



# New pathways to innovative welfare solutions

A HANDBOOK FOR COLLABORATION  
WITH SOCIAL ENTERPRISES



Swedish Association  
of Local Authorities  
and Regions



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A HANDBOOK FOR COLLABORATION WITH SOCIAL ENTERPRISES

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# Prologue

The collaboration between municipalities, regions and social enterprises can be important for positive development of our society. This is one part of the SALAR assignment in which for many years we have seen work-integrating social enterprises included in the local composition of labour market initiatives. SALAR now sees the need to extend the issue to social enterprises in a wider sense. A wider approach will provide greater opportunities for finding new forms of welfare production.

Municipalities and regions that want to develop their collaboration with social enterprises require broad perspectives and a recognition of openness to radically new solutions. The handbook will contribute with proposals for such solutions and provide specific examples of how successful collaboration with social enterprises can be developed and implemented.

It is not necessarily the case that a solution that is effective in developing collaboration with a social enterprise in one municipality or region will be effective in another. Of course, it is possible to draw inspiration from others and build a solution that suits the conditions of your own organisation. This is exactly the kind of inspiration that we hope this handbook can provide.

The handbook was developed within the framework of a project financed by the Swedish Agency for Economic and Regional Growth and the work was led by Åsa Bengtsson, investigator at the Department for Education and the Labour Market in close collaboration with investigators, Lena Langlet and Lars Kolmodin at the Department of Economics and Governance.

Anders Bro from Region Örebro County was commissioned by SALAR to write the handbook. Anders has been actively involved in working on establishing strategic and operational level issues surrounding social enterprises within his own organisation at Region Örebro County. Anders also has experience with work in the field as a member of the European Commission expert group on social economy and social enterprises, as well as from European projects and networks.

The translation of the handbook has been financed by the European Social Fund in the framework of a project led by The Swedish Association of Local Authorities and Regions on collaboration between municipalities and social enterprises.

We are looking forward to a positive development through which together we can continue learning more about how we can achieve effective collaboration with social enterprises for successful welfare production.

Stockholm, September 2020

Per-Arne Andersson  
*Director*  
*Department for Education*  
*and Labour Market*

Mattias Jansson  
*Director*  
*Department of Finance*  
*and Governance*

Swedish Association of Local Authorities and Regions

# Contents

- 7 Summary
- 11 Chapter 1. Why a book about social enterprises?
- 15 Chapter 2. Social enterprises - definitions, forms of association and a national strategy
- 20 Social enterprises, social entrepreneurship and social innovations
- 21 A national strategy for social enterprises with five prioritised areas
- 27 Chapter 3. Benefits of collaborating with social enterprises for municipalities and regions
- 37 Chapter 4. Establish an internal structure for collaboration
- 39 Anchor at both political and official levels
- 41 Build a formal foundation upon which to stand - on policy documentation and action plan
- 42 Tips on what a policy may contain
- 45 Tips on what an action plan might contain
- 48 External parties supporting development of and responsibility for social enterprises
- 49 Clarify the relationship between the municipal labour market departments and the work-integrating social enterprises
- 53 Chapter 5. Develop an external structure for collaboration
- 53 Acquire knowledge about social enterprises in the municipality and the county
- 63 Chapter 6. Financing and procurement
- 63 Not subsidies
- 64 Public procurement must be competitive
- 65 Knowledge is needed - use the internal and external collaboration structures
- 76 Public Social Partnership, PSP
- 79 Chapter 7. Epilogue

81	<b>Annex 1. Social enterprises - a few examples</b>
81	Oxsätra and Åkerlänna Utveckling AB
81	Quantum Recycling
82	Vägen ut!
82	Worldish
83	Stenbacken residential and work cooperative
83	UmeEcoRide
84	<b>References</b>





# Summary

This handbook addresses how municipalities and regions can find new paths to welfare solutions through developing collaborations and creating business with social enterprises. Work on the handbook was financed by the Swedish Agency for Regional and Economic Growth.

## **Social enterprises - different societal challenges, many forms of association**

It is not easy to capture exactly what social enterprises are. According to the national strategy for social enterprises, they are characterised by the fact that

- › the business activities are based on societal challenges
- › their results are measured in relation to these societal challenges
- › any surplus is reinvested in the company.

In Sweden, there is no specific legislation that regulates social enterprises. Social enterprises can be run in any form of association, whatsoever.

## **Benefits of collaboration with social enterprises for municipalities and regions**

Social enterprises can tackle different societal challenges, such as reducing climate impact, increasing democracy and participation in society or working for social goals in developing countries. Many social enterprises are also work-integrating, which means that they provide individuals with increased opportunities to approach the labour market, for example through work training.

Collaboration with social enterprises can also lead to a nuanced business structure, sustainable growth and to a better geographically distributed development capacity throughout the country – in cities, as well as sparsely populated areas and rural areas.

### **Success factors for collaboration with social enterprises**

Many municipalities and regions have already come a long way in their collaboration with social enterprises but this does not mean that there is a ready-made template to work with. However, we have identified several factors that are often important for good collaboration with social enterprises:

- › support from politicians
- › politically-established governance documentation and action plans
- › a well-thought out position in the organisation that is responsible for implementation
- › an internal coordination function that brings together competences and expertise from different policy areas
- › an external collaboration structure in which the municipality or region can have dialogue and exchange with social enterprises and other relevant actors.

It is not possible to copy solutions outright from other municipalities and regions. However, good examples from municipalities and regions can be a source of inspiration. Collaboration with social enterprises must also be based on the needs of each municipality or region – the special challenges that the municipality or region is wrestling with.

### **Procurement of social enterprises**

Procurement is a necessary element of collaboration with social enterprises. Among other things, legislation on procurement provides for different types of procurement in which social enterprises can be suppliers.

### **Learn from the outside world**

Social enterprises are high on the European political agenda. The European Commission emphasises the importance of the continuous improvement of the conditions for social enterprises and is implementing several initiatives in conjunction with the OECD. Calls are published on a regular basis with development funds to support the emergence of social enterprises. There are also established channels and forums in which Swedish municipalities and regions have great opportunities for learning and sharing knowledge and experiences.





# Why a book about social enterprises?

Our intention is for the handbook to provide municipalities and regions with an introduction to social enterprises. The Government has identified social enterprises as one part of the solution for addressing current and future societal challenges, such as health, integration, climate, gender equality and easier pathways to jobs. Through collaboration with social enterprises, municipalities and regions can develop new solutions to these societal challenges.

Social enterprises need good conditions in order to emerge and develop and municipalities and regions play an important role in that. Ultimately, collaboration is about social enterprises being able to do business with municipalities and regions in competition with other suppliers.

*“As social enterprises are part of economic growth, delivering healthcare, offering job opportunities for vulnerable groups, the promotion of a circular economy and offering a variety of other services, they are part of the solution. As decision-makers, we can and should (!) contribute to providing social enterprises with the conditions in which to develop.”*

*Ulla Engelmann, European Commission Head of Social Economy*

Several municipalities and regions have already taken major steps in development towards an established dialogue and collaboration structure with social enterprises, while many others lack experience and knowledge of such collaboration. What is a social enterprise and who are they? What services and goods do they sell? How can social enterprises contribute to new forms of welfare production? How should practical collaboration with social enterprises be implemented?

## **Contents and target audience**

Our intention with the handbook is

- › to explain what social enterprises are
- › provide a few examples of social enterprises
- › make it clear what added value can be obtained when municipalities and regions collaborate and create business with social enterprises
- › describe different pathways to collaboration from the organisational, financial and legal perspectives
- › and provide a basis for how municipalities and regions can be organised in order to develop collaboration with social enterprises.

The primary target group consists of the members of SALAR, i.e. elected representatives and officials in municipalities and regions.

The book consists of:

- › a chapter with background information
- › a chapter with arguments for collaboration with social enterprises
- › two chapters with advice on how internal and external structures for collaboration can be developed
- › a chapter on procurement and finance
- › an epilogue.

## **SALAR goals**

As we find ourselves in the midst of the transformation of social structures, social enterprises can indicate new opportunities, innovative forms of work and solutions in society. Municipalities and regions that want to create room for this potential, require broad perspectives and recognition of openness to radically new solutions.

SALAR therefore believes that increased knowledge about social enterprises and their networks needs to be developed, as well as methods for the development of good collaboration and innovative solutions that can unlock potential on both a local and regional basis.<sup>1</sup>

## **A collaboration that will continue**

The handbook is based on the experience of many people. Elected representatives and officials in municipalities and regions have contributed with views on what is working well in their collaboration with social enterprises but also on what they think needs further development. The book includes several examples of collaboration between municipalities and regions and social enterprises.

Several municipalities and regions have already started collaboration with social enterprises but the handbook is a first step in a joint development initiative being undertaken by municipalities and regions. In line with increasing knowledge of collaboration with social enterprises, a common exchange of experience and learning on these issues can be developed.

Note. 1. Sveriges Kommuner och Regioner (Swedish Association of Local Authorities and Regions) (2018) - *Civilsamhället som utvecklingskraft, demokratiaktör och samverkanspartner (Civil Society as a force of development, democratic player and partner)*. Positioning paper. Swedish Association of Local Authorities and Regions.





# Social enterprises – definitions, forms of association and a national strategy

This chapter

- › describes what social enterprises are
- › provides examples of forms of association for social enterprises
- › provides examples of different challenges in society that social enterprises tackle
- › describes social enterprises in relation to the concepts of social innovation and social entrepreneurship
- › summarises the national strategy for social enterprises.

## About social enterprises

Exactly what social enterprises are is not easy to determine. We have used the three characteristics formulated in the national strategy for social enterprises adopted by the Government in 2018 as our basis:

- › Irrespective of the form of association, it is an operator in which commercial activities are a means of achieving one or more specific goals for dealing with societal challenges, such as reducing exclusion, improving the climate and the environment or contributing to a safer living environment.
- › Operator performance is measured in relation to achievement of the goals focusing on societal challenges, the achievement of which is stated as the purpose of the operator.
- › Financial surplus is primarily reinvested in the organisation or invested in a new project beneficial to the handling of societal challenges, instead of primarily being taken out as a profit through returns to the owners.<sup>2</sup>

Note. 2. [https://www.regeringen.se/491b2f/contentassets/0f9a51b89db64c7490d310a9b05dee19/2018\\_sociala-foretag.pdf](https://www.regeringen.se/491b2f/contentassets/0f9a51b89db64c7490d310a9b05dee19/2018_sociala-foretag.pdf).

There are several similarities between these three criteria and the official definition of social enterprises of the EU. The big difference is that the EU definition requires social enterprises to also be based on democratic principles of organisation.

Read more: <https://ec.europa.eu/growth/sectors/social-economy/enterprises/>.

### **Social enterprises have no specific form of association**

In Sweden, there is no specific legislation that regulates social enterprises. This means that enterprises can be run in different forms of association and have separate content orientations.

Therefore, fundamentally a social enterprise can have any form of association whatsoever. Many social enterprises are run in the form of economic associations but can also be run as non-profit associations. Some registered religious communities can be run as social enterprises in the same way as foundations and limited liability companies. There are a great many variations.

Sometimes this creates a bit of confusion and uncertainty, both among their own organisations – “Are we a social enterprise” – and among the elected representatives and officials at municipalities and regions who will be collaborating with them. If an economic association, a non-profit association, a foundation, a registered religious community, a limited liability company or any other form of association engages in a commercial activity as a means of achieving one or more goals for dealing with societal challenges and otherwise fulfils the characteristics, they will be regarded as social enterprises. The strategy does not specify how extensive the business activity needs to be.

*“There is still a relatively low level of knowledge of all the concepts that abound and it’s easy for us to talk over each other. I think that it’s important that we simplify and talk about social enterprise and its benefits and opportunities in a way that can create intuitive understanding and a sense of context, preferably including good examples drawn from reality.”*

*Mikael Källman, Business Development, Region Dalarna*

## **Different social enterprises work with different societal challenges**

A social enterprise bases its business activities on one or more societal challenges. This is perhaps to work towards improving the environment, reducing exclusion and increasing inclusion or strengthening development in an area or location. Furthermore, they are perhaps simultaneously work-integrating. It can therefore be difficult to place social enterprises in clearly defined categories.

### **READING TIP!**

The European Commission published a special country report in 2019 on social enterprises in Sweden. The report was written by Malin Gawell, associate professor of business department at Södertörn University and is titled, *Social Enterprises and their Ecosystems in Europe. Country Report Sweden*. In the report, Malin describes a number of different types of social enterprise.

### ***Environment, alternative energy production and circular economy***

Several social enterprises are working towards an improved environment or alternative energy production. One such company is *Quantum Recycling* in Västerås, which offers services associated with sorting at source, recycling and work training. *Repamera* in Malmö contributes to an improved environment by carrying out both repairs and customisations to clothing, bags and footwear. *Sy- och Fixarverkstan* in Örebro is a similar example. The company combines work integration with sewing, repairs and manufacturing in accordance with requests. Boat covers are a particular speciality.

### ***Developing countries***

Other social enterprises work towards societal goals in developing countries. *Salt Water Farming* in Malmö has developed a method for producing drinking water from salt water using solar heat. *Reningsborg* which runs operations in several locations including Partille and Angered helps and supports people in difficult situations both in Sweden and abroad. Reningsborg works alongside local aid organisations in other countries.

### **Local collaboration and development**

There are others aiming to contribute to local collaboration and development of a place/area for example *Hallenbygden*, which is intended to strengthen the area on the Storsjön shoreline at Oviksfället in Jämtland. *Tillberga Grannskapservice* runs care and service facilities based on the idea of a society run by its citizens and in which the focus is on the ability of the individual to have a direct influence on their environment. The company, *UmeEcoRide* is based in Umeå and combines the perspective of the local site with a quest for sustainable living and transport using electric vehicles. *Jägerstugan in Sandviken* offers adventures in the wilderness, conferences and experiences in the forest and natural environments.

### **School, childcare and education**

Other social enterprises are active in schools and childcare facilities. This group includes a large number of parent cooperatives, such as *Helgas Ungar* in Hjortsberga and *Kangos kultur och ekologiskola* in Pajala. Within the education sector, mention should be made of *Kvinnofridsakademin* in Gothenburg, an independent agency that offers education and skills development to counteract violence against women. *Koksiken* in Umeå is a treatment and education organisation that offers solutions to social services, schools, families, staff and companies.

### **Healthcare and welfare**

There are several examples of social enterprises within healthcare and welfare. For several years, *Bräcke Diakoni* has been operating in different locations around the country. *Schvung* in Karlshamn offers leadership and organisational development and *MotivationHope* in Borlänge provides assistance for newcomers and other vulnerable groups in society.

### **Many social enterprises are also work-integrating**

A large number of the social enterprises in Sweden use the social challenge of work integration as a starting point for their business activities. They are referred to as work-integrating social enterprises and were first established in Sweden in the late 1980s. In cooperative form, often as an economic association the intention is to increase the opportunities for gainful employment and employment for people with disabilities. The most common occupations for those who were gainfully employed within the work-integrating social enterprises during the same period were the care professions, retail sales professions, fast food staff and kitchen and restaurant assistants.<sup>3</sup>

Note. 3. Tillväxtverket – *Allt fler arbetar i arbetsintegrerande sociala företag (Ever increasing numbers working in work-integrating social enterprises)*. Statistics on the work-integrating social enterprises in 2016 – and developments from 2009.

Some examples of work-integrating social enterprises include *Yallatrappan* in Malmö, *Basta* in Nykvarn and the *Vägen ut! cooperatives* in Gothenburg.

Since 2000, SKOOPI has been working as the stakeholder organisation for the work-integrating social enterprises. SKOOPI has introduced a special certification for the work-integrating social enterprises.<sup>4</sup>

Over the past few years, the number of work-integrating social enterprises has increased throughout the country. According to the Swedish Agency for Economic and Regional Growth, there were 174 work-integrating social enterprises in 2009. This number had increased to 350 by 2016. During the same period, the number of those who were gainfully employed in the work-integrating social enterprises increased and the total remuneration for wages and salaries paid out in 2016 was SEK 882 million.

### READING TIP!

Several books and reports on work-integrating social enterprises have been written in Sweden over the years. Here are a few of them:

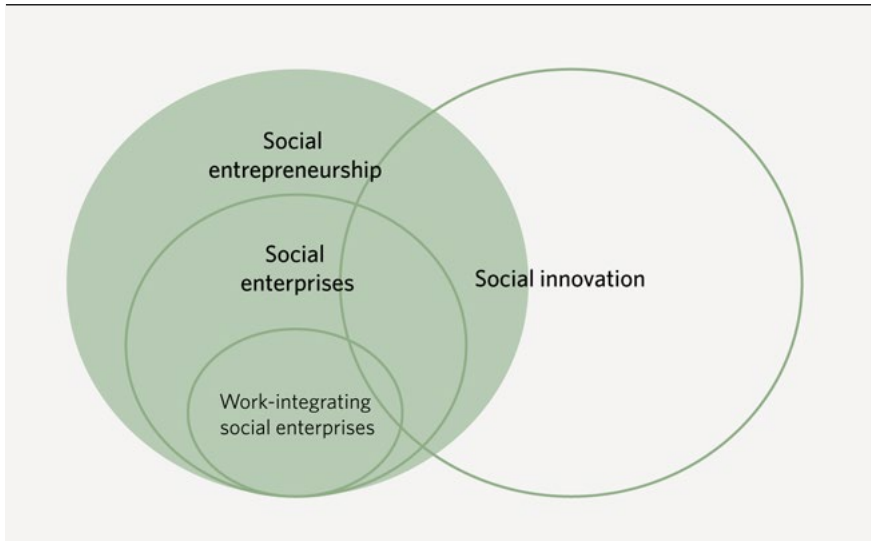
- Sociala företag behövs! En skrift om sociala företag - en väg till arbete, nya affärsidéer och rehabilitering (Social enterprises are needed! A book about social enterprises - a path to work, new business ideas and rehabilitation), written by Agneta Berghamre Heins.
- Sociala företag vidgar arbetsmarknaden (Social enterprises expand the labour market), by Bosse Blideman and Eva Laurelii.
- Arbetsintegrerande sociala företag - organisation, ledarskap och delaktighet (Work-integrating social enterprises - organisation, leadership and participation), written by Ulla-Carin Hedin, Urban Herlitz, Jari Kuosmanen and Eva Laurelii.
- Utanförskap på entreprenad. Diskurser om sociala företag i Sverige (Exclusion on contract. Discourses on social enterprises), written by Ulrika Levander

Note. 4. For more information, see <http://skoopi.coop/>.

## Social enterprises, social entrepreneurship and social innovations

Discussions about social enterprises often include reference to the terms ‘social innovation’ and ‘social entrepreneurship’. The figure below attempts to illustrate and explain the relationship between the concepts.

FIGURE 1. Social enterprise, social entrepreneurship and social innovations



Source: The Swedish Agency for Economic and Regional Growth, compare Nicholls 2018.

### READING TIP!

There is a large number of reports and books on social innovation, social entrepreneurship and social enterprises. Some of these with strong connections to municipal and regional activities include:

- *Innovationer i välfärden – möjligheter och begränsningar (Innovations in welfare - opportunities and limitations)*, written by Rolf Rønning, et al.
- *Veier til samarbeid – Sociale entreprenørersom samarbeids partnere i offentlig sektor - eksempler og idéer (Roads to collaboration - Social entrepreneurs as collaboration partners in the public sector - examples and ideas)*, published by Kommunal- og moderniseringsdepartementet (the Royal Norwegian Ministry of Local Government and Regional Development).

## **Social innovation**

The term ‘social innovation’ is often used as an overarching description of new solutions to societal challenges. A social innovation can mean a new method or a new way of working and as social innovations solve societal challenges, they are good for the individual and for society. Social innovations can be found throughout society, in both the public sector and private sector, as well as civil society. Many of the activities in the public sector that we take for granted today have grown out of social innovations. Several innovations have their roots in civil society for example child care centres and libraries.

Mötesplats social innovation (Meeting place social innovation) (MSI)

Mötesplats social innovation (MSI) is a national knowledge node for social innovation and social entrepreneurship. Funded by Vinnova, MSI is currently run at six higher education institutions in Sweden. Read more here, <https://socialinnovation.se/>.

## **Social entrepreneurship**

Social entrepreneurship has a strong link to social innovation. This type of entrepreneurship contributes to innovative solutions and is a form of social value creation. A distinctive characteristic is for social entrepreneurs or community entrepreneurs to be active in the area that borders civil society, traditional business and public activity. An important characteristic is also that they often focus on societal challenges rather than financial gain.<sup>5</sup>

## **A national strategy for social enterprises with five prioritised areas**

Sweden’s first strategy for social enterprises was presented in 2018.<sup>6</sup> The most fundamental reason why the Government developed the strategy was the need to address various societal challenges, such as health, integration, climate, gender equality and easier pathways to jobs. Social innovations and social enterprises were regarded as one of the potential solutions.

The strategic basis is that new solutions to common societal challenges increase prosperity and lead to a more inclusive and sustainable society. The Government emphasises that social enterprises and social entrepreneurs play an important role. Under the strategy, social enterprises can exist in activities in both the private and public sectors.

Note. 5. Austin, Stevenson & Wei-Skillerns, 2006.

Note. 6. [https://www.regeringen.se/491b2f/contentassets/0f9a51b89db64c7490d310a9b05d-ee19/2018\\_sociala-foretag.pdf](https://www.regeringen.se/491b2f/contentassets/0f9a51b89db64c7490d310a9b05d-ee19/2018_sociala-foretag.pdf).

Using the strategy, the Government is particularly seeking to develop the following five prioritised areas:

FIGURE 2. Five priority areas under the national strategy



- › *Need and demand* – The Government is seeking to encourage the creation and development of social enterprises. Along with the state, municipalities and regions must also gain a better knowledge of social enterprises in order to be able to interact with and purchase services from social enterprises. The Government is also encouraging development of arenas in which for example, municipalities and regions can meet social enterprises. Procurement, public social partnerships and other alternative forms of collaboration between the public sector and social enterprises can be developed.
- › *Strengthen business and advisory skills* – The Government emphasises that the social enterprises should get the same conditions and the same type of support in starting, operating and developing their businesses as that provided to traditional companies. The Government highlights the need for the skills of social enterprises in becoming more commercial but in particular, highlights the need to develop specific incubators for social enterprises. There should be an increase in use and dissemination of impact measurement and knowledge of business and financing models.



- *Financing* – The Government recognises that access to financing is a big challenge for the social enterprises. The reason is because companies run their operations in ways other than traditional companies, have alternative business objectives and operate at the “interface between the public, private and non-profit sectors”. New financing opportunities for social enterprises should be developed.
- *Clarify and measure the effects* – Here the Government recognises that stakeholders need to be better at measuring and understanding the performance of social enterprises as measured in social impact and benefit, unlike traditional companies for which results are measured in financial outcomes. If there is no development in measuring social impacts, social entrepreneurs will face difficulties in running social enterprises.
- *Developing knowledge and places to meet* – The Government notes that this is an area in which the development of social enterprises is facing obstacles, including through the inefficient dissemination of good examples and the lack of places to meet for joint learning. The Government emphasises that stakeholders should be provided with better conditions in which to learn from each other, not only on a national basis but also the provision of opportunities for learning lessons from other countries.

The Government has commissioned two government agencies, Vinnova and the Swedish Agency for Economic and Regional Growth to take responsibility for execution of the strategy. Among other things, the majority of the regions throughout the country have carried out regional projects on social enterprises with funding from the Swedish Agency for Economic and Regional Growth. In another context, the Minister for Business, Industry and Innovation, the Minister for Employment and the Minister of Public Administration jointly emphasise how important it is for municipalities and regions to develop their collaboration with social enterprises.<sup>7</sup> They highlight that municipalities and regions need to recognise and use social enterprises as valuable contributors to the development of a sustainable society, in order to harness the innovative power of these organisations to enable them to contribute to solving societal challenges.

The Ministers reiterate that municipalities and regions have an important role to play in enabling society to make greater use of the potential and benefits of social enterprises.

Myndigheten för ungdoms- och civilsamhällesfrågor (Swedish Agency for Youth and Civil Society) (MUCF)

The Swedish Agency for Youth and Civil Society (MUCF) is responsible for matters concerning youth and civil society. MUCF is a government agency that develops and disseminates knowledge, including on the subject of the conditions in civil society. As social enterprises can be included as part of civil society, MUCF is an important source of knowledge, see <https://www.mucl.se/>.

Note. 7. Government Offices, Ministry of Enterprise and Innovation, Ministry of Labour and Ministry of Finance, FAQ, 2020-02-13, N2020/00137/EIN.





# Benefits of collaborating with social enterprises for municipalities and regions

This chapter is primarily based on conversations with representatives for municipal and regional activities and social enterprise business advisers.<sup>8</sup>

In the chapter, we

- › describe what an increased collaboration with social enterprises might mean for municipal and regional welfare production
- › provide several examples and results
- › describe a practical example of how the City of Helsingborg has carried out a process for learning in order to strengthen collaboration between the owners of municipal needs and social enterprises.

There are several results that may arise when a municipality or region starts to collaborate and do business with social enterprises. We present some of these here.

Note. 8. The bases for this section include conversations with Margaret Wandel, Social Economy Development Strategist at Östergötland Regional Council, Hans Traav, Development Manager for the Municipality of Laxå and Roger Filipsson, Operations Manager at Coompanion Nord.

### **Social enterprises tackle societal challenges and deliver substantive benefits**

Collaboration between municipality/region and social enterprises can result in substantial benefits, such as increased inclusion, increased participation or reduced climate impact all depending on the social benefit that is the fundamental objective for each social enterprise. This is set out clearly in the national strategy. Through interaction with social enterprises, municipalities and regions are expected to achieve these gains in other ways than if they carry out the activities on their own. With their focus on societal benefits, amongst other things social enterprises can carry out services that develop the public services for which municipalities and regions are responsible.

*“For us, collaboration with social enterprises has largely been about contributing to improved public health. We all know how important it is to have a job. But social enterprises are also important from the perspectives of skills development and inclusion.”*

*Margareta Wandel, Development Strategist, Östergötland Regional Council*

### **New entrants can create welfare**

New, complementary entrants can establish themselves in welfare production in municipalities and regions. Municipalities and regions can collaborate with social enterprises in the same way in which they collaborate with private suppliers, without relinquishing responsibility for the production of public welfare. In practice, this means that the number of utility and service providers is expanded for municipalities and regions, which is of value in itself. Like public activities, as social enterprises have social and societal benefits as objectives, the step to collaboration with social enterprises is not a big one.

### **New co-production, new ways of working and the importance of challenging ourselves**

Collaboration with social enterprises provides municipalities and regions opportunities to try new methods and ways of working. Perhaps the impact and results will be completely different to those if the initiative had been conducted in the established way?

Therefore, in order to develop new ways of working for welfare solutions, municipalities and regions need to be good at initiating dialogue with social enterprises. Questions such as, “what can social enterprises offer municipal and regional activities” must be asked. However, municipalities and regions also need to ask themselves what they can do to enable social enterprises to develop their activities in the same direction as the needs and requests of municipalities and regions. By investing working time in collaboration, there may be a leverage effect that is perhaps significantly greater than the effort invested.

*“We must remind ourselves that society is bigger than State and municipal activities. Public representatives cannot simply invite contributors to their own municipal activities, so to speak. Municipalities and regions should now be leaving their offices to meet with social entrepreneurs. Municipalities and regions should step out of their comfort zones.”*

*Roger Filipsson, Coompanion Nord*

The welfare society is challenged in times of crisis, as is the case of the spread of Covid-19. Welfare production must be adapted to other conditions and the solutions may have to be delivered quickly and through new channels. This is where the capacity of social enterprises can contribute to new ways of working.

### **Nuanced and developed business structure**

Collaboration with social enterprises can be seen as an opportunity to develop the existing business structure. Social enterprises are a new type of business that municipalities and regions have not often met and interacted with before. The social enterprises have social and societal benefit as their primary driving force. Through working with social enterprises, municipalities and regions contribute to more socially beneficial companies establishing themselves in the market. For social enterprises to be able to deliver substantial and beneficial social benefits requires a well-developed support system in which social entrepreneurs can get genuine support with starting and running social enterprises.

### **Sustainable growth**

Municipal and regional development work often highlights the concept of sustainable growth, in which equal space is to be given to economic, environmental and social development. The concept is sometimes synonymous with social enterprises as many social enterprises express the desire to contribute with fair work and well-paid jobs, increased employee/participant well-being, more opportunities for people to develop their abilities and reduced inequality in society alongside a circular economy.

### **New model for entrepreneurship and economic growth**

The emergence of social enterprises can be considered as a new model for economic development. Social enterprises often have an approach that enables them to contribute to growth from a wider perspective than a narrow economic perspective. It is just as important for social enterprises to contribute in other ways for example to a vibrant and prosperous democracy.

### Examples illustrating how social enterprises are described

Scotland provides an interesting example of how social enterprises play an important role in the society. The Scottish Government has actively and purposely invested considerable resources in supporting the emergence and development of social enterprises for several years. Investment and resources are prioritised in a national strategy that extends over several years. The Scottish strategy describes social enterprises as an ethical approach under which social enterprises contribute to more than only economic growth. Just as important is the notion that they create a vibrant and prosperous democracy.

#### READING TIP!

An inspirational book on this theme has been written by Elisabet Mattsson and Jan Olsson. The book is called *Det mänskliga företaget – Om social ekonomi för 2000-talet (Human Entrepreneurship - On social economy for the 21st century)*.

### Engaging commitment

The so-called “bottom up” perspective is important in the emergence of social enterprises. The basis for many social enterprises is the commitment and interest amongst citizens in addressing social and societal challenges. Examples illustrate that many social entrepreneurs are right “in the middle of” or close to the social challenge that they are seeking to contribute to resolving. The conditions to further strengthen commitment amongst citizens to the implementation of socially beneficial solutions is created through collaboration with social enterprises.

### Harnessing development potential

Contributing to the development of social enterprises in smaller communities is tantamount to harnessing the existing development potentials there. A large part of our country is made up of rural and sparsely populated areas, i.e. areas with smaller urban areas and long distances between people.

In such circumstances, social enterprises can contribute to strengthening the community and regional cohesion. In places in which it is difficult to carry out municipal or regional services, maybe a social enterprise can be given a practical and coordinated responsibility for certain publicly funded tasks? Instead of services being delivered to small towns by several municipal departments or units, perhaps a social enterprise can deliver these services and invoice the municipality?



*“Many municipalities have difficulty managing their budget. Government subsidies have decreased but the burdens have increased. Activities have to be run with less funds. The result is a discussion about delivering only those activities that have a statutory mandate. All “knick-knacks” of great value disappear because the municipality has no possibility of delivering much of what is not statutory. This is where social enterprises may be a solution. The building of welfare and the Swedish model can continue to develop with social enterprises.”*

Hans Traav, Head of Development, Municipality of Laxå

FIGURE 3. Why collaborate with social enterprises



FIGURE 4. Municipal and regional gains in collaborations with social enterprises



## LOCAL EXAMPLE - societal challenges and social innovators in the City of Helsingborg

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It can sometimes be difficult to know how to address a social challenge. Perhaps there is a lack of processes and work procedures in your own organisation or even an established social enterprise with which a municipality and region can interact. Along with Sopact at the School of Social Sciences at Lund University, the City of Helsingborg has initiated a needs-driven learning process around social innovations. The purpose is to strengthen business and partnership relationships between need owners within the City of Helsingborg and social innovators.

So far the results indicate that the needs of the municipality have been defined in new ways and there have been collaborations started with social innovators outside the municipal organisation. The Helsingborg case provides examples of several of the possible gains presented above.

### **A four-phase learning process**

The learning process has been divided into four phases, each of which has a duration of six months. The first phase addresses the clarification of challenges and needs and the recruitment of external innovators. The second phase then leads into the establishment of collaborative structures and the development of tools. During the third phase, the innovators clarify their idea and investigate the next steps in development. The final phase addresses evaluations and testing on a larger scale. The City of Helsingborg has so far gone through step three of the learning process.

### **Clarification of needs**

In conjunction with a group of need owners and employees from several of the different departments in the municipality, Sopact defined four fundamental needs in the in-house activities of the municipality: urban area development, the development of an Activities building, new angles of approach and approaches to create a meaningful every-day for individuals with substance abuse problems and mental illness, develop interventions and services with a focus on breaking involuntary loneliness and creating quality of life throughout life.

### **Recruiting social innovators**

Sopact and the City of Helsingborg then invited social innovators to join in the development of ideas and testing solutions. Once the four needs were identified, a website was created that they chose to call *The Recruitment Lab*. This is where the needs were clarified. Innovators with innovative ideas regarding these needs were sought via the website and social media channels. Approximately 30 applications were received, from which 15 innovators were selected. Once the 15 innovators had been selected, representatives of the City of Helsingborg provided more information about the challenges and needs. The innovators that were invited were given the opportunity to present their ideas and to proceed with a steering group consisting of a number of directors from the municipality and nine ideas were selected.

### **Lessons learned to date**

Developer at the Health and Welfare Department, Madeleine Lindqvist emphasises that the learning process has been important for the City of Helsingborg. The process has led to new innovative and sustainable solutions and the launch of new social enterprises. She highlights that the approach to work has contributed to new ways of looking at and tackling societal challenges, both in terms of the ability to leave internal “drainpipes” and in working with external actors. Madeleine believes there is a need for more social enterprises from which municipalities can purchase services to meet the basic needs of consumers and users, for example in care of the elderly.

*“Social enterprises can be the driving force in preventive measures in which the municipality buys a package or service or that they run a business. In the long term, it might be a solution that postpones the needs of residents to use municipal services.”*

*- Madeleine Lindqvist*

Madeleine Lindqvist believes that municipalities will not be able to meet the challenges of the future on their own with an ever-increasing number of the elderly, less financial resources and difficulties in the recruitment and retention of staff in areas including healthcare and welfare. She emphasises that there is a need for other and new ways of working and forms of collaboration in order to produce welfare solutions in a new way. Her message to other municipalities is that the learning process in Helsingborg has been an accelerator that has contributed to meeting the identified needs and challenges that are facing society in entirely new ways, with collective power.

Sara Carlsson is the founder of social enterprise, Tri Involver and one of the social innovators who took part in the process. The company will facilitate meetings between different actors in society with the aim of increasing inclusion in social change, reducing barriers and highlighting strength-based social work.

*“The company is already working very well with the municipality. Along with social services and the health and welfare department, together we have formed a team. We are tailoring the solution in order that it is adapted to the need.”*

*- Sara Carlsson*

Social administration developer, Pernilla Kvist believes that it has been good to meet new social entrepreneurs, new innovators and new intrapreneurs. The learning process has provided opportunities to find “diamonds in the rough” and has the potential to give new social innovators the opportunity and courage to dare to try out their ideas. This creates a breeding ground for new entrepreneurship in the city. Entrepreneurs with a social pathos are needed.

*“Through coaching from Sopact and initiating dialogue with those of us who are need owners, they have been given the opportunity to gain a deeper understanding of the business challenges. They’ve been given the tools with which to realise their ideas so as to be able to meet the actual challenges that the business faces in the long run.”*

– Pernilla Kvist

The way of working means that the municipality can address societal challenges and produce welfare solutions in new ways.

*“Of course, we also usually work to involve different users and private actors but what is new in the collaboration with Sopact, is the close collaboration with new entrepreneurs who are not established in any company yet but who have ideas regarding how to think differently. In this work, Sopact has created an arena for collaboration, space for dialogue and exploratory work that would probably not have happened if this collaboration did not exist.”*

– Pernilla Kvist

Jan Abrahamsson from Sopact also sees great potential for other municipalities and regions and believes that the initiative can be implemented in both a big city and in sparsely populated areas.

*“Working across administrative boundaries has led to new knowledge about the importance of cross-border working in a municipality. Secondly, the process has led to new experiences on how to recruit innovators who are not employed by a municipality and thirdly, how to implement a learning and development process alongside regular work.”*

– Jan Abrahamsson

### **Sopact – partner to Helsingborg in the learning process**

Sopact is an abbreviation of ‘social impact’ and represents an activity that has been running at the School of Social Sciences at Lund University since 2016. The collaboration with the City of Helsingborg has been ongoing since Sopact was established.

The activities at Sopact are led by Jan Abrahamsson, alongside active members Joakim Grina, Maria Kullberg and Jenny Nyström. Jan Abrahamsson highlights the fact that Helsingborg has a tradition of being forward-looking and is consequently open to and dares to try out new ways of working.

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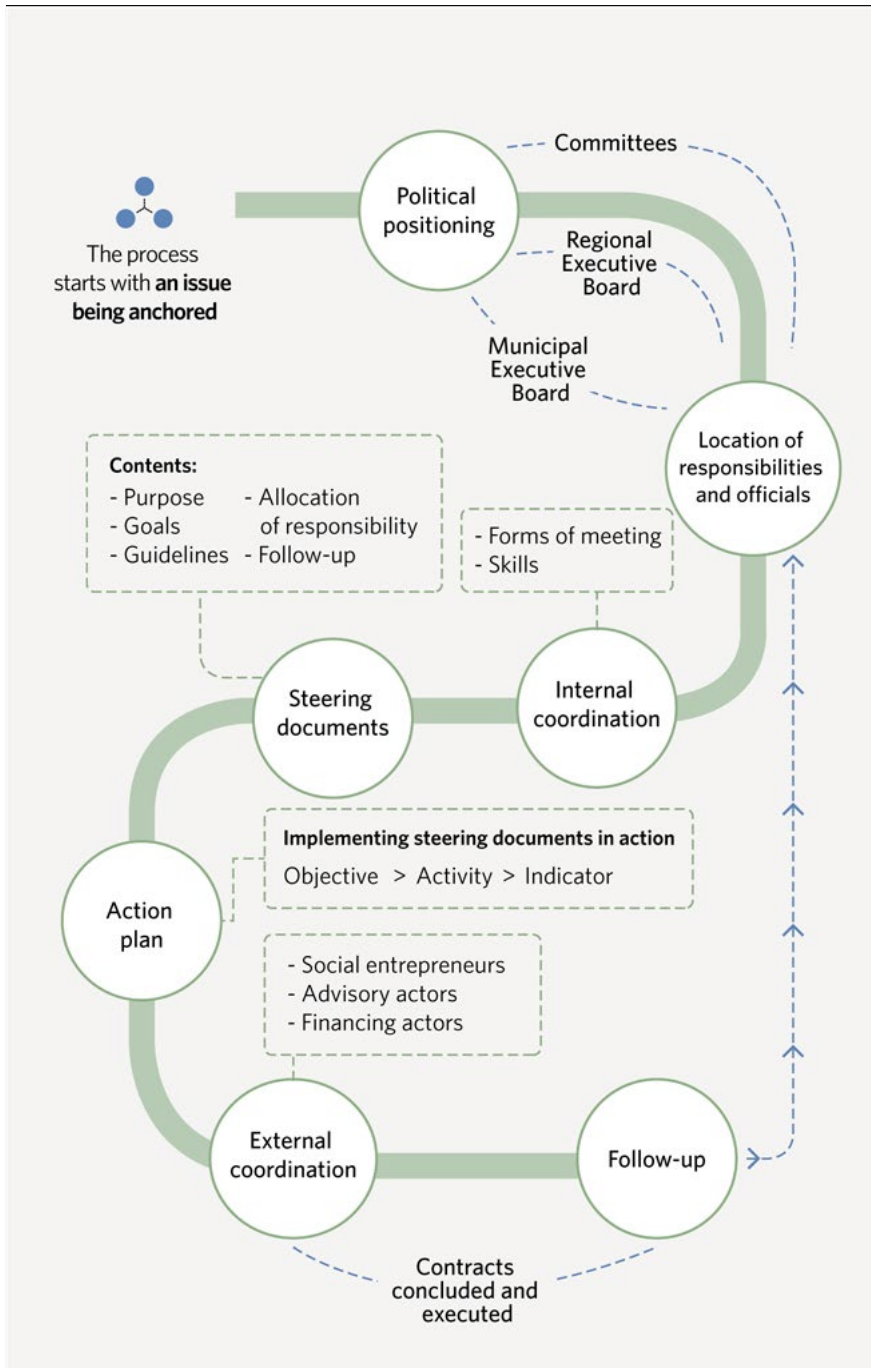


# Establish an internal structure for collaboration

This chapter discusses some of the success factors for the development of an internal collaboration structure.

Each municipality and region has its own specific circumstances and a solution cannot simply be copied from one organisation to another. However, there are certain general circumstances that facilitate the establishment and development of collaboration with social enterprises in a municipality or region, such as an internal collaboration structure.

FIGURE 5. Internal structure for collaboration





## **Anchor at both political and official levels**

### **Political leadership – anchor the issue and appoint responsible committee**

In the development of the collaboration between the municipality or region and social enterprises, there is a clear link to political decision-making as a successful path. The main point is that the policy development regarding social enterprises then get a place in the political structure and become part of the strategic efforts of the organisation. One solution is to place the responsibility with the municipal executive board or regional executive board. Another solution is to place the responsibility with one of the different committees. Both solutions are good and functional and must be established on the basis of the municipal and regional circumstances and conditions. However, we should be aware that placement often has an impact on how issues are interpreted and defined in the ongoing work. The policy developments are given a more overall placement under a municipal executive board or regional executive board. Under the different committees, the issues are likely to be defined as a distinct sector issue. If we place them under the committee with responsibility for the labour market, they are likely to be primarily defined as a labour market topic. If placed under the committee responsible for business support, they will be defined as a business related topic. In the same way, they can be placed under the responsibility of the civil society committee or other committees and will then be defined in this way. None of these organisational solutions are wrong but they have automatic consequences in terms of how the topic is understood and interpreted.

### **Ideology – show that social enterprises can have wide political support**

It has been shown that wide political support is required for collaboration with social enterprises by municipalities and regions. Elected representatives need a basis that shows that collaboration with social enterprises can be understood from different ideological perspectives and be united across the boundaries of political parties and alliances.

*“If those of us in the public sector are not at the forefront of social enterprises, then who will be?”*

*Peter Söderström, Municipal Councillor, Arvika Municipality*

### **Appoint a coordinating function in the operational organisation**

Irrespective of where the practical responsibility is placed, it is important that a designated public servant has a coordinating and convening function in order to lead the internal work within the municipality or region.

The coordinating function must have channels to the responsible committee but also to other relevant functions and activities within the organisation, including the procurement department of the organisation. Collaboration with social enterprises requires cooperation across operational boundaries – this cannot be emphasised enough. As the topic span several different operational areas, it is positive to create an internal work forum for officials from different parts of the organisation. Such a forum can support the responsible official in the development and specification of the scope of the topic and its connection to other internal operational fields. Representatives from the procurement department or equivalent should participate.

With successful collaboration across administrative, area and department boundaries come great conditions for the internal collaboration work with social enterprises to develop in a positive direction, as well as for successful external interaction between the organisation and social enterprises.

### **Make a conscious choice**

In other words, there are several organisational options. As public activities are organised in different specialist committees, this type of consideration is inevitable. Sometimes we have to place certain policy areas with “shoehorns”. The important thing is that there is an awareness of the fact that formal organisational positioning is important but at the same time, taking a pragmatic approach so that formal organisational boundaries do not make it impossible for flexibility and cross-border work within your own organisation so as to capture the diversity of social enterprises.

### **Connection to existing working methods and support functions**

Depending on where the policy area is placed in the organisation, it is necessary to make different connections. Social enterprises can be active in many different areas. It is therefore good to ensure that there is a link to the work of the municipality or region on business support, the education sector and the labour market, rehabilitation initiatives, civil society and democracy, environmental and energy issues, social services, welfare, integration and disability and so on.

*“Formal responsibility for interaction with social enterprises can differ in two municipalities in one and the same county. In one municipality, responsibility has been placed with the business department and in the other with the welfare department. This has completely different consequences for how the questions are interpreted. In the first case, the focus is on entrepreneurship and in the second case, it is very much about taking care of people.”*

*Ronney Olsson, Process Leader, Coordinating Agency Finsam Gävleborg*

Ronney Olsson is Process Leader at Coordinating Agency Finsam Gävleborg. One of his tasks is to educate the representatives in the agency about work-integrated social enterprises. Ronney offers the following tips on overarching working across sectors:

- › Create collaboration groups with representatives from different departments. There are always different roles in a workplace and working together provides increased knowledge and an increased understanding of strategic considerations. It is then also easier to reach agreement together on where and how responsibility for collaboration with social enterprises should be placed in the municipality/region.
- › Conduct a series of educational sessions for public servants and elected representatives from different policy areas.
- › Discuss and clarify different relevant terms and concepts. Clarify what is meant by social enterprise.
- › Set aside time for reflection between the educational sessions and encourage participants to think about the consequences of social enterprises for their own tasks and operational field.
- › Agree on who should be given the responsibility for coordinating the collaboration between the municipality/region and social enterprises and how they will carry out their tasks.

## **Build a formal foundation upon which to stand – on policy documentation and action plan**

*“I want to send it to politicians to set requirements and set goals. Then I think we’ll get a completely different push forward.”*

*Marie Emilsson, Procurement Coordinator, Söderhamn Municipality*

When the topic has been given a place of residence at both the political and operational level, success will be driven by the formulation of a strategy or policy for social enterprises by the municipality or region.

A policy serves as a framework for the guidelines and principles that will apply to this area. The policy can contain general objectives that indicate the direction of business collaboration but it is also good if there are specific and clear goals that can be followed up. The policy should be established by the municipal and regional assemblies and resourced so as to be given political weight and legitimacy.

Ronney Olsson sees that there is a great need for policies and action plans. He believes that politicians, officials and social entrepreneurs need better knowledge and understanding of what social enterprises are. He points out that one of the biggest challenges is the many terms and concepts that are used and that there is often a “confusion of perceptions” about exactly what social enterprises are and what it can mean for the municipality. In the long run, this ultimately makes it more difficult to collaborate with social enterprises. An established policy at assembly level may create some form of clarification, although he also emphasises that this involves an ongoing learning process.

Before a policy is designed, it’s a good idea to think about its development in dialogue. The keywords are wide representation. The operations involved in one’s own organisation, with colleagues from business, education and the labour market, the cultural field, social services, welfare and others must also participate. As the policy will address the collaboration with actors outside the municipal or regional organisation, it is beneficial for it to be developed in conjunction with those affected by it. In such a way, the work and ultimately the finished steering documents will be distributed and accepted.

## **Tips on what a policy may contain**

### **1. Introduction – background, purpose and goals**

The introduction needs a description of what social enterprises are. As it is still a relatively new field, it’s a good idea to provide an account of the different definitions. Describe what the overall purpose and reason is for the work of the municipality/region on the promotion of collaboration with social enterprises. For example, this might be through:

- › Clarification of the link between the policy and the regional development strategy, the operational plan of the regional or municipal assembly. The steering documents will then have a clear connection to other more fundamental strategies in the municipality or region.
- › Clarification of the link between the policy and relevant goals for Agenda 2030. Describe the benefits that the steering documents will provide in order to be able to achieve relevant goals in Agenda 2030 and other objectives in the regional development strategy, the operational plan of the regional or municipal assembly.
- › Clarification of the connection between the policy and the perspectives of equality, diversity, accessibility, sustainability and from the perspective in terms of children.

### ***Examples from the policy for the Municipality of Högsbo***

In our ambition for a sustainable society, we want to actively contribute to preventing the exclusion of people. We want to provide opportunities for all the people in our municipality to have a meaningful life. A part of this work is contributing to ensuring that as many people as possible are an integrated part of working life with meaningful employment.

Our basic idea is to make it possible for all people to contribute to both their own development and that of society based on their own ability. In our ambitions, we see that social enterprises can be a successful complement to the other initiatives that Högsby municipality is working on.

With the support and encouragement of the municipality, the local social enterprises contribute to:

- › promoting growth of the local economy and thus creating conditions
- › promoting growth of the local economy and thus creating conditions for expanded welfare
- › promoting opportunities for integration into working life for jobseekers who are not anchored in the regular labour market
- › complementing public activities and thereby offering citizens a greater range
- › increasing freedom of choice by offering alternatives to public sector services
- › in some cases, replacing activities that are currently run under the public sector.

## **2. Guidelines**

The policy can also include approaches and guidelines as to how the work should be carried out. This can work to promote long-term and sustainable work on the issues.

### ***Examples from the Karlshamn Municipality policy***

Collaboration should take place through agreements, not financial contributions. For example, the municipality can buy goods and services and procure from work-integrated social enterprises with social considerations. Karlshamn Municipality should promote the social enterprise as both an independent social force and as a collaborative party on the resolution of common issues. This promotes the development of both well-being and a sustainable society.

### ***Examples from the Töreboda Municipality policy***

- › The activities of the municipality must have a supportive and stimulating relationship with the actors in the social economy, while these themselves must be the driving force behind the establishment and development of social enterprises.
- › For the procurement of goods and services, where possible the specifications should be designed in such a way that social enterprises can take part in tendering.

### **3. Goals and milestones**

Implementation of the policy is simplified if the policy highlights more specific goals and possible milestones.

### ***Examples from the Övertorneå Municipality policy***

Övertorneå Municipality is to:

- › actively work to increase its knowledge of social enterprises and their terms and conditions
- › actively endeavour to establish increased collaboration with key actors in the area
- › work to make social enterprises both internally and externally visible in the municipality
- › actively contribute to the establishment and survival of social enterprises.

### **4. Allocation of responsibility**

Identify the committee that has established the steering documents and the department that has the coordinating responsibility for implementation of the policy. The importance of collaboration can also be highlighted in connection with the allocation of responsibility.

### ***Examples from the Karlshamn Municipality policy***

In order for the work on the promotion of work-integrating social enterprises to be successful, a holistic view is required in which all departments participate and are striving to move in the same direction and communicate and collaborate well.

The municipal executive board has the overall responsibility for ensuring compliance with the intentions of this policy. Each department is responsible for its own work on compliance with this policy.

### ***Examples from the Luleå Municipality policy***

In order for Luleå Municipality to be successful in promoting social enterprises, there must be an internal organisation that builds on a holistic perspective. This means that all departments are involved, endeavour to move in the same direction and have good communication and collaboration on the issues.

### **5. Follow-up**

Identify the committee that has the ongoing responsibility for implementing and following up on the steering document and how this follow-up should be conducted.

### ***Examples from the Luleå Municipality policy***

In order to assess the benefits and effects of municipal activities that have been implemented, an annual follow-up must take place. The labour market department is responsible for the follow-up. Reporting is to the municipal executive board.

### **Tips on what an action plan might contain**

Once the policy is established, the next step is to develop an action plan. The purpose of the action plan is to describe how the steering documents are to be translated into action. The action plan therefore fleshes out the goals of the steering documents. It is also advantageous to include an introduction with background, purpose and reasons in the action plan in order for the document to stand alone.

It is a good idea to link each goal to one or more activities. Try to specify indicators for each activity as well. This simplifies follow-up.

All goals must be connected to an activity, a description of how the activity should be conducted and what it should lead to.

Supplement the action plan with a timetable, a description of working methods, financing and resources and follow-up. In this way, the action plan becomes a specific tool in the work.

### **LOCAL EXAMPLE - The journey of Luleå Municipality towards a sustainable collaboration structure for collaboration with social enterprises**

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In addition to all the benefits that this means for the individual, there are also likely to be significant municipal benefits in hiring civil society and procuring socially, reflects Magnus Johansson, Divisional Head of Labour Market and Integration at Luleå Municipality.

Yes, there are many reasons for the municipality to work on supporting the creation and development of social enterprises. These are also the reasons why Luleå already had a policy and an action plan for the collaboration between the municipality and social enterprises in 2011.

The policy is based on the fundamental view that our society is economically organised in three sectors; the private sector, the public sector and the social economy. For Luleå Municipality, it is of great importance that these three sectors collaborate with each other for local sustainable development.

However, as the area requires cross-sectoral collaboration and a wide range of skills, it is nevertheless difficult to achieve a sustainable collaboration structure. It is now almost ten years since the policy and action plan were launched and the municipality is therefore ready for a rethink and a new venture. They have learnt a lot in the last ten years. These lessons are currently being translated into a new collaboration structure and a new policy. There are three areas that need to be reviewed in order for the collaboration between the municipality and social enterprises to work even better:

- that the internal and external collaboration structure is clear and established
- that business is created with social enterprises and that there are companies with which to create business
- that the results and effects are made visible.

#### **Internal and external collaboration**

In Luleå Municipality, the municipal executive board has overall responsibility for support for social enterprises, while the municipal labour market department supports the creation of work-integrating social enterprises and networks for both internal and external collaboration.

A large part of the external collaboration work is done in close liaison with the Coordination Agency Södra Norrbotten, which includes three municipalities. The local business community is an important part of the external collaboration structure of the municipality and the commercial interests of the municipality need to be part of the work. The municipal procurement department also has extensive experience and takes a central role in the work.



*“We will review the municipal collaboration for the formation and establishment of adequate support measures for companies over the year.”*

*– Magnus Johansson*

### **More business and more companies**

In addition to a rethink of the collaboration structures and support for social enterprises, the current issue is how to increase the number of businesses. According to Magnus, Luleå officials already have extensive knowledge of how to do business with social enterprises and business is already undertaken with the social enterprises.

*“Yes and there can only be more. Unfortunately, there has been fewer over the years. So it takes some work and “the right initiatives” from all parties involved.”*

*– Magnus Johansson*

### **Performance targets and key performance indicators**

Another thing that requires review is performance targets and key performance indicators. Magnus believes that if explicit action is not taken, there will be no results either. Magnus also reflects on the fact that it is difficult to put specific numbers on this but you can instead take the initiative and say that the municipality should be contributing to increasing the proportion of social enterprises being established in the municipality and that the number of companies that are surviving is increasing.

The current policy in Luleå includes four reasons for supporting the creation and development of social enterprises. It would be good if these could be reformulated into performance targets in the updated policy so that the benefits and added value will then be more visible.

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### **Incorporate the policy area into the systematic follow-up**

Plan for follow-up right from the start. All municipalities and regions are using some form of follow-up system. Stratsys and Hypergene are the most common. For example, the Committee that has been given formal responsibility for the implementation and follow-up on the steering documents and action plan may be responsible for entering activities and indicators into the follow-up system. The primary purpose is to ensure that the activities are carried out. Both activities and indicators provide guidance in the ongoing work. The secondary purpose is to clearly demonstrate that the policy area is prioritised alongside others. The follow-up on the steering documents thus becomes a central part of the systematic quality work of the municipality and the region.

### LOCAL EXAMPLE - Region Örebro County coordinates the work

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The joint and cross-departmental Working Group for civil society and social economy in Region Örebro County has met regularly since 2018. The group is active in the Regional Development Department within Region Örebro County. The coordination function was established under a decision rendered by the management team and based on the argument that the issues are so cross-disciplinary that a joint departmental forum is necessary. The work is coordinated by public servants in culture and the non-profit sectors, which is where the coordinating responsibility for these issues within Region Örebro County is located. The working group also includes representatives from the other areas of the department: business development, education and labour market, welfare and public health, traffic and urban planning and energy and climate. There are ongoing conversations within the coordination function regarding how work with social enterprises can be further developed within their own organisation and in the county as a whole. The basis is the regional development strategy and its different action plans. The group reports to the department management team and the respective area managers.

## External parties supporting development of and responsibility for social enterprises

Public sector activities face several resource-intensive challenges and the day-to-day work of municipal and regional organisations is often characterised by a lack of resources. It is therefore not uncommon for many municipalities and regions to make the decision to transfer the practical and specific responsibility for development of collaboration with social enterprises to Coompanion, Almi or other support and advisory organisations. This way of “outsourcing” practical responsibility is an entirely reasonable solution. In a similar manner, public sector often provide businesses support actors commissioned to provide specific support for traditional enterprises.

However, in order for municipalities and regions to be able to give external organisations responsibility for the practical responsibility of developing collaboration, it is important for the municipality and the region to be active and conscious clients. The point is that the solution must not mean that the public sector renounces responsibility for the issues and that support for social enterprise becomes a satellite with a distant orbit. Therefore, if practical responsibility is outsourced it is important that the issues have a clear political anchoring in the municipal or regional organisation and secondly, that municipalities and regions develop both procedures and working methods for external collaboration structures. We come back to that in Chapter 6.

### Almi

Almi Företagspartner AB is owned by the State and is the parent company of a group of 16 regional subsidiaries and the sub-group, Almi Invest. The regional subsidiaries are 51 per cent owned by the parent company and 49 per cent by regional owners and offer loans and business development. In general, the purpose of the business is to offer advice and lending targeted primarily at profitable companies with growth potential. The activities of Almi will contribute to developing and increasing the number of competitive and sustainable SMEs. Almi Invest AB is 100 per cent owned by the parent company and runs venture capital operations. <https://www.almi.se/>

### Companion

The primary task for Coompanion is to provide advice and support to those who want to start a business together. The advice is provided free of charge. Coompanion places great importance on supporting the emergence of social enterprises. In Sweden there are 25 regional Coompanion offices that collaborate through the jointly owned umbrella organisation, Coompanion Sweden. The organisation is run in the form of an economic association and owned by its members. It is open to all legal entities that can be assumed to want to contribute to the fulfilment of the goals and purposes of the association. <https://coompanion.se/>

## **Clarify the relationship between the municipal labour market departments and the work-integrating social enterprises**

Many social enterprises are work-integrating and there are also many that sell work training services to municipalities. The link to the municipal labour market departments is especially clear. Labour market departments have strong establishments in the municipalities. They are responsible for areas including investigation of the ability of individuals to work and often carry out different types of practical work training and work rehabilitation. Not infrequently, people in work training are given the opportunity to take care of green spaces, carpentry work or with different types of sewing. Sometimes the labour market departments will carry out assignments for customers outside their own organisation. This provides good opportunities for the work training and work rehabilitation target groups.

### **Labour market departments need a strategy**

If there are no work-integrating social enterprises operating in the municipality, the allocation of responsibility between these companies and the municipality does not even require discussion but as soon as such a company has been started, it is important for the municipality to have a clear strategy. Will the municipality buy work-integrated services from the social enterprise, how many places should the municipality buy and for how long? Can the social enterprise also offer work capability assessments? The answers will depend on the size, business orientation and capacity of the social enterprise. If there are several work-integrating social enterprises, it is even more important for the relationship with these companies to be clarified as there will then be several service providers with which the municipality can conclude contracts.

*“Municipalities can use work-integrating social enterprises for job training to a great extent as a complement to their own activities, so as to broaden the range so that each individual placement will be ultimate. The diversity, knowledge and experience of these companies is too important to remain a white spot on the map.”*

*Christina Matsdotter, Development Manager, City of Gothenburg*

What motivates a practical municipal job training activity is either that the volume of job training places is too low in the social enterprises or there are other specific qualities and characteristics that cannot be achieved through equivalent initiatives in a social enterprise. Some municipalities, such as Nordanstig have chosen to remove the practical work training activities from the labour market department. In this case, the relationship with work-integrating social enterprises becomes clear and distinct. The municipality does not carry out such activities for which a social enterprise take responsibility.

#### **LOCAL EXAMPLE - Nordanstig buys work training initiatives**

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In 2007, Nordanstig Municipality initiated a journey of change in its labour market activities. This change has resulted in the fact that today it does not have its own work training activity but instead works closely in a collaborative partnership with three work-integrating social enterprises.

*“It’s really great with the work-integrating social enterprises. I don’t have to be a manager and I save money.”*

*- Bente Sandström*

In 2007, the municipal labour market department in Nordanstig underwent fundamental change. Following a proposal from the head of the department, the municipality decided to phase out the practical work training activities and keep only the actual processing functions, including matching and work testing. The change meant that the municipality later terminated the lease for the premises and reduced the number of staff. The municipal labour market department would still exist but with a smaller workforce.

Bente Sandström, Head of department for Labour Market and Integration at Nordanstig Municipality was the person who made the proposal for change and remembers it as neither controversial nor difficult. There were several reasons for the change:

- The main reason was financial. The municipality had costs for large premises at which different types of work preparation activities were carried out, ranging from pottery to welding and cooking. The municipality also had staff costs for 5–6 supervisors associated with the activities.
- The second reason was that the activities were not always run for the participants but vice versa. The tasks of the labour market department became more important than that the activities contributed to strengthening the ability of the participants to actually enter the labour market. It was also sometimes difficult to find enough participants to carry out the jobs that the labour market department should carry out and it became difficult to have a permanent activity of high quality.
- The third reason was a feeling that the initiatives did not seriously prepare the participants for a future working life. Both the culture and the environment became too protected and did not reflect the work environment of an ordinary workplace.

The Nordanstig labour market department currently has three employees who are responsible for day-to-day case administration. The department is in ongoing dialogue with social services and the Swedish Public Employment service with regard to the opportunities for placing individuals in work training-related activities. Sometimes it may involve finding a place in your own municipal activities, such as healthcare, welfare, caretaking services and school. In other cases, it may involve finding a place within civil society and in other cases with companies. There are currently three work-integrating social enterprises in the municipality. None of these were active in the area when the municipality made the decision to phase out the work training for its own purposes. So they have not spun off from the municipality. However, the decision has enabled the social enterprises to be established and to operate in Nordanstig.

Firstly, Bente Sandström believes that public sector must think differently and dare to try new ways of working methods. Secondly, she points out that the municipality should not carry out activities that can be carried out by social enterprises.

*“It will be both easier and cheaper for the municipality and will also provide increased opportunities for the participants.”*

– Bente Sandström

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# Develop an external structure for collaboration

In this chapter

- › we discuss the need to develop external collaboration structures,
- › we describe how municipalities and regions acquire knowledge about social enterprises,
- › we provide three examples of collaborative structures.

The purpose of an external collaboration structure is to ensure a long-term and constructive dialogue with social enterprises. Other actors and stakeholders including advisory organisations such as Coompanion, Almi and start-up centres and private enterprises interested in interacting with social enterprises should also take part.

## **Acquire knowledge about social enterprises in the municipality and the county**

For municipalities and regions to be able to do business with social enterprises at all, it is important for municipalities and regions to have knowledge of who the companies are. Some form of regular mapping is probably necessary. In the best case scenario, there are lists that can be used as a basis, for example at the advisory organisations. It is good if municipalities and regions endeavour to update their knowledge of the scope and distribution of social enterprises on an ongoing basis.

There may perhaps not be an established supplier of the welfare solutions that need to be delivered. The municipality or region can then try to initiate a more open-ended dialogue with social entrepreneurs, for example as in the case of Helsingborg described in Chapter 3.

### **Many are uncertain: “Are we a social enterprise?”**

Municipalities and regions should also be aware that many organisations do not always call themselves social enterprises and they also may not want to. That’s not that strange. Many organisations are unaccustomed to thinking along these lines, just as many employees in municipalities and regions will find it difficult to get used to the fact that alongside traditional companies, there may also be social enterprises.

Another explanation is related to the form of association. Some social enterprises are organised as non-profit associations. They have some form of sale of goods or services but at the same time, may be eligible for an association subsidy. Here, there is possibly an assumption made that there is a risk of losing the association subsidy if the organisation simultaneously classifies itself as a social enterprise. In a non-profit association, non-profit activities can therefore be carried out alongside business activities.

### **Build a sustainable collaboration structure**

#### ***Invite external actors to a forum***

One way in which to gain knowledge is to invite the already active social enterprises. For example, it may be useful to discuss what social enterprises consider important for a work collaboration. In this way, the municipality and the region can start building a forum for collaboration with social enterprises and jointly clarify the purpose of the collaboration structure, the actors that should be included and what the purpose of the collaboration structure should be.

For the municipality or region, a forum of this nature may have several functions such as:

- › Information for social enterprises on current and future procurements.
- › Tender schools on how the public procurement process works.
- › Lectures and presentations on relevant themes.
- › Discussion with participants from other municipalities and regions, government agencies or other social enterprises on social enterprise topics.
- › Conversations about how along with social enterprises the public sector can develop innovative solutions to address current and future societal challenges.



## LOCAL EXAMPLE - Partnership for social innovations in Örebro County

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The Partnership for Social Innovations was launched in Örebro County in January 2015. The purpose is to support the emergence of ideas that can be developed into new solutions to societal challenges. Civil society is a particular area of focus. The partnership replaced an older organisation that was started in the late 1990s.

The partnership is coordinated by Region Örebro County and currently consists of more than 40 organisations. Half come from the public sector and include most of the municipalities in the county, the Swedish Public Employment Service the four Coordination Agencies in the county, Örebro University, Örebro County Administrative Board and Region Örebro County. Half of the parties come from civil society and include the Örebro County educational association, several individual study associations, Verdandi, Rural Sweden and Coompanion. The partnership works as a regional cooperation forum and a regional infrastructure for issues of social innovation and social enterprises. The Partnership current undertakes five primary activities:

- Advice and methodological support: capturing ideas and supporting with specific development support.
  - Project coordination:
    - informing each other about ongoing projects, local, regional, national or international
    - sing the Partnership as an actor constellation in a project
    - collaboration on a project between some of the partners in the Partnership.
  - Exchange of experience: seminars and coordination meetings, assembly meetings and work committees focusing on current issues for example, procurement.
  - International collaboration: in existing and new networks.
  - Information and communication: newsletters, websites and social media.
- 

### **Encourage social enterprises to collaborate**

For a municipality or region, there is a significant advantage to social enterprises organising themselves into some kind of “coordinated group”, partly so as to be able to become stronger and make use of each other’s work and sharing costs; and partly to be able to act as a more unified voice in negotiations and discussions. Social Trade in Västra Götaland is an interesting example that brings together a group of work-integrating social enterprises.

### READING TIP!

Do you want to learn more about forms of collaboration between social enterprises and how such collaborations can be strengthened? Interesting work is underway in the European Commission on identifying and reporting regional clusters of the social economy in different parts of Europe:

- <https://webgate.ec.europa.eu/fpfis/wikis/display/SEC/Clusters+of+Social+and+Ecological+Innovation>
- GECES (2020) Clusters of social and ecological innovation in EU, Perspectives and experiences. Working group – The role of clusters and similar forms of business cooperation in fostering the development of social economy. GECES, Working paper.
- GECES (2020) Clusters of social and ecological innovation in EU, Recommendations & way forward. Working group – The role of clusters and similar forms of business cooperation in fostering the development of social economy. GECES, Working paper.

### **LOCAL EXAMPLE - The Social Trade, association and marketplace, Västra Götaland**

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During 2015–2016, a project supported by the European Social Fund (ESF) was run in Västra Götaland. The project was part of the regional strategy on Social Economy, Social Innovation and Social Entrepreneurship. The project laid the foundation for Social Trade, an association and type of marketplace for social enterprises in the county.

The Social Trade association works to promote social enterprises and to sell their products and services. Initially 13 social enterprises were linked to the association. Through Social Trade, the market position of work-integrating social enterprises has been strengthened in Västra Götaland. In the long term, people who are distanced from the labour market can also be offered employment.

*“At the time of writing, 40 social enterprises are selling their goods and services through Social Trade. The companies that are members of Social Trade have a total of more than 400 employees and a combined turnover of SEK 80 million each year – money that is reinvested in the companies to create new jobs.”*

*– Mari Odenbjörk, Business Manager, Social Trade*

During the construction phase of Social Trade, the Västra Götaland region raised SEK 500,000 to finance initiatives including the development and training of a sales organisation responsible for delivery and quality assurance. Today Social Trade is self-funded and offers its services to both the private and public sectors.

*“By forming Social Trade, we’ve been able to develop a cluster of work-integrating social enterprises in the region. It’s important to remember that the municipalities or the regions are currently not our largest customers. It is primarily the private sector.”*

*– Mari Odenbjörk*

The Association markets itself primarily through the website. Here you’ll find services, goods and price information for nine different categories: car and tyre services, construction, domestic services, communication, food and conference, cleaning and real estate services, textiles, gardening and other services.

Participation in public procurement tenders is also an important task for Social Trade. Social Trade has participated in one procurement to date. The ambition is to participate in more procurements. The more social enterprises that are linked to the Association, the better the opportunities to participate in more and larger procurements.

Mari Odenbjörk makes two clear recommendations, one to municipalities and the other to social enterprises:

*“As far as municipalities are concerned, it is important to be clear about what you want to achieve with your procurement. In terms of social enterprises, it is important to dare to take the initiative to work together.”*

*– Mari Odenbjörk*

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## **Work for the long-term**

As social enterprises are often new, they need help with understanding the challenges they face and what their needs are. In addition, several social enterprises work with people who have different types of disability that affects their capacity to work. Therefore, the starting distances are often longer than for traditional companies in terms of both the development of the social enterprise and also for employees and participants in the companies. It is important that municipalities and regions have a long-term commitment and give companies and individuals time to grow.

### Clarifying economic conditions

All companies need financing and sometimes they need loans for example, to invest in real estate or in some other type of infrastructure. Social enterprises are no exception. Almi can help with loan applications for social enterprises but only if the Almi ownership directive allows it.

Otherwise, social enterprises are referred to either banks or to the Mikrofonden. However, many banks do not lend to non-profit or economic associations, which is a common form for social enterprises to take. Therefore, social enterprises are often referred to Mikrofonden.

#### Mikrofonden

Mikrofonden Sverige is a financial institution registered with the Swedish Financial Supervisory Authority. Mikrofonden Sverige members include a number of regional and independent microfunds. The purpose of the microfunds is to support the financial development of the social economy. This includes cooperatives, social enterprises, associations, foundations, village communities, societies and local development groups.

The microfunds can

- › provide guidance on financing
- › guarantee bank loans to start operations, investment and development.
- › offer other financial support, such as equity in the form of publishing and membership contributions in economic associations or equity stakes in member-owned limited liability companies, micro-loans, crowdfunding
- › help with finding external capital.

The microfunds see themselves as equivalent to ALMI for traditional companies.

<https://mikrofonden.se/>

### Include traditional, for-profit companies in the collaboration structure

Given the three criteria of the national strategy, a traditional, for-profit enterprise cannot be a social enterprise. Interest in social issues or societal challenges is not enough to be a social enterprise. However, traditional companies can still participate in an external collaborative structure led by a municipality or region.

Many traditional companies have a large interest in sustainability issues and have established CSR (corporate social responsibility) policies. In part, it can be considered that these companies have an interest in contributing to the benefit of society. In addition, traditional companies are often interested in collaborating with social enterprises. Sometimes traditional companies want to buy services from social enterprises and in other cases they want to collaborate with social enterprises as subcontractors in public procurements. In some cases, a work-integrating social enterprise can contribute with the provision of skills to other companies. There are many possibilities.

Municipalities and regions can help create the conditions for greater collaboration between traditional companies and social enterprises for example, by bringing social enterprises into the networks and established forms of collaboration where business topics in the municipality are discussed.

### HINT!

Use the internal and external collaboration structures for the joint assessment of how the conditions for social enterprises are perceived by different actors. Better Entrepreneurship is a digital self-assessment tool developed by the European Commission and the OECD. <https://betterentrepreneurship.eu/>

#### LOCAL EXAMPLE - Samarkand, a regional development company broadens the labour market with help from social enterprises

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The regional development company AB Samarkand was started in 2015. Samarkand collaborates with Region Dalarna, the municipalities of Smedjebacken and Ludvika, the local business community, educational institutions, civil society and social enterprises. Together they work on skills supply issues, strategic development work, infrastructure and broadening the labour market. The founders and owners of Samarkand are ABB, Ovako, Region Dalarna, Ludvika municipality and Smedjebacken municipality. Lars Lindblom is CEO. He has a background as both a social worker and an economist and extensive experience of working in industry.

#### Samarkand contributes to the supply of skills in the region

Samarkand was preceded by a vision group that conducted a future reconnaissance at the end of the 1990s. The vision group saw that the region would find it difficult to cope with the supply of skills in the future. If you look in old documents from that time, you can find the origin of the company name: "We must rework the **SAM**arbeta om **AR**betsmarknadend **KAND**idater (Collaborate on labour market candidates) ahead of the 1940s exit from the labour market in 2015."

*"The conditions for strengthening the ABB skills supply are crucial for the development of the region."*

- Lars Lindblom

One of primary tasks for Samarkand has been to facilitate entry into the labour market for fellow migrants, for example those who are starting work at for example, ABB, Region Dalarna or on any of the other owner or member associations of Samarkand. Therefore, Samarkand has worked to broaden the labour market and contribute to complementary growth in the region in different ways so as to be better equipped in the competition for attractive manpower.

### **Samarkand supports the social enterprises**

One way to widen the labour market is to assist with the development of social enterprises within Ludvika and Smedjebacken municipalities. Samarkand has been commissioned to manage coordination for social enterprises in Ludvika and Smedjebacken.

Samarkand provides both operational and strategic support to social enterprises. For example, Samarkand meets operational managers from the social enterprises once a month and acts as an HR resource for social enterprises. The support structure also includes the collaboration association, the Swedish Public Employment Service and the labour market activities of the municipality. Samarkand has a budget for targeted initiatives as needed.

### **Samarkand provides support to spin offs from municipal activities**

In 2018, Samarkand was commissioned by Smedjebacken municipality to review the activities of the labour market department and make suggestions for development possibilities. A lot of the dialogue revolved around the Väderbacken business.

Väderbacken was originally a department within Samhall with the same focus on forestry and simpler agriculture. When Samhall closed the business down, Smedjebacken municipality took over. The business was suitable to spin off from the municipality, as it was well defined both geographically and in terms of content. In addition, it took almost all the focus of the AME activities, which was problematic because those on the marginalised fringe of society need more options.

Samarkand had a lot of contact with the executive management at Väderbacken who were initially doubtful. However, as time went on, they became more positive. Samarkand developed budgets, contractual content with the municipality and a lot of other practical matters and on 1 November 2019, Väderbacken was started as a social enterprise.

### **Networking is the Samarkand method**

Significant parts of the work carried out by Samarkand takes place in networks and working groups that pursue different issues based on priorities of members. One important network is the so-called Samarkand circuit, which brings together all members: companies, organisations and other relevant actors. There are currently more than 40 companies and organisations that are members of Samarkand and naturally they include social enterprises.

Members pay an annual fee to take part in the services offered by Samarkand and are also invited to circuit meetings four times a year. The network meetings provide an up-to-date picture of challenges and objectives for the actors in the region.

### **Samarkand is a role model**

Samarkand has become a model for similar support structures elsewhere in the county and it is an important part of the work in establishing social enterprises.

*“Collaboration between different parties within the region is a prerequisite for meeting future development issues.”*

*- Lars Lindblom*

### **Municipal Council: politicians must give clear direction**

Maria Strömkvist is a municipal councillor in Ludvika and a Member of Parliament. She has always believed in social enterprises as an important resource in the welfare mission. The need for collaboration with social enterprises is important in many aspects:

- The social enterprises are an asset and not competitors to the activities of the municipality.
- Those working in social enterprises are often under the responsibility of the municipality in one way or another.
- Municipalities and regions can offer a market for services and products to social enterprises.

Maria Strömkvist points out that the highest political leadership must assign tasks with clear goals. A clear political will is important for a clear direction in the work with social enterprises.

Before Samarkand was given the coordinating task for social enterprises, no one in the community took collective responsibility. Social enterprises were knocking on the door and courted all actors in the municipality. They were passed around between different actors.

*“At that point, I decided to suggest to the municipal executive board that Samarkand should be responsible for this and that we should channel all work with social enterprises to Samarkand. Today, this is one of our main success factors as there is a great deal of confidence in Samarkand around different organisations and businesses.”*

*– Maria Strömkvist*

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# Financing and procurement

This chapter

- › describes general conditions for successful procurement
- › provides an overview of several different types of procurement
- › describes what a municipality and region need to consider when using a public social partnership, PSP
- › provides examples of coordinated municipal procurement.

## Not subsidies

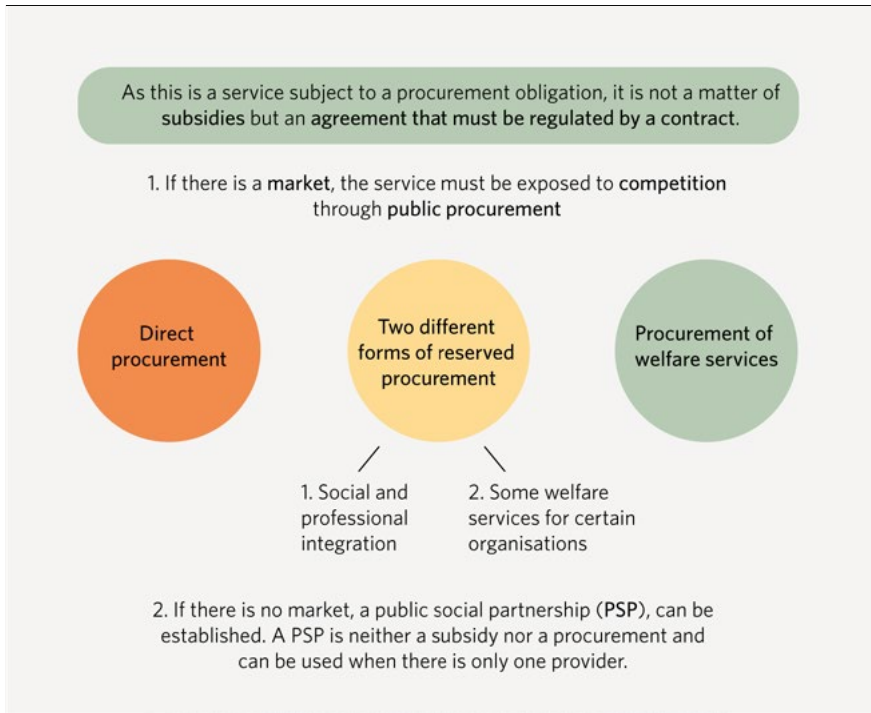
The public sector is and will be the primary customer for many social enterprises. However, this does not mean that social enterprises should be financed with subsidies. For example, the municipality or region gives a subsidy to a non-profit association in order for it to operate and conduct its activities. In this way, civil society contributes important functions to positive social development. The association subsidy is generally used to cover the basic administrative and operational costs necessary for the association to be able to carry out its activities.<sup>9</sup> For example, when the municipality or region needs job training places or wants to purchase services that help reduce the climate impact or increase inclusion in society, where an association or other organisation can offer such services it may be a service subject to a procurement obligation. It must then be regulated in an agreement.

*“There is a perception that these companies are not real companies. But that is completely wrong. The social enterprises are also operating in a market.”*

Ronney Olsson, Process Leader, Coordinating Agency Finsam Gävleborg

Note. 9. For a discussion on the basic functions of civil society, see Harding, Tobias (2012) *Framtidens civilsamhälle – Underlagsrapport 3 till Framtidskommissionen*. Government Offices, Prime Minister’s Office.

FIGURE 6. Financing opportunities



## Public procurement must be competitive

Public procurement is essentially about creating the most benefit for taxpayers' money. The value of procurement purchases in Sweden is estimated at over SEK 700 billion, which is equivalent to just over one-sixth of Sweden's GDP. Using a well-functioning competitive process, the Government wants to use procurement as a tool to increase efficiency and quality in the public sector and will play a crucial role in the development of the 2030 Agenda for long-term sustainable economic, social and environmental development.

Public procurement that takes place in an open and competitive process counters corruption and other types of unhealthy competition. Lack of objectivity, impartiality and transparency lead to more expensive deliveries to the public sector and the public and poorer services for citizens. When competition is eliminated, the conditions for serious players deteriorate and in turn, lead to inefficient solutions and a waste of society's resources. It also reduces incentives for innovation and makes it more difficult to achieve political objectives. In order for the procurement to become a powerful tool,

the Government has established a national procurement strategy and specific targets for the public procurement process:

- › public procurement as a strategic tool for good business transactions
- › efficient public purchases
- › a diversity of providers and a well-functioning competitive process
- › a legally sound public procurement
- › a public procurement that promotes innovation and alternative solutions
- › an environmentally responsible procurement
- › public procurement that contributes to a socially sustainable society.

The national procurement strategy is primarily aimed at state authorities. The strategy is therefore non-binding on municipalities and regions, although the Government would like to see municipal and regional steering documents developed on the basis of the procurement strategy.<sup>10</sup>

## **Knowledge is needed – use the internal and external collaboration structures**

In order for the municipal or regional procurement processes for social enterprises to be successful and contribute to the strategic development of innovative and successful welfare solutions, it is important that the procurement processes are based on the fundamental steering documents and action plans established in the municipality or region. If there is a lack of defined steering documentation, there is a risk that the procurement will be a one-off event or go in the wrong direction.

Another key factor in successful procurements is the prior knowledge of the social enterprises, what their business areas are and which goods and services they sell. If municipalities or regions do not have this prior knowledge, it may be difficult to carry out a good procurement process. Perhaps social enterprises are not even interested in participating in procurement? Acquiring such knowledge is an important part of the preparation of the procurement that must be done.

If municipalities and regions have developed an internal and external collaboration structure, there are conditions for conducting good procurement processes. Through the internal collaboration structure, the municipality and the region can coordinate around the needs and endpoints to which they want the procurement to lead. Using the external collaboration structure, municipalities and regions can obtain good insight into social enterprises and other actors.

Note. 10. <https://www.upphandlingsmyndigheten.se/organisera/nationella-upphandlingsstrategin>.

### **HINT!**

The rule is that talks and dialogue around the procurement process are open before the procurement has started but remember that no actor should benefit from it in relation to others. During the procurement phase, tenderers can ask questions but the contracting authorities must be strict in their communication here so that all potential tenderers receive the same information.

### **Facilitate smaller suppliers**

A contracting authority can implement several measures to facilitate the participation of smaller providers, which social enterprises often are. It is therefore a significant responsibility incumbent upon municipalities and regions to reduce these obstacles. If we succeed in this, we will receive more offers and better competition.

- › Modify the language of the procurement documentation so that it is not perceived as unnecessarily bureaucratic and inaccessible.
- › Adapt requirements and terms and conditions to the conditions of the sector.
- › Consider whether excessive and comprehensive procurement processes can be avoided. It may be possible to divide a procurement process into smaller parts or it may be possible for the tenderer to submit tenders for only parts of the procurement.
- › Consider the possibility of conducting procurement and tendering schools for potential providers. Also arrange forums in which buyers meet social enterprises. Buyers will then gain an insight into new potential providers and their areas of activity, while social enterprises see the opportunity to participate in public procurement process.
- › Conduct a review of the contractual areas of the municipality and the region in order to raise the possibility of social considerations.
- › If the municipality/region has a larger procurement department, it may be a good idea to appoint a procurement coordinator tasked with checking with the other purchasers on an ongoing basis to ensure that the municipality/region “opens up” to social enterprises and other potential providers in different contractual areas.

- Financing can pose a problem for the smaller social enterprises. The fact that payment is made in arrears, perhaps with payment terms of 30 days after the service has been performed has consequences for the provider who needs to finance up to 60 days of daily operations using their own funds. Other payment models that include prepayment and ex-post settlement may be a feasible option.
- A provider may use another company to carry out the service. Acting as a subcontractor may provide an opportunity for smaller social enterprises that lack the capacity themselves or do not want to assume responsibility for a public contract. As contracting authorities, municipalities and regions have the possibility of imposing requirements on the provider if and when it intends to use subcontractors. Contracting authorities also have the opportunity to request information on subcontractors but this needs to have been stated in the procurement documentation.

### **Procurement must be based on needs**

The contracting authority, which in this case is the municipality or region will choose itself how to provide public services or how to procure goods and services on the basis of its needs and circumstances. Proposals and initiatives for goods and services coming from external actors and individuals outside the organisation should be treated with caution. Procurement must always be based on the public assignment and identified needs. By spending time preparing for a procurement, good conditions are created in which to meet the needs and goals of the organisation. The procurement process for purchases made by municipalities and regions depends on what is to be purchased and the total value of the procurement object. The higher the value, the more formal the procurement process. In many cases, it is therefore easiest to start doing business with social enterprises through a direct procurement when the transaction is of less value.

### **Direct procurement and thresholds**

The type of service and the value of the contract are crucial to how the procurement process will be conducted and what is possible. Contracting authorities will calculate the value of the contract over the entire contract period and the procurement process must not be divided into smaller or multiple parts in order to reduce the estimated value of the contract. The value of the contract will be compared to two amount limits – that of the direct procurement and the threshold.

**Direct procurement**

If the value of the procurement is below the limit for direct procurement, there are lower requirements for transparency and competition set. The procurement can be but does not need to be advertised. Municipalities and regions must have decided on guidelines for the use of direct procurement, which will guide the procurement process. There is also a requirement for documentation of procurements for which the value exceeds SEK 100,000.

**Below the threshold**

If the value is higher than the amount for direct procurement but lower than the threshold, the procurement will normally be advertised in a (national) electronic database that is accessible to everyone. In some cases, that are below the threshold there is a greater flexibility to impose specific requirements for example, on the provider.

**Above the threshold**

Above the threshold, the procurement will be advertised in the EU common advertising database, Tenders Electronic Daily (TED), in order to make the procurement available to potential suppliers operating across the EU. Above the threshold, the EU Procurement Directive applies in full.

TABLE 1. Amount limits

Procurement process	Direct procurement	Threshold
Procurement of ordinary goods and services under the Swedish Public Procurement Act	SEK 0.6 million	SEK 2.2 million
Reserved procurement that is aimed at social and professional integration	SEK 0.6 million	SEK 2.2 million
Procurement of social services and certain other particular services	SEK 0.6 million	SEK 7.7 million
Reserved procurement for some welfare services for certain organisations	SEK 2.1 million	SEK 7.7 million
Procurement of welfare services	SEK 2.1 million	SEK 7.7 million

Source: Swedish National Agency for Public Procurement.

The European Commission renders decisions on the thresholds. The thresholds are set at levels at which EU and EEA companies are expected to be interested in tendering across national borders. The thresholds are different depending on what is being procured. The thresholds are usually valid for two-year periods. The direct procurement limits are calculated as a percentage of the thresholds. The values are indicated excluding VAT.

## READING TIP!

For more information about current procurement rules, refer to the website of the respective authority.

- Upphandlingsmyndigheten (Swedish National Agency for Public Procurement):  
<https://www.upphandlingsmyndigheten.se/>
- Konkurrensverket (Swedish Competition Authority):  
<http://www.konkurrensverket.se/>

## Processes and approaches

When the need is identified and the necessary decisions have been made, there are a great many opportunities to carry out a procurement so that it meets the needs, contributes to achieving set goals in some cases and if it has been deemed an advantage or condition for the procurement, to target the procurement to non-profit organisations.

The choice of process is not always a given and several processes may be possible. The different statutory processes can be seen as alternative options for the contracting authority to select from, depending on the purpose and objectives of the procurement. The purpose of the different regulations is also to give contracting authorities greater flexibility in designing procurement processes according to their wishes, as well as ambitions that the role of non-profit actors can be strengthened and the presence of providers and supplier of welfare services increases.

In the following, we delve into procurement processes that are of particular relevance to the subject of the handbook, as well as two approaches that are always relevant to consider in order to further increase the value of the procurement.

### Some procurement processes

- › reserved procurement that is aimed at social and professional integration
- › reserved procurement for some welfare services for certain organisations
- › procurement of welfare services.

### Some approaches

- › development-promoting procurement
- › procurement with added value.

### Reserved procurement aimed at social and professional integration

There are two types of reserved procurement process. The first type refers to procurements in which municipalities and regions turn to those providers for which the primary purpose is the social and professional integration of individuals with disabilities or individuals who have difficulty entering the labour market. The legislation requires that at least 30 % of those employed by these suppliers have a disability or be individuals who have difficulty entering the labour market. The procurement can therefore only be aimed at these types of suppliers but the procurement process must be competitive. Work-integrating social enterprises are good examples of potential providers here. If a company is able to participate in a reserved procurement, it must be examined on a case-by-case basis.<sup>11</sup>

TABLE 2. Amount limits for procurement under the Swedish Public Procurement Act aimed at social and professional integration

Direct procurement	Approx. SEK 0.6 million
Threshold	Approx. SEK 2 million

### Reserved procurement for some welfare services for certain organisations

The second type of reserved procurement refers to situations in which municipalities and regions want to procure certain welfare services. The conditions are that

- › there must be a link between the purpose of the provider with its activities and the public assignment
- › any profit must be reinvested
- › management and ownership structure must be based on ownership/participation of the staff.

These criteria are in line with many social enterprises but it should be remembered that the legislation here states that the reserved procurement covers only healthcare, social care (except for home care), mediation of staff, as well as social and personal services provided by social member organisations.<sup>12</sup>

In this type of reserved procurement, contracts may run for an initial maximum of three years. This means that the provider must not be awarded a new contract for the service in question during the next contractual period after the three years. However, there is no barrier to an organisation that is first awarded a contract through a reserved procurement then being awarded a

Note. 11. The most important legal bases in this context are Chapter 4, Section 18 of the Swedish Public Procurement Act (PPA (2016:1145)); Chapter 4, Section 16 of the Swedish Act on procurement in the utilities sector (2016:1146); Chapter 4, Section 8 of the Swedish Act on procurement of concessions (2016:1147).

Note. 12. The specific services covered by the rules are listed directly in chapter 19 (6a) of the Swedish Public Procurement Act.



contract for the same service through an “ordinary” procurement. As in the previous processes, reserved procurement must also be conducted as an open competition process.<sup>13</sup>

TABLE 3. Amount limits for targeted procurement of certain welfare services for not-for-profit actors

Direct procurement	Approx. SEK 2 million
Threshold	Approx. SEK 7 million

### Procurement of welfare services

Municipalities and regions can also procure welfare services without using the option of reserved procurements. Social enterprises can act as important suppliers provided that they offer services that fall within the category of welfare services: primarily healthcare, social care, education and training and jobseeker services. In addition, the provision or mediation of staff within the corresponding areas is also included. It also includes support services targeted at the population and/or services that contribute to social improvements.<sup>14</sup> The legislation provides for a relatively high degree of flexibility in the procurement of welfare services.<sup>15</sup>

In brief, the regulations require that as a general rule the procurement is advertised but otherwise the Authority does not have to apply any specific process when the value of the procurement falls below the threshold. The contracting authority can therefore decide for itself how the procurement is to be implemented or may choose to apply a regulated procurement process such as simplified procedure. In addition, the fundamental principles of procurement (e.g. the principle of equal treatment and transparency) need only be applied if a procurement of welfare services below the threshold is deemed to have a definite cross-border interest. Definite cross-border interest simply means that the procurement in question will be of interest to providers established in countries other than Sweden.

TABLE 4. Amount limits for procurement of welfare services

Direct procurement	Approx. SEK 2 million
Threshold	Approx. SEK 7 million

Note. 13. Relevant legal bases are Chapter 19, (6a)-(6b) of the Swedish Public Procurement Act (2016:1145).

Note. 14. The list of services considered to be welfare services is set out in Annex 2a to the Swedish Public Procurement Act. Note. 15. Relevant legal bases are Chapter 19, Swedish Public Procurement Act.

Note. 15. Relevant legal bases are Chapter 19, Swedish Public Procurement Act.

### **Procurement to promote development**

If municipalities and regions are seeking to stimulate development and innovation, there is the option of the so-called development-promoting procurement. It is therefore not a question of a specific form of procurement but rather an approach that can be used by municipalities and regions. The purpose is to not close the door to innovative solutions. The municipality or region identifies a need and allows the tenderer to present a proposal for a solution. The tenderer may want to offer an already proven solution, a newly developed solution or a solution specifically designed for the procurement in question. The answer to how to meet the needs of the community or the region is left to the providers to respond to. The tendering process takes place in a competition situation in which social enterprises are welcome to submit tenders in the same way as other suppliers.

One type of development-promoting procurement is the so-called social outcomes contract. Procurement assumes that there is a need for social innovation, i.e. a new solution to a societal challenge. A municipality may conduct a pilot that will be evaluated. The initiative may later form the basis for a new solution. In a social outcomes contract, a contracting organisation shares the risk with the party performing the service. Investors may sometimes be involved. The pilot activity is evaluated by an independent party on an ongoing basis. Central to outcome contracts is impact measurement. To date, social outcome contracts have been used in a few places in the country such as Norrköping, Botkyrka and Örnsköldsvik.

In order to procure development promotion (the “lowest level” of innovation procurement requires a focus on the achievement of function/impact/result, i.e. functional performance. The contracting authority can provide great support for procurement on a functional basis, see further:

Functional requirements in procurement

Three levels of innovation procurement

## Procurement with added value

In all procurements, municipalities and regions can set a number of complementary requirements. For example, they can be based on the orientation decisions and overall goals for sustainable development of the council. Additional requirements may be imposed through specific contractual conditions or so-called award criteria. Both ways of imposing requirements are a way in which to bring added value to the procurement. In matters concerning employment law conditions, it is also an obligation. For example, it may be a case of

- › measures to promote employment
- › conditions concerning employment law
- › the rights of children
- › sustainable work environment
- › social inclusion and equal opportunity
- › accessibility for all for increased participation irrespective of functional ability
- › sustainability criteria and ethical and fair trade.

Procurement can be a powerful tool for creating added value that helps meet these socially beneficial goals. Not infrequently, these conditions are required to be met during the contractual term. In the tender, the tenderer should provide a description of the way in which the conditions are met. There are cases in which the scope and timetable are negotiated between the parties for example, regarding the offer of job creation measures.

There is now a lot of support in case law for setting sustainability requirements in procurements and seeing procurement as a strategic tool for the achievement of overall socially beneficial goals. The requirements must be linked to the goods or services purchased and proportionate to what is being purchased. Municipalities and regions must assess which sustainability requirements are relevant for each specific procurement on a case-by-case basis, depending on the procurement object and the goals.<sup>16</sup>

*“As buyers, we can make a difference. We can create value for people who are at the marginalised fringe of society, create more jobs and a better society. How can you think this is anything other than amazing.”*

*Ingvar Berg, Procurement Strategist, Nordanstig Municipality*

Note. 16. Relevant legal bases Chapter 17, Sections 2-5 Swedish Public Procurement Act; Chapter 16. Sections 2-5, Swedish Act on Procurement in the Utilities Sector; Chapter 14 Sections 2-5, Swedish Act on Procurement of Concessions.

## Measure impact

In line with the start of the development of collaboration with social enterprises, municipalities and regions need to pay attention to the issue of impact measurement. This is particularly important because the performance of social enterprises is measured in social impact and social benefits, unlike traditional companies for which results are measured in financial outcome. Here, there is not one method that can be used here but several. Therefore, municipalities and regions benefit from using the internal and external collaboration structure to reach agreement with stakeholders on which method to use and how to conduct the impact measurement.

*“In order to develop meaningful and functional work on impact measurement, we first need to create a common understanding around the primary assignments and working methods of social enterprises.”*

*Dirk Kehr, Uppsala Stadsmission*

If there is no development in the measurement of social impacts, social entrepreneurs will face difficulties in running social enterprises and have difficulty in knowing if they are conducting the right initiatives. It will also be difficult for municipalities and regions to know which evaluation criteria to choose in a procurement. This is an area that needs to be further development. The Swedish Agency for Economic and Regional Growth and Vinnova have identified Effektfull at the national level.

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### LOCAL EXAMPLE - a regional procurement node for several Dala municipalities

By establishing a joint procurement organisation for seven municipalities in Dalarna, ten reserved procurements have been carried out in recent years. In all these cases, larger and smaller social enterprises are working as providers.

#### **A joint procurement organisation**

The Procurement Centre was established in 2013 and is a procurement collaboration involving the municipalities of Avesta, Borlänge, Falun, Gäddede, Ludvika, Säters and Hedemora. The primary task is to create joint framework agreements with the municipalities that run for long durations. The Procurement Centre also offers support, advisory and quality assurance services in the in-house municipal procurements, including direct procurements.

The municipalities participating in the procurement collaboration have a joint procurement policy. The policy contains guidelines that complement the Public Procurement Act and applies to all procurements. The policy provides guidance to employees of the municipalities and describes the approach adopted to suppliers by the municipalities.

Karolina Gistö, Buyer at the Procurement Centre points out that the fact that procurement work is based on a broad political basis is extremely important. Procurement centres are governed by the joint Procurement Collaborations Board. A politician from each collaborating municipality sits on the board, which is the highest governing body. The Board has rendered decisions on targeted goals that are very important for the day-to-day operations.

There are several politically determined targeted goals, including that social sustainability is to be an integral part of procurement work. The Board has decided that at least 30 % of all procurements implemented are to be socially responsible and that procurement centres are to enable social enterprises to participate through the use of reserved procurement for more than six procurements per year.

### **Social enterprises as providers**

Karolina Gistö says that the procurements that have involved social enterprises have addressed the reserving of participation for protected workshops or for suppliers for whom the main purpose is social and professional integration for individuals with disabilities or for those who have difficulty entering the labour market. According to Karolina Gistö, the procurements have addressed different types of initiative.

*"We have carried out procurements for both preparatory work initiatives and work training but also substantive services such as internal mail distribution, fruit baskets, washing of curtains and car washing."*

- Karolina Gistö

Karolina Gistö notes that both Samhall and several smaller social enterprises have submitted tenders in the public procurements. When asked if Samhall is outcompeting the smaller social enterprises, her answer is no.

*"Samhall and the other social enterprises are operating in different contractual areas. Smaller social enterprises have difficulty managing the larger or more specialised tasks. A laundry service that deals with washing thousands of garments requires a larger organisation in the form of a laundromat instead of a smaller laundry room that can only handle smaller amounts, for example of curtain washing."*

- Karolina Gistö

### **The importance of political governance**

Mari Jonsson is a municipal councillor in Borlänge municipality and vice-chair of the Joint Procurement Collaborations Board. Mari Jonsson points out that the clear political will to direct procurement towards social enterprises where possible is a strength. The objectives of the Procurement Centre are followed up by the board and the results show that it is possible. The power of a strong organisation such as the Procurement Centre contributes to this result. However, the commitment is required of employees who do the procurement from start to finish and of the policy that shows through decisions rendered that this is important.

*"Through purchasing with social requirements and procurement using reserved contracts, we are strengthening our whole society. Everyone gets a chance at a job."*

*- Mari Jonsson*

Karolina Gistö gives several tips on what to consider in order to implement successful procurements towards social enterprises.

*"First of all, remember how important it is to have the politicians with you and to have political directives decided and written down. Secondly, it is important to work closely with the municipal labour market departments. We have a designated matcher there from the labour market department who will contact the agreed provider after the contract has been signed and direct the collaboration with regard to work training. In this way, social enterprises also have designated contacts."*

*- Karolina Gistö*

Karolina Gistö concludes by giving a good piece of advice along the way:

*"Remember not to make it so difficult, dare to test and expect to learn along the way."*

*- Karolina Gistö*

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## **Public Social Partnership, PSP**

Alongside public procurement, so-called public social partnerships (PSP) have become increasingly common. A PSP is neither a subsidy nor a procurement and can be used when there is only one provider. From a municipal and regional perspective, it is important that a PSP

- › creates added value and contributes to the societal benefit for the municipality or region
- › provides tools for dealing with complex issues
- › contributes to innovative solutions
- › builds on legal possibilities
- › takes advantage of the specific added value offered by the public social partnership organisations.<sup>17</sup>

Note. 17. Sveriges Kommuner och Regioner (Swedish Association of Local Authorities and Regions) (2018). Develop public social partnerships in municipalities, county councils and regions. Rapport från utvecklingsarbetet 2017 (Report from development work 2017).

The emergence of PSP has been characterised by some legal ambiguities and has most recently attracted the attention of the state investigation into non-profit actors in welfare.<sup>18</sup> The investigation proposed that PSP should not be subject to statutory regulation. The PSP has not yet been given a clear legal status. According to the proposal of the investigation, the following criteria distinguish PSP:

1. The partnership is a collaboration between one or more public actors and one or more non-profit actors in welfare.
2. The partnership aims to achieve a joint public service goal.
3. Both the public organisation and the non-profit actor contribute resources to the partnership.
4. The partnership does not involve the award of a public contract, the signing of a framework agreement or the procurement of a concession.<sup>19</sup>

### READING TIP!

For more information about PSP, see *Idéburet offentligt partnerskap (Public Social Partnership). Guidelines*. Support material for report on the enquiry into non-profit actors in welfare.

It is important for a municipality or region to exercise caution when entering into an agreement in which the choice is to sign a PSP. The reason for caution is that it is still not fully understood what exactly is considered to be a *public contract subject to procurement* in relation to a PSP.

If there is no market or only one provider of a special supply or service and the criteria above can otherwise be met, a PSP can be established including with a social enterprise in civil society, even though this is not a matter of a public contract. The enquiry emphasises that issues that are especially suited to partnership collaboration with civil society organisations are often complex, i.e. where there are no ready-made solutions or services that can be bought.<sup>20</sup> It is important to remember that it is the municipality or region that is responsible for clarifying and investigating the existence of other potential providers. As there is no statutory basis governing the establishment and design of PSP, there is also no official register of concluded partnerships.

Note. 18. SOU 2019:56. Non-profit Welfare. Betänkande av utredningen om idéburna aktörer i välfärden (Enquiry into non-profit actors in welfare), p. 327.

Note. 19. SOU 2019:56. Non-profit Welfare. Betänkande av utredningen om idéburna aktörer i välfärden (Enquiry into non-profit actors in welfare), p. 322.

Note. 20. SOU 2019:56. Non-profit Welfare. Betänkande av utredningen om idéburna aktörer i välfärden (Enquiry into non-profit actors in welfare), p. 4.





## Epilogue

Finding new and innovative ways in which to develop successful welfare solutions is an important task for the municipalities and regions around the country. In this book, we have argued that the collaboration between municipalities and regions and social enterprises is an important piece of the puzzle in this work. Many can contribute to the development and establishment of such collaboration. We have emphasised areas including the importance of establishing political leadership, appointing a coordinating function for our in-house activities and the development of external collaboration structures. The main point has been that municipalities and regions benefit from taking a clearer and more active ownership of the issue of collaboration with social enterprises.

### ***Be more active and learn from each other - but don't copy***

As we have seen, there is a lot already being done in our municipalities and regions. Many have come a long way in their collaboration with social enterprises and for them it may just be a matter of "framing" and coordinating their initiatives in a more strategic way. Other municipalities and regions have a longer journey ahead. We have argued that the solutions of others should not be copied but used as inspiration for other municipalities and regions. There is a lot to learn from each other, which speaks in favour of joint employee skills development within our different policy fields.

***Social enterprises also need to take the initiative***

Municipalities and regions can contribute to creating conditions for social enterprises but at the same time they depend on the existence of social enterprises with which to collaborate. We hope that the country's social enterprises will contact municipalities and regions or the advisory organisations tasked with supporting the development of business and entrepreneurship. We need a strong ecosystem that includes relevant organisations and in which the actors find their roles and pull in the same direction.

***Government should focus long-term in the national strategy***

The national strategy for social enterprises and social innovation is a first step in the serious establishment of social enterprises on the political agenda in Sweden. The strategy is important and has great development potential. SALAR sees value in continuing the work along this path. Collaboration with social enterprises is a long-term commitment.

# Social enterprises – a few examples

## **Oxsätra and Åkerlänna Utveckling AB**

The villages of Oxsätra and Åkerlänna are located northwest of Uppsala. Oxsätra Åkerlänna Utveckling AB was started in 2014 for the purpose of maintaining a local service. The company is run as a limited liability company with a special profit limitation (SvB), which means that the profit goes back into the company. The initiative to start the company came from the sports movement and the village association. Approximately 400 people in the area have bought shares in the company, which is currently running the local grocery store and a gas station. In parallel, the company has been working on offering fibre to residents. There are plans to start a free school and possibly an aged care home. The establishment of Oxsätra Åkerlänna Utveckling AB has led to better service, a more attractive living environment and greater commitment among the population. All work and commitment has also been supported by Uppsala Municipality and the Uppsala County Administrative Board, which through its employees has actively contributed to the company and the business having developed as it did. For more information Thord Hägg, Chair of company Board of Directors, [thord.hagg@telia.com](mailto:thord.hagg@telia.com).

## **Quantum Recycling**

The Quantum Recycling company operates in Västerås. The company was started in 2019 and is run as an economic association. The primary role of the company is waste sorting for commercial property owners and the supervision of environmental sheds. Quantum Recycling has a strong focus on "upcycling" and the circular economy in order to extend the lifecycle of materials and natural resources through reuse. The company offers lectures and workshops on the circular economy and Agenda 2030. By profiling in graphic design, the enterprises wants to support other social enterprises in the development of websites, apps, graphic profiles and logos. Quantum Recycling also welcomes people for work training and work rehabilitation. For more information refer to <https://www.quantum-recycling.com/>.

## Vägen ut!

Vägen ut! (The way out!) is the largest franchise chain of work-integrating social enterprises in Sweden. The company sells environmentally friendly products and services in kitchens and food; conferences and events; construction, property management and green space management; garden and cultivation; reuse and design; textile prints and bed and breakfast. The companies accept people for work training and create jobs for people who are distanced from the labour market. The way out! cooperatives have agreements with several municipalities for work testing, work training and daily activities. Jointly and in close collaboration with the individual who is work training and relevant authorities, a work training plan is created with individual solutions. The way out! cooperative is run as a form of cooperative. They have extensive experience of physical and mental impairment, mental illness, addiction/crime, stress-related illnesses and language difficulties.

The way out! cooperatives have 13 social enterprises with an annual turnover of SEK 44 million. The number of employees is just over 125. The majority of employees have gone from being beneficiaries to being entrepreneurs. The way out! cooperatives are owned by about 30 employees within the member companies. After a certain period of time as an employee, all employees can apply for membership/ownership of the cooperative in which they work. For more information, see <https://vagenut.coop/>.

## Worldish

The limited liability company Worldish was started in Linköping in 2015. The company has developed a digital tool for the purpose of resolving the communication and cultural barriers that arise in meetings between people. Using the tool, healthcare professionals can effectively communicate directly with patients without the need for an interpreter. By selecting the language of the staff and patient, the tool translates what is said in real time into a confidential conversation between staff – and patient. The tool helps to create a society that is consistent with the UN sustainability goals for good health, well-being and reduced inequalities. Foreign residents and refugees around the world can get better and faster access to the healthcare system, increasing the overall health and well-being of these communities and society as a whole. For more information, see <https://worldish.se/>.

## **Stenbacken residential and work cooperative**

The Stenbacken residential and work cooperative is a social enterprise in Söderhamn. The primary business idea of the company is to help people from exclusion to citizenship. Housing for people on the fringes of society is the primary activity. The company has 42 apartments that are rented out to people who would otherwise find it difficult to get a home. There is around one hundred people living in the apartments. Through catering, waste sorting services, shipping, caretaking and fruit basket sales, the cooperative works to create work for those who find it difficult to enter the regular labour market. In 2017, the company won an up-and-coming (reserved procurement) for fruit baskets for Söderhamn Municipality. The company has also recently won a tender for work training places. In association with the spread of Covid-19, the company offers help to the elderly and at-risk groups with food and medicine deliveries. For more information, see <http://www.stenbackensboende.se/>.

## **UmeEcoRide**

The UmeEcoRide company was started in 2017. The business is located in Umeå and is based on a stated community commitment and is run as a sole proprietorship. UmeEcoRide wants to contribute to a social transition and a living environment that is socially sustainable and developing for all. This is done through different climate-smart transport solutions, primarily with its electric pod taxi that uses the bike lanes and takes 2 passengers. It makes its way smoothly all over the city, the airport can be reached in under 15 minutes. In addition to taxis, there are sustainable and natural experiences with a variety of tours along the river and around the city, a supply of packages and goods, and a school bus for preschool-age children with a large electric and weatherproof electric bike. The services are available to and are suitable for both public actors, individuals and companies. For more information, see <https://www.umeecoride.se/> or social media.

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# New pathways to innovative welfare solutions

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Our intention is for the handbook to provide municipalities and regions with an introduction to social enterprises. This handbook addresses how municipalities and regions can find new paths to welfare solutions through developing collaborations and creating business with social enterprises.



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