

Freedom by grant: Swedish Social Enterprises in the project treadmill

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Social enterprises arose in Sweden in the 1980s, largely as a response to gaps and systemic deficiencies of the public comprehensive labour market integration system. Though hardly overtly militant, those enterprises posed an implicit challenge to the system by their mere existence: the wish to accomplish integration by own effort that stands at the core of the enterprise concept consists an implicit rejection the dominant model of the time, by which individuals were to “let themselves be integrated” by established policy measures.

The paper argues that the persistence of such enterprises that hover on the brink of legitimacy ought to be seen as a sustained act of social entrepreneurship, and applies a resource-oriented approach to the case. The analysis primarily centers on one element in most social enterprises’ resource mix, whose importance clearly increased over time, namely project-financing.

Resource-mobilization is largely contingent on the institutional arrangements that regulate control over resources. The comprehensive coverage of the social insurance system effectively enforced dependence on public financing –on individual level and- in most cases- on the enterprise level as well on social enterprises’ founders.

The project format that is well established in the Swedish organizational tradition provided a way to provisionally suspend (or circumvent) the elaborate rules of statutory resource allocation, and lift sectoral barriers between would-be partners within the public sector. Those advantages, were rapidly realized, and extensively utilized by most social enterprises, for whom the role of go-between became a way of safeguarding their independence.

The European Union’s increasing –and largely project-centred involvement in the field of social policy (now with Sweden as member) shifted the balance yet further. Social enterprises could draw on their previous experience gained a first-mover advantage in this competitive field; success in procuring projects reinforced dependence on project-financing. However, this initial enchantment gradually gave place to a growing fatigue.

The paper examines the dynamics of this process. It is argued that the demands inherent in social entrepreneurship do not match those that are imposed by the public project regime. The differences between the two are discussed. Differentiation within the population of social enterprises between project-hunters, followers and avoiders is viewed as a most likely response to the strain.

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