential profit to members, though some potential profits could circulate within a 'family' of organisational units if they fulfil public benefit criteria of the tax laws (see above).

These two types of associations do not automatically fulfil the EU operational definition's criteria, since economic associations aim to further members' economic interest while non-profit association presumably do not carry out business activities (though with some exceptions). Both legal forms can adjust according to the EU operational definition through specification in statutes and/or practices, that is; stating a primary objective of social impact rather than generating profit for owners and shareholders, using surpluses mainly to achieve these social goals, and illustrating principles of transparent and inclusive management.

In 2016, minor adjustments in the legal framework of the economic association made the terminology more coherent with limited companies. This aims to improve chances to change statutes without membership consensus as earlier legislation required, to enhance possibilities to officially communicate electronically with members, and to

co-own daughter companies. The opportunities to accumulate assets also received emphasis, and now economic associations fall much more in line with a limited company.

Social enterprises can also run in the form of a limited company (*aktiebolag*) as long as statutes get constituted accordingly, giving social objectives priority over profit-generation for owners and shareholders. Since 2003, a specific legal form also applies to limited companies with restricted dividend (*aktiebolag med begränsad vinstutdelning*) (Swedish Companies Registration Office 2018). In this form, restrictions undergo legal formalisation, which the enterprise cannot change by itself. If the enterprise discontinues, potential surplus after paying stakeholder liabilities then transfers to the Swedish Inheritance Fund (Arvsfonden). This legal form does not, however, provide any specific incentives up to date and experiences infrequent use.

Many ventures combine the different legal forms; for example, a non-profit association could own or co-own an economic association, a foundation or a limited company. The motives behind this partly seek to clarify different organisational units and to cope with different institutional logics. Even if conditions for the different types of legal forms basically seem 'neutral,' some important differences such as the deduction of VAT costs for conventional enterprises (and not generally for non-profit associations) do matter. Some also argue the usefulness in containing collective democratically-structured ownership within a non-profit association, while delegating executive management tasks to a limited company controlled by share ownership. Or on the contrary, as in the case of Fryshuset (see illustration below), the founders' chose the form non-profit foundation.

Illustration 2. *Fryshuset* (*The cold store*)

Fryshuset was primarily founded on three 'streams' and formations of actors in 1984. Firstly, a group of people started engaging in social activities for young people who did not attend ordinary youth initiatives. Secondly, a YMCA in Stockholm wished to renew its youth activities as well as simply find a new arena for their baseball team. Thirdly, youth and adults sought access to rehearsal studios for their bands. This came at a time when authorities and established organisations worried about increased youth violence, e.g. immigrant youth from deprived suburbs as well as young people with xenophobic expressions. In a former cold store (*Fryshus* in Swedish), they joined forces and created an activity house including a number of social initiatives such as Non-fighting Generation, sport and gym facilities, and music studios and scenes.

Today *Fryshuset* employ almost 500 people with a turnover of approximately 20 million EUR. They run an upper secondary school (gymnasium), have 3 basketball halls, 2

skateboard halls, concert halls, dance halls, rehearsal studies, cafés and approximately 30 social projects. They receive up to 40,000 visitors a month. Approximately 40% of income funnels through the Swedish school system, 30% from sales, and 30% from project grants and donations. *Fryshuset* is based in Stockholm but cooperates with partners in other parts of the country. It functions as a non-profit foundation founded by YMCA Stockholm.

www.fryshuset.se

Some sole proprietors (*enskild firma*) could also operate under the terms of social enterprises. They do not, however, fulfil the criteria of the EU operational definition since they do not incorporate their ventures. Also foundations (*stiftelse*) could theoretically pose an alternative, provided appropriately-adjusted statutes. In practice some non-profit foundations rather operate as stakeholders in associations that might fulfil the criteria of social enterprises.

Furthermore, no specific legal form addresses cooperatives as it does in many other countries. The cooperative principles, defined by International Cooperative Alliance, can apply on the same legal forms as social enterprises with properly adjusted statutes and practices.

2.3. Fiscal framework

2.3.1. Only few fiscal benefits for social enterprises

Social enterprises have the same fiscal framework (including taxation) as other ventures. They register with tax authorities as they start economic activities and are taxed for potential profits on the same terms as other ventures regardless of legal form, and including non-profit associations that generally get taxed for income from sales, rent, or capital investments. These incomes from sales can receive exemption from taxation within non-profit associations (*ideell förening*) if their aims fulfil the criteria of public benefit (*syfte till nytta för allmänheten*) e.g. care for children and youth, social assistance, health care, culture, sports, education. Furthermore, at least 90% of the activities must relate to the public benefit aim, and at least 80% of the financial turnover must channel to fulfil this public benefit. Membership in the public benefit non-profit association must furthermore remain open for everyone sharing the aim, and follow statutes to benefit from this tax exemption (Swedish Tax Authority 2018).

No tax benefits apply to start-up activities. Start-ups pay tax on profit as any other businesses. Support to start-ups first and foremost focus on providing information and smoothing regulations etc.

2.3.2. Social enterprises and VAT

Social enterprises register for VAT on the same terms as any other businesses. This also includes non-profit associations that run economic activities. Consumers as well as businesses pay VAT, though business organisations are also entitled to make deductions for VAT. Most enterprises that sell goods or services in Sweden must charge 25% VAT. Some industries experience a lower VAT rate of 12 % (e.g. groceries, restaurants and some types of art work, or 6% (e.g. parts of activities within music and literary work), and some industries enjoy full exemption from VAT (e.g. social care conducted by or on behalf of public agencies within the framework of social service act) (Swedish Tax Authority 2018).

2.3.3. Registration according to legal form

All ventures running economic activities (businesses) have to register with tax authorities. This includes all legal forms that can be used by social enterprises such as limited companies, economic associations as well non-profit associations (if they conduct business activities).

Limited companies and economic associations must also register with the Swedish Companies Registration Office. Non-profit associations may register with the Swedish Companies Registration Office if they so wish. Foundations register with the County Administrative Board.

This means that social enterprises get registered according to legal forms, but not specifically as social enterprises. Therefore, it seems impossible to identify which of these ventures fulfil the criteria of EU operational definition of social enterprises based on the registers.

2.3.4. No specific exemptions from labour costs for social

Social enterprises do not benefit from specific exemptions of labour costs although labour market support for work training that can be channelled through social enterprises. Labour costs remain general, with very few reductions. Certain regional reductions exist like in the northern and sparsely populated area, and limited possibilities for reduction related to key staff in research and development (Swedish Tax Authority 2018). A further temporary reduction of labour costs extends to

businesses for their first employment during 2018–2021. These reductions apply to all types of businesses.

Certain labour market support schemes also affect labour costs. **If an association, business or public organisations employ a person with 'reduced working ability' they can benefit from a grant to cover part of the salary cost (*lönebidrag*) from the Swedish Labour Market Agency**. The level of this substitute depends on the individual's estimated working capacity, and transfers to the employer who then pays an ordinary salary to the beneficiary. Again, these policies do not limit to social enterprises, though WISEs do use these types of support (Swedish Labour Market Agency 2018).

2.3.5. Limited possibilities for tax assumptions for donations and no possibilities to redirect state taxes to social enterprises

During the period 2012–2015 some limited possibilities applied to tax deduction for donations to social aid activities or research conducted by non-profit associations and foundations. This tax assumption faced cancellation in 2016.

Even if there are no specific fiscal benefits for social enterprises, there are different possibilities for social enterprises to benefit from public tax funded structures as the case of Urkraft (see below) illustrates.

Illustration 3. *Urkraft* (Immense power)

Urkraft started in 1988 by four social workers who sought new ways to contribute to possibilities for young people and the long-term unemployed to access jobs. They worked closely with the regional labour market authority to provide training programs. In 2005 they received a grant from Swedish Inheritance Fund to reconstruct their activities and thereby, among other things, increase their flexibility to collaborate with a diversity of stakeholders. Influences from different types of social enterprises guided this transformation work.

Urkraft collaborates with local businesses and other stakeholders to identify possible jobs that appropriately fit their target groups. Based on these assessments, they construct training initiatives that work for their participants, including people with diverse functionality. They then continue to support their participants and collaborative partners during work training and later during employment.

Today, Urkraft employs approximately 13 people. This private enterprise reinvests all profits in its activities.

www.urkraft.se

3

MAPPING

According to the Social Business Initiative of 2011, the definition of social enterprise comprises of entrepreneurial, social, and governance dimensions. More specifically, social enterprises have a primary objective to achieve social impact rather than generating profit for owners and shareholders and use surpluses mainly to achieve these social goals. Social enterprises, according to this initiative, furthermore manage themselves in an accountable, transparent and innovative way by involving workers, customers and stakeholders affected by its business activities. These criteria generally align with the understanding of social enterprise in Sweden, though they do not adhere with the Swedish legal structure on which official statistics rely. The mapping in this section therefore elaborates on different sources of data that contribute to the knowledge of the field and that, to a certain extent, serve as proxy for social enterprise as defined in the EU operational definition.

3.1. Measuring social enterprises

Due to the lack of coherence between legal forms (and thereby statistical data) and the EU operational definition of social enterprise, the following sections are based on different types of estimates combined with discussions of validity and reliability.

3.1.1. Identification of statistical units

Organisations with economic activities (including limited companies, economic associations and economically active non-profit associations serving as a legal base for social enterprises) all register in Statistic Sweden's Business Register (*Företagsdatabasen*). Several different avenues can help establish a primary social objective rather than generate profit, such as through adjusting statutes or application in practices. These adjustments, however, remain invisible in statistics.

The social criteria appear most visibly (though not exclusively) in the non-profit framework. **In 2010, Statistics Sweden was commissioned by the Swedish Government to develop statistics on NPO related to the UN satellite account for NPOs**. The statistics on civil society organisations include registered non-profit associations (compulsory registration only applies if the organisation have employees, business activities or operate in certain sectors where registration is demanded, e.g. social welfare services), non-profit foundations and mutual non-profit insurance companies. This indicator does not satisfactorily address nuances of aim and priorities of social/economic goals for deeper analysis of social enterprises. The Statistical Division of the UN Department of Economic and Social Affairs (UN 2018) has proposed a more stringent statistical model to better capture social enterprises, though it has yet to be implemented in Swedish statistics.

One manner in which to narrow the rather general indicators provided by the above-mentioned statistical units, is to combine figures based on legal forms with branches considered as social fields of operation such as health care, social care, work integration etc. Data on economically active non-profit associations, economic associations and limited companies are available on branch levels (SNI coding related to the European NACE coding system and ICNPO coding related to UN satellite account for NPOs).

The governance dimension of the EU operational definition of social enterprise does not correspond with statistical structures. Accountability is generally requested through Accounting Act and Tax Authorities. The start of an economic or non-profit association requires at least three people. But analysing an inclusive approach to workers, customers, beneficiaries and beyond in governance remains beyond the reach of statistical indicators.

In spite of these statistical units' shortcomings in measuring social enterprises, they do provide statistical information based on the legal forms that social enterprises adopt, including economic non-profit associations, economic associations and limited companies. **Statistics do not include the necessary adjustments in statutes and/or practices, requiring more cautious interpretation**.

3.1.2. Identification and evaluation of other data sources

The Swedish Agency for Economic and Regional Growth published a list of WISEs on the website *Sofisam*, defining them as ventures with primarily social aims, focused on work integration, conducting business activities as means for social aims, and implementing participatory governance structures (Sofisam 2018). **The list bases itself on social enterprises' self-identification and voluntary submission of information**. While the list provides information on a number of WISEs in Sweden, it does not give a valid measurement for social enterprises in general due to unreliable sampling.

Furthermore, another survey peaks interest though it focuses more on social entrepreneurial engagement rather than social enterprise. This Global Entrepreneurship Monitor (GEM) published a report on social entrepreneurship in 2015. The survey inquired (among other entrepreneurial activities) about the considerations or intentions to engage in social entrepreneurship activities, as well as the perceived prevalence of running a social entrepreneurship venture. The prevalence of nascent social entrepreneurial activity in Sweden reached approximately 3%, and the prevalence of post-start entrepreneurial activity estimated roughly 5% (Bosma *et al*. 2015).

Apart from the Sofisam list and the GEM survey, **a number of studies often provide insightful information on different types and aspects of social enterprises** (see e.g. Johannisson and Nilsson 1989, Pestoff 1998, Sundin 2009, Gawell 2011 & 2013, Berglund *et al*. 2012, Srba 2014, von Friedrichs *et al*. 2014, Hedin and Laurelii 2016, Lindberg 2017).

3.1.3. Analysis and aggregation of data

The list of WISEs published by the Agency for Economic and Regional Growth (Sofisam 2018), currently include 343 organisations. In total, they employ approximately 3,500 people and another 9,500 people participate in their activities, for example through training programmes. The majority of these employees as well as participants have experienced long-term unemployment or needed work training for other reasons, etc. These social enterprises, spread over the country, partly follow the demographic spread though they condense relatively higher in the Gothenburg region. 65% of the registered social enterprises use the legal from economic association, 25% non-profit association, 8% limited company and 2% act as limited companies with

restricted dividend or trading companies. These organisations also get included in the SCB's Business Register but then not receive specification as WISEs.

In 2016, Statistics Sweden reported 92,000 registered economically active NPOs with a total of 149,590 full-time employees and activities spanning a variety of sectors (Statistics Sweden 2016). Among these organisations, 55% use the legal form of non-profit association, which can qualify as social enterprises based on a general interpretation of the criteria "social aims prioritised before economic aims." The remaining NPOs run as foundations (12%), economic association (2%), and limited companies with restricted dividends (2%). Approximately 25% include housing societies using the legal form economic association, which do not fulfil the criteria of social enterprises. The rest of the NPOs function as joint property associations or religious communities. Out of these economically active NPOs, 2,421 organisations registered as Health or Social service organisations according to the International Coding of Non-profit Organisations (ICNPO) (Statistics Sweden 2016).

Statistics from education also provide useful data in mapping social enterprises. **In the 1990s, initiatives that supported the emergence of parent-owned cooperatives resulted in an increase especially in new preschools**. These ventures commonly ran as economic associations. Later on, conventional enterprises often operating as limited companies also increased their market share in this area. Currently, 1,103 preschools register as economic associations. But in total approximately 80% of children attend public preschools, 7.5% attend schools run as economic associations, 6.7% attend schools run as limited companies and a smaller number of children attend schools run as non-profit associations or foundations. Equivalent numbers of children attending primary school (grades 1–9) respectively include: 86% public, 9.2% limited companies, 1.5% economic association and a smaller number of children attend schools run as non-profit association or foundation. In Gymnasium 74% of students attend public schools, 22.1% schools run as limited companies, 0.5% schools run as economic associations and a smaller number of children attend schools run as non-profit associations or foundations. Among private compulsory and gymnasium schools, a total of 121 run as non-profit associations and 129 run as economic associations. Schools run as limited companies here are seen as conventional enterprises even if possible exceptions with adjusted statutes exist.

For further reference, these figures can also compare with 110,000 finding employment with conventional enterprises in Social care and Health care (SNI 87-88) in 2015, indicating a 300% increase since the year of 2000 due to the reform of welfare structures. The number of employees in the non-profit sector has remained considerably more stable during the same period of time. Even if these conventional enterprises do not generally fulfil the criteria of the EU definition for social

enterprises, some of the small or medium-sized enterprises might, based on qualitative analysis (see for example Sundin 2009; Gawell, Sundin and Tillmar 2016).

Since the different types of social enterprises do not adhere to legal structures or other solid statistical markers, the analysis of aggregated data must proceed with caution. **Parts of the field of social enterprise can be identified, like the 2,421 organisations registered in the satellite account on NPOs in health and social services as well as the 1,353 schools run as economic or non-profit associations**. This can compare to statistical information on public expenditures in the same fields since public spending provides the predominant source of funding social services in Sweden. **According to Statistics Sweden, 2,370 nonprofit subcontractors cater to municipalities and to counties in the fields of health care, social care, education and services related to care for refugees** (with contracts exceeding 9,000 EUR and 23,000 EUR respectively). Based on these sets of data, one can estimate an approximate 3,000 social enterprises in these sectors.

But this figure remains partial. Some social enterprises also fulfil the criteria of the EU operational definition in other sectors and in different legal forms. These social enterprises can however not yet be quantitatively identified or validated in reliable sets of data. And many times, activities with social aims integrate into different types of activities– such as work integrating efforts and social aims blending with cultural activities or sport activities. Basically, these organisations give priority to social aims, using economic activities as a tool to reach those aims.

In light of the above, the estimated number of social enterprises reaches approximately 3,000 units in the health care, social care and education sectors.

3.2. Social enterprise characteristics

Social enterprises in Sweden constitute a heterogeneous group of ventures. Some have strong influences from the Swedish non-profit association tradition (the popular mass movement ideals), the cooperative movement and cooperative principles, or business practices (Gawell 2014a). Social enterprises with strong influences from the cooperative movement emphasise the same or similar criteria as the EU operational definition— a focus on economic, social and governance dimensions— while social enterprises more influenced by a non-profit discourse tend to emphasise the social dimension and partly the participatory governance dimension (the economic dimension can get traced indirectly). Social enterprises more influenced by the business sphere often emphasise social aims combined with arguments of a possible win-win relationship between social and economic aims.

The 'core group' of social enterprises that used the term early on, have found a niche related to work integration and especially work training and adjustment for people facing long-term unemployment. This also includes the social enterprises registered on the list published on www.sofisam.se by the Swedish Agency for Economic and Regional Growth (Sofisam 2018). Most of these enterprises receive influence from social cooperative and non-profit associational traditions, so work integration provides a natural major field of activity that also encompasses work training, rehabilitation services etc. for municipalities and national agencies. They furthermore commonly combine this field of activity with production and sales in other sectors such as cafés, catering, hotels, maintenance, carpentry, handicraft, arts, second hand shops, and gardening.

Long-term unemployment often emerges due to several underlying reasons including, for example, different types of mental or physical illnesses, disabilities, former drug abuse or destructive life styles such as criminality. Most of the social enterprises registered on this list typically employ a work force primarily consisting of people from these types of target groups. The list owner highlights a participatory approach, including systematic influence in governance, verifying this information through self-assessment of registered social enterprises.

Most of these ventures are small. Approximately 75% of them employ less than 10 people and 13% employ 11-20 people. Only 1% employs more than 76 people. A total 65% of these social enterprises function under the legal form of economic association, 22% as non-profit associations, 8% as limited companies. The remaining 5% of the social enterprises registered on this list use limited companies with restricted dividends, trading partnerships or foundations.

Illustration 4. Mamas Retro

The initiative that led to founding Mamas Retro started in 2009 by three women working in adult education– all of whom greatly engaged in social issues, grounded in human rights. The initiative focused on skill training, collaboration, competence development, and intersectionality. Together with cooperative advisers from Coompanion and with support from the Swedish Inheritance Fund as well as from local authorities, they started Mamas Retro in 2011, reaching to women with difficulties in the labour market. Mamas Retro presents an economic association and runs closely connected to the initial non-profit association SKILL.

Approximately 50 people participate in Mamas Retro on a daily basis, out of which about 12 receive employment. It emphasises empowerment and focuses on participants'

individual situations and abilities. Two basic rules apply: do not address illnesses/disabilities (to avoid reinforcement of stereotypes and destructive identities) and do not talk badly of each other.

Mamas Retro now forms a second hand shop particularly for children's clothing. The choice of activities bases itself on an assessment of possible activities that could fit as many as possible of the target group. They run several different types of projects such as 'Prejudice and pride' and 'Expanding norms to prevent subordinating stereotype identities' (author's translation). Mamas Retro is based in Gothenburg.

www.mamasretro.com

Broadening the understanding of social enterprises according to the EU operational definition, it becomes difficult to systematically verify specific criteria and include economically active non-profit associations as their self-identification as social enterprises varies. Out of the 92,000 registered economically active NPOs, the average number of full-time working persons reaches a mere average of 20,164 (Statistics Sweden 2016). 2,421 of these organisations registered as Health or Social service organisations according to the International Coding of Nonprofit Organisation (ICNPO). Over 70% of persons working in Health and Social services are women. In the other areas, gender equality varies between 40–60%.

Some economically active non-profit associations emphasise participatory and democratically structured governance, while others take the role of charity-based service delivery (such as faith based organisations providing social services). Thus, these organisations vary in fulfilling the governance dimension of the EU operational definition.

Social enterprises influenced by business practices highlighted social aims, often with arguments of a win-win relationship to economic aims. They furthermore highlighted the business aspects as a key to results. They seldom relate to a participatory approach (Gawell 2014a). These different types of characteristics have not undergone systematic evaluation for either efficiency or impact, serving as a reminder that these characteristics base themselves largely on qualitative analysis or self-identification and self-assessment.

4

ECOSYSTEM

An ecosystem of social enterprises consists of the general environment and the possibility to act upon a given society's needs. Additionally, it embodies specific structures, policies, actors and networks as well as financial options that targeting or affecting social enterprises directly and indirectly. This report focuses on the latter, though it will illustrate and contextualise some general aspects as well. A number of public authorities, financial intermediaries, interest organisations and research institutions all help create the ecosystem of social enterprises. Specific policy schemes related to social enterprises have over the years primarily focused on information and knowledge development. The core of social enterprises consists of its participants (beneficiaries) along with the people engaged in these ventures' everyday activities and management. At times, these actors are one and the same; beneficiaries can engage, participate and take responsibility for everyday affairs.

4.1. Key actors

The social mission of social enterprises means that participants that benefit from the activities are the most important key actor. At times initiators, participants and beneficiaries are one and the same. The foundation of KRIS illustrates such process.

Illustration 5. KRIS (Criminals Return into Society)

In 1997, Christer Karlsson was released from prison after some thirty years in and out of prisons. He decided this would be the last time. Together with some friends from a 12-step community he started KRIS aiming to help people like themselves with former drug abuse and/or criminal life styles. Through offering a drug-free social network guided by the principles of honesty, sobriety, comradeship and solidarity, they support each other to find new pathways in life. KRIS has around 5,000 members. The non-profit association opens itself to people with a background in drug abuse or criminal life styles.

They visit prisons and inform about their activities. They also offer to meet up at the time for release with coffee and cake in a supportive environment. They also provide training and, as far as possible, employment for their members. They also run half way houses, rehabilitation programs, give lectures etc. Over the years, they received grants from the Swedish Inheritance Fund and the Swedish ESF Council for specific projects such as the Creative Honest Entrepreneurs, aiming to develop social enterprises within or related to ordinary work.

A number of public authorities, intermediaries, interest organisations as well as educational and research institutions play a key role for social enterprises and developing their ecosystem. Key actors are listed in table 1.

Table 1. Key actors in the social enterprise ecosystem

Type of institution/Organisation	Actor
Public authorities	> The Government; e.g. Ministry of Enterprise, Ministry of Labour, Ministry of Social Affairs, Ministry of Finance and increasingly also Ministry of Justice > National Agencies; e.g. Swedish Agency for Economic and Regional Growth (Tillväxtverket), Swedish Agency for Labour (Arbetsförmedlingen), Swedish Social Insurance Agency (Försäkringskassan), Swedish Innovation Agency > County Authorities (policy makers, procurement agencies, buyer of services) > Municipalities (policy makers, procurement agencies, major buyer of services)
Business advice agencies	> Coompanion (focus on cooperatives) > ALMI business partner (focus on business development) > Swedish Jobs & Society (focus on business start-ups)
Financial intermediaries (apart from public agencies above)	> Commercial and saving banks > Credit guarantee associations > Membership banks such as Ekobanken > The Swedish ESF Council > Swedish Inheritance Fund > Private investors/donors
Interest organisations	> Skoopi (network for social cooperatives/WISEs) > Famna (Swedish Association for Non-profit Health and Social Service Providers) > Forum (National Forum for Voluntary Organisation – an umbrella organisation for civil society organisations working within the social sphere in Sweden) > Ideell Arena (network aiming to initiate and develop high-quality programmes to strengthen leadership in the non-profit sector) > Social Entrepreneurship Forum (aims to promote and empower entrepreneurs to use business to do good)
Education and research institutions	> Folkbildningen (adult education institutions e.g. Folk high schools and study associations) > Academic institutions (se specification in section 4.5) > Private consultants

4.2. Policy schemes and support structures for social enterprises

Swedish policies majorly focus on providing basic conditions for private businesses and other organisational initiatives. In the last decades, focus has centred on what policy makers refer to as 'competitive neutral policies,' thereby avoiding initiatives targeting specific groups of enterprises or other types of organisations. Policy schemes related to social enterprises have felt (and still feel) affected by this general approach. Initiatives more explicitly focused on social enterprises strive instead to improve knowledge and cross-sector collaborative dialogue on social enterprises' contributions to society (i.e. work integration of long-term unemployed people).

A major policy shift benefitting different types of private initiatives (including social enterprises among others) comes from 'outsourcing' welfare services earlier provided by public sector organisations. This shift initiated in the 1980s and 1990s, and first took root in financial markets and transportation during the 1990s, then in health care and social care during the 2000s. The demise of tax-funded welfare services in Sweden provokes an emergence of markets for welfare services. Not reserved for social enterprises or NPOs, these markets opened for private actors regardless of legal form, for- or non-profit aim or asset lock.

Apart from this development, some initiatives relate to the current situation for social enterprises more specifically. The following account of policy schemes comes in chronological order to provide an evolutionary framing of the ecosystem for social enterprises.

4.2.1. European Union Membership 1995 and a focus on social economy

Sweden became member of the European Union in 1995. In 1997, the Swedish Government commissioned a working group to investigate the meaning of and conditions for the social economy in Sweden with reference to discussions within the EU. A wide spectrum of public and private actors were represented in the group, helping to establish connections between Swedish non-profit traditions and actors influenced by the southern European social cooperative movement. Discussions and reports have later served as reference points for discussions on social enterprises in Sweden. The initiative did not however lead to legislative or other concrete changes.

The Swedish ESF Council has played an important role for funding projects influenced by the social cooperative approach, especially those focused on work integration of long-term unemployed people. In fact, most self identified WISEs registered with the Swedish Agency for Economic and Regional Growth list of

social enterprises received funding from the Swedish ESF Council at least for a period of time (Gawell 2011a, 2011b).

4.2.2. Policy initiatives with focus on social enterprises, civil society and a compact for idea based and public collaboration in the early 2000's

Social enterprises focused on work integration found a niche where they could benefit from the Swedish ESF Council's programme, labour market policies as well as entrepreneurship/enterprise policies in the early 2000s partly through a collaborative project funded by the Swedish ESF Council 2004–2007. The Swedish Agency for Economic and Regional Growth acted as project owner and has since been commissioned by the Swedish Ministry of Enterprise to promote WISEs through coordinating information and increasing awareness of social enterprises especially within public agencies such as Swedish Agency for Labour Market and Swedish Agency for Social Insurances as well as municipalities (Swedish Agency for Economic and Regional Growth 2007, Hedin and Laurelii 2016, Sofisam 2018). These initiatives did not provide direct financial support for social enterprises.

Parallel to this initiative with a specific focus on WISE, sprouted a public investigation on conditions for NPOs (SOU 2007). Later it addressed a Governmental bill with a focus on policy for civil society (Prop 2009). Both this investigation and bill incorporated discussions of social economy and social enterprise, thereby confirming them as part of the civil society umbrella as well as part of the enterprise umbrella (SOU 2007; Prop 2009).

This investigation and Governmental bill led to (among other things) civil society's and social enterprises' inclusion when instructing public agencies, along with more subtle support in developing a platform for formal and informal dialogue. Although it did not create specific financial benefits, it still made an important contribution to the social enterprise ecosystem. An additional dialogue forum called the *Överenskommelsen* ('Agreement' in English) received influence from the British Compact model. In the Swedish Compact, the government, Swedish Association of Local Authorities and Regions, and idea based organisations in health care and social care all participated (Överenskommelsekansliet 2018). **The term *idea based* organisations emerged as a compromise to involve both NPOs and social enterprises** that emphasised the value of profit and would not identify themselves with non-profits even if they also argued that they would use profits mainly to achieve their social goals. This policy initiative did not provide specific financial support to idea based organisations either, but served as tool in mainstreaming social enterprises and civil society in different policy fields.

4.2.3. Policy initiatives with focus on social enterprise and social innovation 2018

In 2018, the Swedish government launched a new strategy for social enterprise, social entrepreneurship and social innovation (Swedish Government 2018). This strategy highlights a "challenge driven approach" as referred to in the UN Agenda 2030. Social enterprise is referred to in rather general terms as a "heterogeneous group of actors active in the border land between public and private, business and civil society" [author's translation]. The criteria used for social enterprises in this strategy focus on enterprises/ventures that 1) use business as a means for social aims, 2) measure results in relation to social accomplishments, and 3) predominantly reinvest profit in a primary social field (Swedish Government 2018) [author's translation].

The strategy aims to strengthen the development of social enterprise so that they can participate in solving societal challenges and contribute to sustainable development. **This strategy has been followed by three-year assignments to the Swedish Agency for Economic and Regional Growth and to the Swedish Innovation Agency of 20 million SEK (1.8 million EUR) per year, respectively**. These initiatives will include advisory activities, competence development, support for business development and knowledge dissemination as well as support to incubators and development of impact assessment measures. The initiatives' details continue to develop.

4.3. Public procurement framework

Public procurements aim to ensure that contracting authorities use public funds to finance public purchases in the best possible way by taking advantage of competition in order to get a good deal. It is governed by the Swedish Public Procurement Act (2016:1145-LOU) and is largely based on the EU Directive concerning public procurements. The Swedish National Agency for Public Procurement governs the law covering state and municipal authorities. Fundamental principals in the Swedish Procurement Act include: non-discrimination, equal treatment, transparency, proportionality, and mutual recognition (Swedish Agency for Public Procurement 2018). Public procurements must be announced through official channels and uphold a threshold value (1,365,782 SEK or ~130,549 EUR for services and goods, January 2018) announced in the EU database. So-called direct procurements can purchase services or goods under 586,907 SEK or ~56,100 EUR (Swedish Agency for Public Procurement).

Most public procurements get awarded with a mix of economic, technical and qualitative specifications depending on the character of procured services and goods. **Ordinary procurements get complemented with different types of client choice models–**

e.g. in education (through Friskolereformen 1992), health care and social care with the support of a law on client choice (Lag 2008:962 om valfrihetssystem LOV).

These laws and the routines for public procurements greatly affect both public and private actors. The high level of public funding in welfare sectors such as health care and social care emphasise the importance of procurements. Private enterprises in the care sector receive up to 91% of funding by public means channelled through procurements and/or client choice models (Statistic Sweden 2018). Social enterprises compete on the same terms as other enterprises as well as NPOs. Public procurement policies experience rather strict interpretation, presenting an obstacle for small enterprises as well as NPOs due to lack of experience in these types of processes or difficulties in matching quantitative specifications (Swedish Agency for Economic and Regional Growth 2007).

The Swedish governments have stressed what they refer to as 'competitive neutrality' in procurements as well as in different types of policy initiatives, meaning that different types of ventures will have the same right to respond to calls or compete for customers. In practice, large and occasionally multinational enterprises have succeeded in areas like health care. Social enterprises and NPO have increased their social service activities, though they decreased their market share compared to for-profit enterprises due to these other enterprises winning contracts (Sundin 2009). At times, these organisations as well as other types of social enterprises benefit from access to public facilities and other related benefits, but case studies illustrate this remains quite limited (Gawell 2011a, 2011b).

The law on public procurement considers environmental, social and employment aspects— some municipalities have used this to a certain extent, such as in considering employment of youth, unemployed people or people with disabilities. **However, many authorities have hesitated to use these criteria more extensively and instead refer to 'competitive neutrality.'** While the interest and experiences from these procurements increases, its level still remains low.

A revision of the public procurement law in 2017 introduced reserved procurements if the projects related to sheltered workshops providing contracts of sheltered employment, or service providers with a primary aim of social and work integration of people with disabilities or other difficulties to enter the labour market (Swedish Agency for Economic and Regional Growth 2018). This has, for example, led to procurements of cleaning and office services reserved for WISEs. **While the examples still number sparsely, an increasing interest among municipalities and other authorities will expectedly allow encourage their growth**.

In 2010, the interest organisation Forum (a national forum for idea based organisations working within the social sphere in Sweden) presented a collaborative form they refer to as Idea based Public Partnership or IOP (*Idéburet offentligt partnerskap in Swedish*). It provides a model for collaboration between sectors in social spheres with no market. Initiatives have used (and continue to use) this forum to address issues spanning from domestic violence, newly arrived immigrants and other extra challenging social issues. The IOP model has developed in relation to the European Union regulations (Forum 2017) even though in practice some uncertainty remains regarding its use (Aflaki *et al*. 2017).

4.4. Networks and mutual support mechanisms

Several different networks and mutual support mechanisms bolster social enterprise in Sweden. All the above-mentioned entities listed in the key actor section engage more or less in mutual support related to social enterprises, social entrepreneurship and social innovation. Most actors listed here operate over time, but many other more temporary initiatives also contribute in limited phases due to project funding.

- ***Coompanion*** – an association of business advisors focused on developing cooperatives strongly associated with the development of social enterprises in past and present
- **Famna** – Swedish Association for Non-profit Health and Social Service Providers
- ***Folkbildningen*** – adult education institutions e.g. Folk high schools and non-formal study associations
- **Forum** – National Forum for Voluntary Organisation – an umbrella organisation for civil society organisations working within the social sphere in Sweden
- **Ideell Arena** – a network aiming to initiate and develop high-quality programmes for leaders within the non-profit sector in order to strengthen its leadership
- ***Mötesplats social innovation*** – a initiative to promote, create venues for meetings (eg. hosting Social Innovation Summit) and disseminate knowledge of social innovations
- **Social Entrepreneurship Forum** – with an aim to promote and empower entrepreneurs to use business for public good
- **Skoopi** – network for social cooperatives/WISEs
- **SOFISAM** – a web portal developed as a part of prior policy initiatives but still in use. Includes a list of WISEs based to a large extent on self identification and a certain official assessment

- Private and public actors participating in international networks, e.g. related to and/or funded by the EU
- Academic institutions (see 4.5 below)
- Private consultants; an increased number of specialised consultants and a growing number of more general consultants that engage in the social enterprise field

There are also several examples of an interplay between different actors as social enterprises are set up. The foundation of Aktus (see below) illustrates a process related to several different actors and networks.

Illustration 6. *Aktivitetshuset Aktus* (The activity house Aktus)

The idea of the activity house Aktus bases itself on a local need assessment conducted by the local Red Cross branch in 2002. They identified people with psychiatric disabilities, mental illnesses and others facing long-term unemployment as the groups in most need of support. Through dialogue with local actors, the idea of an activity house that could provide a sense of community and work opportunities grew. In 2005, representatives from the Red Cross branch, a local cultural foundation, a local business association and some private individuals all founded the economic association Aktus.

Approximately 10 people entitled to support from the Labour Market Agency currently are employed. Over the years more than 50 people that participated in the Aktus activities now find employment elsewhere or have started to study.

In 2006 they received support from the Swedish Inheritance Fund, and from the Swedish ESF Council in 2008. Economically the business model can sustain itself without project grants, though the financial situation always poses challenges. Further development initiatives depend on new grants.

The social mission and related activities remain in focus. Empowerment processes develop in close collaboration with individual participants. Apart from social activities and work training, Aktus also engages in textile work, construction work, gardening and forestry. Aktus bases its activities in Ramsele, in rural Mid Sweden.

4.5. Research, education and skills development

Education and training

Interest organisations and consultants run different types of training programmes. *Coompanion* and *Skoopi* have run training programmes for social enterprises in procurements, social auditing etc. Many of these programmes have formed part of projects funded by the Swedish ESF Council. Trainings are conducted by project owners, partners themselves or consultants.

Folk high schools[2] **and non-formal study associations conduct trainings of interest for social enterprise**. These actors furthermore often get involved as partners in different types of projects. Many of the folk high schools and study associations have a long history as an alternative to the formal educational system emphasising education combined with empowerment and active citizenship. Some of these schools and associations are owned by organisations that operate as prominent actors in the field.

At times academic institutions present collaborative partners in cross-sectorial projects (again for example projects funded by the Swedish ESF Council, or in rural areas the European Regional Development Fund). At times academic partners serve as project evaluators and thereby become involved in the field.

The interest in these types of phenomena has also increased within academia. Courses, or elements of courses relating to this field have many times come to mention within ordinary entrepreneurship curriculum or as part of challenge driven lab approaches in courses or extra curricular activities. Currently, official reference to the term social enterprise only emerges in the curriculum at Södertörn University and Gothenburg University. Mid Sweden University has a focus on societal entrepreneurship for rural development. Chalmers Technical University, Linneus Univserity, Malmö University, Royal Technical University, Stockholm University and Umeå University also have courses in social entrepreneurship and/or social innovation. If courses with a focus on NPO/civil society are included, Ersta Sköndal Bräcke University also deserves mention.

Several researchers in different ways touch upon, elaborate on and conduct studies related to the field. **But this so-called 'field' remains fledgling and fragmented**. The last decade witnessed only a couple of network projects. In 2007–2009 a research network of researchers from sixteen universities in Sweden developed a knowledge

(2) Folk high schools emerged during the late 19th century as institutions for adult education. They complement the formal educational system for youth and higher academic education. Folk high schools are most commonly found in the Nordic countries and in Germany, Switzerland and Austria.

foundation based on societal entrepreneurship. This work receives mention in the anthology "Entrepreneurship in the Name of Society" (Gawell *et al*. 2009). Another partly overlapping network, Social Entrepreneurship Research Network in the Nordic Countries (SERNOC), broadened the geographical scope and focused more on social entrepreneurship and social enterprise. This work receives mention in the anthology "Social Entrepreneurship and Social Enterprises. Nordic Perspectives" (Andersen *et al*. 2016). Other collaborative research projects have also published anthologies, though with vague or non-existent references to social enterprise as a concept and/or references to the social economy and cooperative tradition; "Societal Entrepreneurship" (Berglund *et al*. 2012), "Social Entrepreneurship" (Lundström *et al*. 2014).

4.6. Financing

Financing social enterprises varies depending on size, age, etc. Some relatively large and well-established social enterprises have generated assets over the years like real estate or shareholding as well as developed business models providing sustainable platforms. These organisations commonly integrate well with ordinary financial structures e.g. banks. But many smaller and younger social enterprises face considerable financial challenges of cash flow and relatively small investments. To further illustrate the heterogeneity, Srba (2014) identified a variance between 23–100% revenues of WISEs coming from sales of social services, and between 10–77% revenues stemming from grants or donations.

Social enterprises finance in many ways connects closely to public policies and procurements as well as grants from Swedish ESF Council and Swedish Inheritance Fund. But some ordinary banks, niche banks such as Ekobanken, local or regional investment funds, credit unions, micro funds, private investments and donations come to use in various ways.

No systematic account illustrates social enterprises' financial demands developing over time in Sweden. But economic turnover can provide an indicator. The economically active NPOs created total operating revenues of almost 120 billion SEK (about 11.47 million EUR) in 2015 (Statistics Sweden 2018). Based on a study of 137 (out of 302) WISEs registered on the list published by Swedish Agency for Economic and Regional Growth, these enterprises created a financial turnover of almost 550 million SEK (about 52.6 million EUR). Approximately 80% of these enterprises had no debts, while 20% experienced average debts of approximately 1 million SEK (about 95,985 EUR).

Social enterprise activities are commonly labour intense and do not rely on heavy investments. This raises a major concern in funding operational income, making market conditions for the types of services provided by social enterprises crucial (Gawell 2014b). Grants often invest into human resources, training etc. But still, a need emerges for financing other types of investments. Some social enterprises point to buying furniture or a car as an example (these costs do not commonly get covered by project grants nor bank loans unless assets can be used as security for the bank).

In 2011, the Swedish Agency for Growth Policy Analysis conducted a survey of 43 WISEs (Swedish Agency for Growth Policy Analysis 2011). In conclusion they could not identify competitive disadvantages for this particular group, or needs for specific financial measurements—even though some of the social enterprises stated problems with funding. They furthermore did not identify great needs of investment capital since these enterprises primarily engaged in services with low financial thresholds. They did however urge caution in interpreting the results due to limited data (Swedish Agency for Growth Policy Analysis).

Other financial instrument such as crowdfunding come into use though its scope and results have not systematically undergone evaluation.

5

PERSPECTIVES

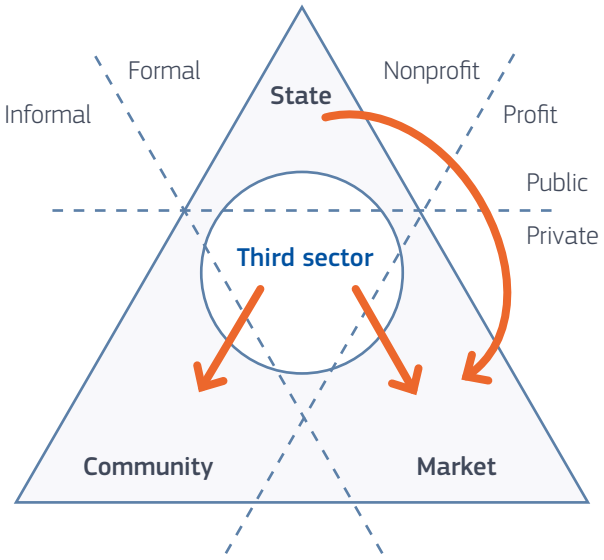
Social enterprises provide some indicators for general developments in Swedish society. In this context, their presence firstly points to the current transformation of the welfare system, which allows more private providers to deliver services. While this represents an opportunity for social enterprises, it also increases competition. Many social enterprises and key allies furthermore raise concerns over increased social challenges in society, including tension and polarisation between groups. Social enterprises and their allies stress the need for developing competencies among social enterprises and public authorities. This includes a more general understanding of social enterprises, procurements and other policy effects on social enterprises, as well as business skills among social enterprises. Finally, several social enterprises and key stakeholders emphasise difficulties in developing long-term sustainable business models. They also stress the need for conditions that allow sufficient qualitative work for target groups that require extensive support.

5.1. Overview of the social enterprise debate at the national level

The current debate on social enterprise centres on the transformation of the public sector that, during the last decades, have invited private actors to the welfare arena previously dominated by public service provision (Gawell, Sundin and Tillmar 2016). The transformation has changed the conditions for so called third sector organisations including social enterprises. Pestoff (1998) showed that the third sector in Sweden stood in the crossroads of state, market and community. And Sweden had more tightly integrated with the state compared to many other countries in line with a social democratic welfare regime, to use terminology from Esping-Andersen (1990). Since then, the public sector has been subject to competition; procurements and/or client choice models have pushed these types of organisations towards more market-like conditions. **These services still receive primarily public funding, and competition mainly occurs between private for-profit and NPOs** (see arrows to the right in the figure below).

On the other hand, a number of NPOs also witness an increased pressure to provide social services to people without contracts or sufficient grants from the state. This means that part of third sector activities lean towards a community and a volunteer-based approach, implying dependence on family and volunteer support (see arrows to the left in the figure below).

Figure 1. The third sector and the welfare mix: Illustration of current paradoxes in Sweden



Based on Pestoff (1998). Arrows added to illustrate shifts in the early 2000s (Gawell 2015).

As described above, discussions on social enterprise increasingly also include discussions on social entrepreneurship and social innovation. This became particularly obvious in the latest policy initiatives that commissioned the Swedish Agency for Economic and Regional Growth and the Swedish Innovation Agency to support these types of initiatives through business training, increasing knowledge among public authorities to strengthening the support system, as well developing the reach of incubators, working methods and expertise related to social enterprises and social innovations (Swedish Government 2018). No explicit arguments for specific legal frameworks, tax benefits or funding schemes exclusively cater to social enterprises.

The connotation of social enterprise remains generally positive even if some critical voices question the innovativeness of these types of initiatives, and if they primarily result from the marketing and commercialisation of welfare structures.

Several of the issues do not apply merely to social enterprises. Many debate the level and quality of services as well as forms and organisation of welfare services, along with the issues of terms, profit and its distribution in publicly funded fields. It is too early to predict the results of this debate.

5.2. Constraining factors and opportunities

Interviewed stakeholders and various studies all noticed **great opportunities for further developing social enterprises**, such as in: the tradition of social initiatives, the positive attitude toward entrepreneurship in general and a positive connotation related to social enterprises, and an openness for innovation and (potentially) available resources.

Constraints for developing social enterprises in the Swedish context primary relate to the following aspects. Firstly, constraints exist in the **perceived increase in unmet social needs** in society. Many social enterprises, especially those operating for a while or run by people with experiences for different types of social work, highlight the increased unmet needs among certain groups of people. They further highlight the **severe challenge for any type of venture to solve so called 'wicked problems'** that have different causes and cannot be solved by single initiatives. Representatives from social enterprises and stakeholders representing NPOs have, not the least in relation to this study, forwarded observations of increased needs in society. Even if this means a greater demand for their type of organisations, it conflicts with their aims of a fairer society.

Secondly, **stakeholders call for developing greater competence in relation to business development, methodological development and impact assessment**. Improving knowledge within public sector could also assist a better understanding of social enterprises' potential as well as its limitations.

Thirdly, many actors highlight **challenges for social enterprises to cope with administrative bureaucracy and routines for public procurements**.

Finally, funding presents an issue raised by several stakeholders and social enterprises themselves. New actors in the field point to seed funding and investment funding while **actors with more experience focus more on long-term financial conditions for increased sustainability**. They highlight the difficulties to develop business models and markets that allow qualitative work sufficient for targeting people with great needs in the long-term.

5.3. Trends and future challenges for social enterprises in Sweden

An increased awareness and positive attitude to social initiatives (including from many conventional businesses) present an important and strong trend among stakeholders and social enterprises. **Prior initiatives, combined with increased interest and the new Governmental policy initiative are seen as fruitful and promising**.

Future challenges highlighted by interviewed stakeholders, additionally supported by different studies, come with the **social challenges themselves**. The additional demand for extensive initiatives and the **need for structural changes promoting inclusion on a more general societal basis** also create great pressure. Interviewed stakeholders shared **worries about sharper social polarisation, decreased tolerance and an increase of prejudiced attitudes in society**. While these may sound like general trends, these aspects directly affect many social enterprises daily.

The arenas of empowerment and inclusive participatory governance, pillars of social enterprises, risk fading away as the language in policy documents orients more toward business discourses, such as in the new policy initiatives commissioned by the Swedish Agency for Economic and Regional Growth and Swedish Innovation Agency (Ministry of Enterprise N2018/00713/FF, N2018/00714/IFK).

Increasingly, integrating migrants presents a challenge and opportunity in Swedish society. During the refugee influx in 2015, private actors collaborated with public actors through different types of partnerships (informally, through idea based and public partnerships IOP, grants, contracts etc). **Currently, more focus lands on work training**

and integration. Different types of social enterprises participate and specific calls have launched from the Swedish Innovation Agency with a focus on Social Innovation against segregation (2017). Authorities as well as researchers are currently studying the results of these types of initiatives.

Actors with no or little experience in social work of different types, (e.g. new social entrepreneurs) express difficulty at times due to underestimating social challenges (Gawell 2013c). Some stakeholders with longer experience express a risk of high and at times naïve ambitions that combined with lack of knowledge can even harm beneficiaries. This highlights the importance of combining engagement with learning, competence development as well as critical reflection and assessment– from the beneficiaries' point of new as well as the societal point of view. Interviewed stakeholders underline these long-term sustainable financial solutions as one of the most crucial future challenges in the sector.

Illustration 7. *Blå vägen* (The blue way)

Blå vägen was founded in 2007 by the organisation Spånga Blåband, which had participated in the temperance movement since 1990. Currently, it functions as an open multicultural association with a mission to prevent drug abuse and xenophobic attitudes. The association has 190 members out of which more than 70% have roots in other countries apart from Sweden. In 1994 they engaged specifically in supporting newly arrived refugees, other immigrants and also Swedish-born people through training and occasional rehabilitation. Through three projects funded by the Swedish ESF Council they grew considerably and in 2007 they founded an economic association, *Blå vägen*, to facilitate their scaled activities.

Approximately 300 people participate in their activities every year. They employ approximately 130 people. Between 30–60% of the participants, depending on the target group, have succeeded in finding employment.

About 70% of their income derives from sales of labour market services and 30% from sales of other products and services. *Blå vägen* runs seven cafés, sewing activities and day care for dogs. They have also started *Blå vägen* – house keeping for risk diversification. *Blå vägen* operates primarily in Spånga in northwest Stockholm but also in other parts of the city.

www.blavagen.nu

6

APPENDICES

Appendix 1. The EU operational definition of social enterprise

The following table represents an attempt to operationalise the definition of "social enterprises" based on the Social Business Initiative (SBI) promoted by the European Commission.

Main dimension	General definition	Relevant Indicators *(not exhaustive list)* (yes/no or range from low up to very high)	Initial minimum requirements (yes or no)	Examples/boundary cases comments
Entrepreneurial/ economic dimension	Social enterprises (SEs) are engaged in the carrying out of stable and continuous economic activities, and hence show the **typical characteristics that are shared by all enterprises**[3].	> Whether the organisation is or is not incorporated (it is included in specific registers). > Whether the organisation is or is not autonomous (it is or is not controlled by public authorities or other for-profit/non-profits) and the degree of such autonomy (total or partial). > Whether members/owners contribute with risk capital (how much) and whether the enterprise relies on paid workers. > Whether there is an established procedure in case of SE bankruptcy. > Incidence of income generated by private demand, public contracting and grants (incidence over total sources of income). > Whether and to what extent SEs contribute to delivering new products and/or services that are not delivered by any other provider. > Whether and to what extent SEs contribute to developing new processes for producing or delivering products and/or services.	SEs must be market-oriented (incidence of trading should be ideally above 25%).	>We suggest that attention is paid to the development dynamic of SEs (i.e., SEs at an embryonic stage of development may rely only on volunteers and mainly on grants).

(3) In accordance with Articles 48, 81 and 82 of the Treaty, as interpreted by the Court of Justice of the European Communities, **"an enterprise should be considered to be any entity, regardless of its legal form, engaged in economic activities, including in particular entities engaged in a craft activity and other activities on an individual or family basis, partnerships or associations regularly engaged in economic activities."**

Main dimension	**General definition**	**Relevant Indicators** *(not exhaustive list)* (yes/no or range from low up to very high)	**Initial minimum requirements** (yes or no)	**Examples/boundary cases comments**
Social dimension (social aim)	The social dimension is defined by the aim and/or products delivered. Aim: SEs pursue the explicit social aim of serving the community or a specific group of people that shares a specific need. "Social" shall be intended in a broad sense so as to include the provision of cultural, health, educational and environmental services. By promoting the general-interest, SEs overcome the traditional owner-orientation that typically distinguishes traditional cooperatives. Product: when not specifically aimed at facilitating social and work integration of disadvantaged people, SEs must deliver goods/services that have a social connotation.	> Whether the explicit social aim is defined at statutory/legal level or voluntarily by the SE's members. > Whether the product/activity carried out by the SE is aimed at promoting the substantial recognition of rights enshrined in the national legislation/ constitutions. > Whether SE's action has induced changes in legislation. > Whether the product delivered—while not contributing to fulfilling fundamental rights—contributes to improving societal wellbeing.	Primacy of social aim must be clearly established by national legislations, by the statutes of SEs or other relevant documents.	> The goods/services to be supplied may include social and community services, services for the poor, environmental services up to public utilities depending on the specific needs emerging at the local level. > In EU-15 countries (especially in Italy, France and the UK) SEs have been traditionally engaged in the provision of welfare services; in new Member States, SEs have proved to play a key role in the provision of a much wider set of general-interest services (e.g., from educational services to the supply of water). > What is conceived to be of a meritorial/general-interest nature depends on contextual specificities. Each national expert should provide a definition of what "public benefit" means in her/his country.

Main dimension	General definition	**Relevant Indicators** *(not exhaustive list)* (yes/no or range from low up to very high)	**Initial minimum requirements** (yes or no)	**Examples/boundary cases comments**
Inclusive governance-ownership dimension (social means)	To identify needs and involve the stakeholders concerned in designing adequate solutions, SEs require specific ownership structures and governance models that are meant to enhance to various extents the participation of stakeholders affected by the enterprise. SEs explicitly limit the distribution of profits and have an asset lock The non-profit distribution constraint is meant to ensure that the general-interest is safeguarded. The non-profit distribution constraint can be operationalised in different ways.	> Whether SEs are open to the participation and/or involvement of new stakeholders. > Whether SEs are required by law or do adopt (in practice) decision-making processes that allow for a well-balanced representation of the various interests at play (if yes, through formal membership or informal channels that give voice to users and workers in special committees). > Whether a multi-stakeholder ownership structure is imposed by law (e.g., France). > Whether SEs are required to adopt social accounting procedures by law or they do it in practice without being obliged to. > Degree of social embeddedness (awareness of the local population of the key societal role played by the SE versus isolation of the SE). > Whether the non-profit distribution constraint is applied to owners or to stakeholders other than owners (workers and users): whether it is short-term (profits cannot/are not distributed or they are capped) or long-term (asset lock); or both short and long-term. > Whether the cap is regulated externally (by law or defined by a regulator) or it is defined by the SE by-laws. > Whether limitations to workers' and/or managers' remunerations are also imposed (avoid indirect distribution of profits).	SEs must ensure that the interests of relevant stake-holders are duly represented in the decision-making processes implemented.	> Ownership rights and control power can be assigned to one single category of stakeholders (users, workers or donors) or to more than one category at a time —hence giving ground to a multi-stakeholder ownership asset. > SE can be the result of collective dynamics or be created by a charismatic leader (in principle a sole owner is admitted by some national legislations provided that the participation of stakeholders is enhanced through inclusive governance) or public agency. > Different combinations concerning limitations to profit distribution envisaged (e.g., most successful solution: capped dividends supported by total asset lock such as Italian social coops, CIC, SCICs).

Appendix 2. Data availability report

Legal typology	Source of data (name, type & link)	Data provider (name & type)	Year of reference timeline of updates	N° of organisations	N° of workers	Turnover	Degree of reliability (1 to 4) and explanation
All private incorporated businesses/ organizations (incl. NPOs with employees, substantial economic turnover)	Business register (*Företagsdatabasen*) Statistical register	Statistics Sweden, National Institute of Statistics (NSO) Public agency	2016/2017 Yearly	√	√	√	4 - Reliable figures but not fully coherent with the EU operational definition of SE.
Special focus on NPOs in business register	Statistics on non-profit institutions Statistical satellite account	Statistics Sweden (NSO) Public agency	2016/2017 Approx. every 2 years	√	√	√	4 - Reliable figures (under development since 2010), not fully coherent with the EU operational definition of SE.
Private service providers registered by municipalities, counties/regions	Public service providers (municipalities and counties) Annual survey	Statistics Sweden (NSO) Public agency	2016/2017 Yearly	√	N.A.	N.A.	4 - Reliable figures but not fully coherent with the EU operational definition of SE. Contracts below 9,000/23,000 EUR not included.
Work Integration Social Enterprises (WISEs)	List of WISEs List	Swedish Agency for Economic and Regional Growth Public agency	2016/2017 Una tantum	√	√	N.A.	1 - Based on self-identification and self-registration with only limited additional editing or control.

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Appendix 4. List of stakeholders engaged at national level

The set of 21 Country Reports updated in 2018 and 2019 included a "stakeholders engagement strategy" to ensure that key input from national stakeholders was incorporated. Four categories of stakeholders were set up: academic (ACA), policymaker (POL), practitioner (PRAC) and supporter (SUP). The stakeholders' engagement strategy followed a structured approach consisting of a questionnaire, one or two stakeholders' meeting (depending on the country) and one core follow-up group. Such structure enabled a sustained, diverse and committed participation of stakeholders throughout the mapping update process. The full names, organisations and positions of key stakeholders who accepted to have their names published are included in the table below.

Full name	Organisation	Role	Stakeholder category
Åsa Bengtsson	Swedish Association of Local and Regions (municipalities, county councils and regions)	Unit for work and business development	POL
Bo Blideman	Skoopi	Chairman	SUP
Eva Carlsson	Swedish Agency for Economic and Regional Growth	Entrepreneurship unit/ social enterprises	POL
Håkan Forsberg & Johan Nordqvist	Swedish ESF Council	Deputy Director General FEAD	POL
Birgitta Hällegårdh	Swedish Association of Local and Regions (municipalities, county councils and regions)	Unit for work and business development	POL
Marcus Hellqvist	Ministry of Enterprise	Head of section	POL
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Truls Neubeck	Ideell Arena	Head of operations	SUP
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60 survey responses	Social Enterprises	Registered contact persons	PRAC

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