

# 10 Social Enterprises in Norway

## Models and Institutional Trajectories

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### Introduction

In Norway, social entrepreneurship and social enterprises are in a much less developed phase than in several other European countries. However, since 2008, there has been a growing interest and increasing attention for social entrepreneurship in the country, and new initiatives have been developing.

The development of social enterprise (SE) in Norway is a typical case of policy diffusion, where policy concepts and models implemented in other countries are imported within another, different institutional context. Indeed, the concept of social entrepreneurship appeared in Norway at the turn of the 21st century, under the influence of both European initiatives stemming from the social-economy tradition and more market-oriented approaches found in the United States and the United Kingdom—two countries that have more developed traditions of philanthropy, social investment and commercial welfare provision than Norway. Although Norway has had a cooperative movement linked to the labour and peasant movement since the middle of the 19th century, cooperatives have played a very limited role in welfare provision in the country in recent decades, and they have consequently had a very limited impact on the development of social enterprise.

Social enterprises have become an increasingly important topic on the national policy agenda. The way in which the policy issues and debates are framed in Norway is contingent upon the national historical and institutional context, constituted by the Nordic welfare-state model. The different origins of the concept and traditions linked to its development (European social economy and US social-venture stream of thought) have produced two distinct types of social enterprise in Norway, but since the SE field is still in a phase of emergence in the country, its institutional trajectories remain open and contested.

In this chapter, we first give a short overview of the historical and institutional context in which social enterprise emerged in Norway. Next, we sketch, based on available empirical data, the main features of

the two major models of social enterprise in the country. Finally, we discuss the potential trajectories of institutionalisation of social enterprise, given the state and the stakes of the Norwegian debate on welfare policy.

### **10.1 Historical and Institutional Context for Social Enterprise in Norway**

The welfare state and its policies as well as the division of labour between the state and the voluntary sector that characterise the Nordic welfare regime constitute the historical and institutional backdrop for the emergence of social enterprise in Norway. Scandinavian (or Nordic) economy, society and politics are often understood as constituting a separate societal model.<sup>1</sup> This model, characterised by a large public sector, a universal, all-embracing welfare state and a high degree of economic and social equality, has shown itself to be surprisingly successful and robust. The Scandinavian countries have a social-democratic welfare state, with a large public sector that emphasises equal distribution of income as well as gender equality. In terms of democratic governance, the Scandinavian model is characterised by a culture of compromise in politics, local government autonomy and cooperation between the state and civil-society organisations.

In Norway, the specific division of labour and the present state of the institutionalised relationships between the state and civil society can be understood as the result of historical developments. These developments are characterised by, on the one hand, the progressive integration between the state and popular movements and, on the other hand, a social contract between the state and individuals according to which the central purpose of policy is to maximise individual autonomy (Enjolras and Strømsnes 2018).

Historically, the cooperation and integration between public and voluntary agencies in the delivery of welfare services had been effective long before the establishment of the modern welfare state. The voluntary sector played a central role from 1850 onwards in alleviating social problems in the developing “welfare municipalities” at the local level. Over the following decades, voluntary organisations provided public-health education, created and ran hospitals and clinics, offered treatment and care for the sick and disabled, and offered a channel for citizens to participate in policy-making. This constituted a significant contribution to the further development of the welfare state on a national level after World War II. Local authorities provided limited financial support to the associations and did not usually impose specific conditions on these money transfers. The voluntary organisations often acted as pioneers in this field, making problems visible and initiating institutional arrangements which, in many cases, were later taken over by the public sector.

The state wished to support existing private services without adversely affecting private philanthropy. In the social-democratic welfare model that developed in the post-war period, associations were not given any explicit role as welfare providers. This phase was characterised by a strong expansion of public welfare, and the public sector overtook most of the institutions and services that were run by the voluntary sector. Many voluntary associations increasingly took on the role of *interest mediators*, playing a role of pressure group within the newly established neocorporatist institutional structure that organised the cooperation between civil society and the state.

In contemporary Norway, the welfare state provides universal social services to its citizens. Municipalities play a central role in welfare-service provision, as most welfare services are decentralised and delivered by local public agencies. In comparison with most other countries, in Norway, the prevalence of child poverty, social exclusion and exclusion from the job market is low. Still, surveys indicate that the proportion of citizens experiencing such problems is rising, and ensuring that public welfare services reach the most vulnerable groups appears as particularly challenging. Although Norway avoided invasive austerity measures in public services in the aftermath of the 2008 financial crisis, the gap between demands for social services and the welfare state's resources to address them is expected to grow in the foreseeable future. In 2013, the Norwegian government stated in its political platform that it would improve the conditions for social entrepreneurs and voluntary organisations operating within the welfare system.

Within such institutional arrangements between the welfare state and the voluntary/non-profit sector, where state-sponsored and state-delivered social-welfare protection is quite extensive, it is no surprise that the space left for service provision by non-profit organisations is quite constrained. Non-profit providers of welfare services account for only 8% of total employment in the welfare sector in Norway (Sivesind 2017). However, the welfare state's institutional arrangements are not static; they are subject to constant reforms. From the 1980s onwards, reforms inspired by the new public management (NPM) approach led to the outsourcing of various types of welfare services, and to a growth in the number of market actors competing with established non-profit welfare providers for public assignments. The interest in the potential of social enterprises is part of a broader debate about the division of welfare production between sectors and the promotion of the idea of a "welfare mix" (Evers 2005; Trägårdh 2007; Selle *et al.* 2018). Policy debates are linked to questions about economic issues on the future sustainability of the welfare state, but also increasingly to questions about democratic aspects and diversity, support to user involvement and individual adaptations. These debates involve stakeholders from different sectors in a cooperative approach to welfare production.

Current debates revolve around three intertwined themes that have a bearing on the “opportunity structure” for the development of social enterprise; these three themes are related to the “modernisation” of public welfare-service provision and the role of “private” actors (non-profit and business sectors).

The first bone of contention is about institutional welfare production performed by non-profit and commercial actors under contract with the public sector, for example, for the provision of health or education services. The non-profit sector played a role of service provision in various welfare areas long before the welfare state expanded. This role remains important today, although it is smaller than in the past, and far smaller than in many other European countries. Today, arguments promoting non-profit and commercial welfare services often state that these represent an ideological alternative to public welfare. In the same line, arguments also refer to democratic representation. Most political parties support the idea of a welfare-mix involving different types of providers, but the share of the “market” that these different types of providers should have is subject to political disagreement.

The second issue of debate is about the extent to which voluntary work should supplement public welfare services. The third sector’s role as co-producer of welfare is promoted both in the form of voluntary work within or outside voluntary organisations and through institutional voluntarism—that is, volunteering within public institutions or under the auspices of private companies. Mobilisation of this type of voluntary work has gained attention in many countries in recent years and is often described by concepts such as co-creation, governance, co-production and active citizenship (Torfing 2016; Torfing and Triantafyllou 2016).

The third theme that is often debated is policy development about social innovation, which has gained renewed political and public attention in recent years. In a large, all-embracing welfare state, both quality and efficiency in services are important for the legitimacy of the model. Civil society was a central arena for innovation in the early stages of the welfare state, as many initiatives aiming to establish new services had their roots in private initiatives of citizens and in civil organisations. With the development of the welfare state, this role has gradually become less significant. Today’s renewed interest in innovation is strong in Scandinavia, both in the market and in the public sector, and attention is increasingly directed towards the non-profit sector and collaboration between sectors, including new initiatives such as social entrepreneurship.

## 10.2 Main SE Models in Norway

Undertakings that fall into the organisational definition of social enterprise provided in the EU’s Social Business Initiative (launched in 2011) are registered in Norway under several forms. Most of them operate

either as limited companies or as voluntary organisations. Unlike what is the case in many countries in Europe, very few Norwegian social enterprises are cooperatives.

There is no specific register of social enterprises in Norway. Hence, statistics on social enterprises are based on information from central actors in the field, and information available in several public registers. The statistics presented in this chapter are based on mappings of social entrepreneurs in Norway realised respectively by Eimhjellen and Loga in 2016, by Kobro *et al.* in 2017 and by Kobro in 2019, based on surveys addressed to potential social entrepreneurs, and estimating the population of social enterprises to be comprised between 295 and 380 enterprises.

The data collected tend to indicate that there are two main models of social enterprise in Norway. The two models have different ideological roots: the voluntary sector, for one of the models, and the business sector, for the other. This dichotomy may be inferred from the initiatives' institutional forms: Between 40% and 50% (depending on the mapping methodology) of social enterprises are joint-stock companies, registered either as limited companies or as non-profit limited companies<sup>2</sup> (about 15% of social enterprises are non-profit limited-liability companies and some 25% are "pure" limited-liability companies). The second most common form of organisation is the voluntary/non-profit organisation/association (28% to 33% of SEs); it is followed by the legal form of foundation (11% to 15%). Some social enterprises (2% to 5% of social enterprises) are also operating as personal businesses; the remaining social enterprises are cooperatives. The distribution of social enterprises between commercial and for-profit legal forms (limited-liability companies, non-profit corporations, business-based foundations and personal businesses) and non-profit or third-sector legal forms (voluntary/non-profit organisations, foundations and cooperatives) is thus fairly well balanced.

A recent mapping of the SE field in Norway (Kobro 2019) shows a developmental trend towards a steady—though moderate—growth over time. The mapping also shows an organisational landscape that is relatively young; more than half of the identified social enterprises had been established during the ten years preceding the mapping. The largest areas of activities among social entrepreneurs relate to the social integration of disadvantaged groups, work integration, community development, youth and health. In these major fields of activity, the number of non-profit enterprises is greater than that of for-profit enterprises.

Social enterprises mix revenue from different sources, including income from market activities, private gifts and public support and grants. For almost half (47%) of the respondents to the survey, the share of market incomes represents only between 10% and 20% of the revenues; on the other hand, for 26% of the respondents, market incomes are almost the unique source of income. A large share of social enterprises is

consequently very dependent on private and public supports or grants. Among the enterprises that rely quasi-exclusively on market incomes (about half of the population), 32% are for-profits and 17% are non-profits (Eimhjellen and Loga 2016).

As mentioned above, the field of social entrepreneurship in Norway is relatively young (it really started emerging in 2000) and it is still in development. There is no recognition, in terms of legal status, of social enterprise as a specific type of economic and social entity. Most of the activities of social enterprises are directed towards welfare services, and most social enterprises are dependent on public funding and operate within a highly developed and structured welfare state, to a certain extent. Two main models of social enterprises may be distinguished in Norway (see table 10.1): the entrepreneurial non-profit model and the social-venture model. These ideal-typical models are differentiated in terms of funding sources, legal forms, governance and type of support structure they relate to.

Indeed, based on the available income statistics, social-venture social enterprises appear to be strongly oriented toward market activities, while entrepreneurial non-profit social enterprises rely to a significant extent on public support and grants and operate within the rather traditional framework of the Norwegian welfare state. Social enterprises that are either exclusively market-oriented, with financial resources generated directly by market-based operations, or that are competing for welfare-service tenders are mainly for-profit companies. Those initiatives may be seen and understood as part of a broader movement advocating for a “marketisation” of the welfare state.

But beyond this duality in terms of both ideological roots and orientations, the two “parts” of the SE field tend to melt together in their search for pragmatic solutions, fitting into historically institutionalised structures for collaboration between state and civil society, and adapted to a contextual welfare model that traditionally has a quite narrow

*Table 10.1* Characteristics of the two main SE models in Norway

<i>Ideal type</i>	<i>Model 1: entrepreneurial non-profit</i>	<i>Model 2: social venture</i>
<i>Main legal form</i>	Voluntary association or foundation	Limited-liability company
<i>Main resources</i>	Public grants and contracts	Market income, public and private grants
<i>Governance</i>	Democratic	Entrepreneurial
<i>Main support structure</i>	Umbrella welfare organisations, e.g. SoCentral	Venture philanthropists, e.g. Ferd Social Entrepreneur

working space for hybrid models. Most social enterprises are involved in activities related to work integration, inclusion of children and adolescents, refugee matters and elderly care. They provide different services, at different levels, with different business models, and they relate to the public sector in different ways. Some of them sell their services to the public sector (e.g., to the Norwegian Labour and Welfare Administration [NAV], municipalities, schools or public child-care administration), whereas others receive support grants from local authorities.

Table 10.2 gives a few examples of social enterprises. These examples illustrate the diversity of the field and its variety in terms of organisational forms, products, networks and links to the public, private and voluntary sectors.

Different types of organisations and incubator communities support various SE initiatives in various ways, driving the Norwegian field of social enterprise forward. These players invest in social entrepreneurs or support them in other ways by offering knowledge transfer, office sharing and networking. Many of them are also committed to promoting the development of the field at a more general level. At present time, the support ecosystem is constituted by a mix of both private and local public initiatives. The central state is not playing the most significant role.

One example of a private supportive actor for social enterprise in Norway is Ferd Social Entrepreneurs (Ferd SE). Since its creation, in 2009, Ferd has been involved in the SE field. Ferd SE invests in social entrepreneurs and gives them access to capital, competences and networks, and it acts as a venture philanthropist and social investor. Ferd SE, which also organises the annual “Ferd Sosent conference”, constitutes a key network arena for social entrepreneurs in Norway today. The Crown Prince Fund, Reach for Change and TD Veen Social Entrepreneurs are other examples of initiatives that provide support to social enterprises in the form of capital, expertise and networks. SoCentral—an Oslo-based SE incubator—represents a promising innovation and advisory environment for organisations and public actors working with local, national and global societal challenges. The Impact Hub plays a comparable role in Bergen. Ashoka is considered to be the oldest and largest international organisation supporting selected social entrepreneurs (Ashoka Fellows); Ashoka is represented in Norway and has elected six Norwegian social entrepreneurs as Ashoka Fellows after a thorough selection process.

In addition to these central organisations and incubator communities, some key non-profit umbrella organisations also work as networking and competence-sharing centres. The Church’s City Mission, which is represented in eight Norwegian regions, is an example hereof: It is an important connection point for some social entrepreneurs and has helped to establish new initiatives, which have subsequently become independent organisations.

Table 10.2 Examples of SE models and support networks in Norway

<i>Organisation</i>	<i>Activity</i>	<i>Organisational form</i>	<i>Support network</i>	<i>Products and clients</i>
<i>Forskerfabrikken</i>	Stimulates children and young people's interest for and knowledge of science and technology	Limited-liability company	Ashoka Fellow, Ferd SE Alumni	Sale of leisure courses, teaching plans, summer school and continued education for teachers. Selling to private individuals (parents), businesses and municipalities
<i>Pøbelprosjektet</i>	Helps young adults into working life	Established by the Church City Mission, turned into independent foundation, then merged into private enterprise Aleris	Ashoka Fellow, Ferd SE Alumni, Crown Prince Fund, Reach for Change	Sale of courses and follow-up for youth
<i>Forandringsfabrikken</i>	Promotes the voice of children and young people with a view to improving public services in child welfare, psychiatry and school	Established by Save the Children Norway, independent non-profit limited-liability company, turned into a foundation	Ashoka Fellow, Ferd SE, Årets sosiale entreprenør 2010	Sale of projects, lectures, seminars, counselling. Selling mainly to public actors (child welfare, municipalities, KS)

*(Continued)*



Table 10.2 (Continued)

<i>Organisation</i>	<i>Activity</i>	<i>Organisational form</i>	<i>Support network</i>	<i>Products and clients</i>
<i>Noen AS</i>	Contributes to health promotion and improved quality of life for people with dementia and their relatives	Limited-liability company	Ashoka Fellow	Sale of services to patients' relatives. Selling mainly to private individuals (families, relatives), cooperation with municipalities
<i>The Street Magazine Asfalt</i>	Gives people with experiences of substance abuse an opportunity to earn a decent income	Established under the umbrella of The Church City Mission, later turned into an independent foundation	SR-bank, Ferd SE Alumni	Sale of street magazines to private individuals

Source: Ingstad and Loga (2016).

For example, “The Asphalt Magazine” (*Gatamagasinet Asfalt*) was established as a project by the Church’s City Mission in Stavanger and Haugesund and eventually became an independent social enterprise. The City Mission still participates as a sponsor and support network, in collaboration with similar street magazines in other cities in Norway. Asfalt was also integrated in Ferd SE’s portfolio. It represents an example of collaboration between non-profit organisations, investors and new social enterprises. In recent years, initiatives have also been taken, in collaboration with municipalities, to establish new platforms for interaction between professionalised non-profit organisations, the public sector and private investors; these initiatives seek to build an enabling environment for the development of social entrepreneurship, both regionally and at the national level. Street Entrepreneurs in Arendal provides an example of such an initiative: The municipality and the Church Mission have joined forces to create a favourable environment for social entrepreneurs, in particular in the field of work integration. The Community Centre in Stavanger and Tøyen UnLimited (Oslo) are other examples.

One additional way of understanding social enterprise in Norway is to focus on initiatives’ actual activities. Such focus reveals a praxis field where social enterprises seem to work on one or several levels, depending on their target group and on the purpose that they are pursuing through their activity: individual needs, organisational and local development or systematic change in the welfare society at large.

Many of the rather new SE initiatives in Norway aim at providing better life conditions to vulnerable groups. Medarbeiderne AS, for example, “does not hire people to provide services, but provides services to hire people”. The company collects glass, metal, electronics and other waste from private addresses in Oslo through a subscription system. The company employs only persons with a substance-abuse or psychiatric background. Blues Factory AS is another example; the enterprise uses music and playing in a band as a means of providing a sense of belonging. Blues and rock professional musicians are used as instructors.

Although all SE businesses focus, in one way or another, on closing gaps in the welfare state, some of them choose to concentrate their efforts on organisations and systems, rather than directly on individuals. *Sykebusklovnene* (“hospital clowns”) does not only promote health by bringing fun and laughter and thus helping to lift hospitalised children’s moods; it also aims at a systemic change of Norwegian health care. Similarly, *Forandringsfabrikken* (“The change factory”) aims at changing Norwegian child welfare in a systemic way. As put by the leader of this organisation: “The idea is simple and effective: if we listen to what children and young people say, the system will provide better services”. Since its inception, the enterprise has been engaged in a growing number of identified “gaps”, where children and adolescents’ own experiences

are voiced in an effort to change national laws and administrative practices. Children and youngsters themselves play the role of key influencers and change-makers in public service. A number of social enterprises also target social changes in schools. The Norwegian Crown Prince couple has established a fund (*Kronprinsparets fond*) especially targeted on supporting social entrepreneurs with a focus on schools and youth. JodaCare AS is another example of a social enterprise with a systematic-change focus on the organisational level. When the founder of JodaCare discovered how difficult it was to communicate effectively about matters related to her mother, who was under public care, she had the idea of a digital service. The service is provided to municipalities as a tool for facilitating collaboration and effective communication between public assistance services, users of services and relatives.

### 10.3 Institutional Trajectories and Future Developments

The development rate of social enterprise has been far lower in Norway than in most other western European countries. Several factors may explain this relatively slow development. Firstly, the share of private and non-profit welfare service providers is low in Norway, compared with other European countries. Secondly, as mentioned above, Norway has not been as strongly affected by the economic crisis as many other European countries, and has thus not been forced to develop new solutions and to reform its welfare policies to the same extent as these other countries. The third reason has to do with the Norwegian political discourse. The debate on social enterprise within the social-democratic welfare-state framework seems to have two centres of gravity. One promotes social enterprise as a tool for increasing the role of private actors in welfare provision and the other presents social enterprise as an instrument for social innovation. Neither of these discourses has been conducive so far to the political support that appears necessary for the development of an active and supportive policy in the field of social enterprise.

If we look ahead, trying to foresee what might happen in the SE field further down the road, we will probably see social enterprise as a “remedy” to address some of the shortcomings and failures of both the market and the welfare state (Andersen *et al.* 2016; Baglioni 2017). Social enterprises are seen, thanks to their entrepreneurial and social dimensions, as able to innovate and develop solutions that mitigate such failures. In Norwegian policy discourses, as in many other parts of Europe, social enterprises are seen as an instrument of economic rejuvenation, providing the means to address the issues of unemployment and social exclusion, and as a way to re-establish the legitimacy of the welfare state, thanks to the initiatives’ emphasis on co-creation,

co-production and co-governance of welfare services. But there is an alternative future as well.

Indeed, social enterprise can alternatively be viewed as a symptom of the development of a “neoliberal welfare state” (Garrow and Hasenfeld 2014), promoting market-based solutions to social issues and reversing the de-commodification of labour achieved through social rights by making the safety net contingent on production and earnings. Such a development would be a strong break from the Norwegian tradition of welfare service. By emphasising the virtues of commercial entrepreneurship, competition and cost effectiveness, social enterprise might reflect the logic and the moral underpinning the neoliberal conception of the welfare society.

The neoliberal conception of the welfare state celebrates the role of the voluntary and private sectors, but it does so by favouring the devolution, marketisation and privatisation of welfare services, and it relies on the ethos of self-interest. In contrast, the traditional Norwegian social-democratic conception of the welfare state emphasises social justice and the ideals of universalism and egalitarian society. These ideals have to be achieved by promoting collective responsibility, income redistribution, public-sector provision of welfare services, the ethos of public service, professionalism, impartiality, and trust between citizens and the public sector.

The discourses about social enterprise in Norway—one emphasising the innovative character of social enterprise as a means to renew the welfare state, and the other considering social enterprise as an instrument of neoliberalisation of welfare policies—reflect two conflicting conceptions of the future of social enterprise. Insofar as Norway has not yet entered a process of institutionalisation of social enterprise, the field is still in its emergence phase, and its development remains an open process.

Indeed, internationally, the development of social enterprise seems to have proceeded through different phases—from emergence, innovation and disruption to institutionalisation and formalisation within public policies and programmes. The description provided by Nicholls (2006: 11), according to which “[social] entrepreneurs and their networks demonstrate an unrelenting focus on systemic change that disregards institutional and organisational norms and boundaries” fits well with the disruptive-agency role played by social entrepreneurs in established fields as well as with their role as “sectoral iconoclasts” in the phase of innovation. During the innovation phase, social enterprise has a disruptive effect on established institutional arrangements, challenging existing sector boundaries and organisational forms. However, in most countries, the innovation phase is followed by an institutionalisation phase, in which isomorphic forces come into play. In this institutionalisation phase, regulation of both these initiatives’ organisational forms and competitive market distortion generate

isomorphic tendencies, whereby social enterprises become more homogenous in their organisational forms and modes of operation.

A particular difficulty for the development of social enterprises within the Nordic welfare system is the absence of real potential markets (especially within the social field), given the extensive public funding and public-sector provision that characterise the welfare system. Under such circumstances, social enterprises appear either as disruptive for public and traditional non-profit actors or as being in search of public-funding sources, that is, as promoting a marketisation of the welfare delivery system. From this viewpoint, the conception according to which “the primary distinction [when it comes to social enterprise] (...) lies in which funding model is adopted with respect to achieving a social objective”, and “social enterprises look to move away from grant dependency towards self-sufficiency via the creation of income streams” (Nicholls 2006: 12) has to be qualified. Such a conception entails, in particular in the case of social enterprises operating in the welfare field, the existence of a potential market, that is, unsatisfied needs and purchasing power. Within the Nordic welfare system, where income inequalities are relatively small and the public coverage of social needs through public insurance and public-service provision is extensive, the market for social enterprises outside public procurement is quite limited.

Indeed, the idea of market sustainability of social enterprise, especially within welfare-service provision, cannot be separated from the institutional environment constituted by the type of welfare-state system (or its absence). In many cases, a majority of the population lacks the purchasing power to be able to pay for welfare services (especially when these services aim at alleviating poverty and tackling different forms of social exclusion). For other types of services, such as elderly care, social enterprises' economic sustainability entails a commodification/marketisation of these services, in opposition to the de-commodification operated by the welfare state. Alternatively, social enterprises can develop innovative solutions to social problems (such as work-integration social enterprises), but then market sustainability is not the primary aim.

If social enterprises address areas of unmet needs (Nicholls 2006: 15), as a result of “social market failures”, including solidarity failures and institutional failures, those failures are closely linked to the institutional arrangements in which they operate. The institutional arrangements characterising the Norwegian welfare state define the opportunity structure in which this type of initiatives operates and they (will) consequently have a decisive impact on both the emergence and institutional trajectory of social enterprise in Norway.

In this context, the Nordic welfare-state model may be deemed to constitute an impediment to the development of social entrepreneurship, and the sectoral logics differentiating the public, non-profit and corporate sectors may be perceived as an obstacle to the potential regenerative

role that social enterprise could play in addressing social challenges, by bridging these sectoral logics of action (Hauge 2017). However, such a framing of the issue, which underscores the hybrid and bridging capacity of social enterprise while praising disruptive innovation and grassroots initiatives and practices, overlooks the political dimension as well as the structural and systemic consequences of the prevalence of one model of social entrepreneurship over another.

## Conclusion

The stake, when it comes to the prevalence of a “social-economic” model of social entrepreneurship over a clear-cut business model of social entrepreneurship, is not necessarily a question of choice between sectoral cooperation (social enterprise as crossing the boundaries of established sectors—the public, non-profit and for-profit sectors) and sectoral co-optation (social enterprise as being either within the business sector or the non-profit sector). It can also be seen as a choice between two different roles for social enterprises, which can either contribute to the development of a moral market or be an instrument for the “economisation of morality”.

Indeed, although modern society is composed of multiple institutional spheres, each characterised by a specific logic of action, this does not preclude actors’ ability to draw from multiple “orders of worth” (Boltanski and Thévenot 2006) in order to achieve their goals through economic exchange, regardless of sectoral location. From such a perspective, as shown by Zelizer (1997, 2009), individuals are capable of constructing a “moral market” whereby members engage in economic exchange and market-based transactions as a means to enact their values. Social entrepreneurship and social enterprise may be viewed as an effort to create a civic market, where actors engage in economic exchange and rely on markets as a means to achieve social (non-economic) objectives. However, in order to be successful in creating such a civic economy, social enterprises have to operate in an institutional field characterised by a shared understanding of the purpose and form of their action as well as of the symbolic boundaries that differentiate the field of social entrepreneurship from other fields. In the absence of such an institutionalised field in Norway, enabling the construction of additional (cultural) meaning and values associated to market transactions, social entrepreneurship might contribute to the “economisation” of the civil sphere and of the welfare state. In this respect, the institutional form of social enterprise and the regulatory, allocative and evaluative devices that are institutionalised by public policies all influence social enterprises’ ability to generate a civic economy.

From this viewpoint, Norway is probably at a crossroad. There is an increasing interest, among Norwegian policy-makers, for all kinds of

social entrepreneurship and grassroots initiatives. At the same time, the field is not yet institutionalised and rather appears as a contested terrain of struggle between at least two main conceptions of social enterprise: the social-economic model *vs.* the business model. It is difficult to state, at the time being, which model will prevail in public policies to come, but whatever the direction in which the field will evolve in the future, the societal consequences of the prevalence of one or the other model should not to be underestimated.

## Notes

- 1 The model is sometimes called the “Nordic model”, when it includes Finland and Iceland in addition to the Scandinavian countries (Sweden, Denmark and Norway). But even though Finland and Iceland share several characteristics with the Scandinavian countries, they also diverge on some important dimensions, hence we chose to concentrate, in the present chapter, on the Scandinavian countries.
- 2 A common institutional form used by social enterprises in Norway is the “non-profit limited company” (*Ideelt Aksjeselskap*). The non-profit limited company is a specific Norwegian legal form used for companies whose statutes include a set of rules regulating the return on investments outside a strict profit organisational regime. It may be appropriate for social enterprises with a social, cultural or environmental nature; enterprises active in the field of research or with other non-financial interests also make use of it. Legally speaking, however, the non-profit limited company is not a separate organisational form. Like ordinary corporations, it is subject to the Norwegian legislation for limited companies.

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