

Summary

The project " Social entrepreneurship - municipal agents of change " was commissioned for KS. The assignment was to deliver a knowledge base about the potential of social entrepreneurship in the renewal of the organization and problem solving in the municipal sector and the implications this has for the political and administrative leadership roles. The project has a qualitative and explorative approach and is built on input from social entrepreneurs on one hand and municipalities as employers on the other. The interviews consist of 27 different actors which represent the perspective of social entrepreneurs, investors and incubator environments and the Municipals in public sector. Besides this, the project also includes an account of other countries' experiences, and an account on the limitations and opportunities afforded by the legal regulations in the municipal sector. Thus, the report is also based on literature review of the research field on social entrepreneurship and document analysis of policies and legal texts, besides the qualitative interviews.

Over the past 15 years, social entrepreneurship has received increasing attention, particularly in the US and southern European countries, but gradually also in Scandinavia. Social entrepreneurship is about developing, organizing and scaling innovative solutions to social problems, and involves the linking of social purposes with commercial objectives and methods. Such organizations are therefore often referred to as hybrid organizations, operating with a double purpose, which locates them in the tension between private, voluntary (ideal) and the public sector. Thus, they combine values, norms and logics that traditionally have belonged to each sector. This combination may imply an interesting and sought potential for innovation on one hand, but it may also carry with it a potential for misunderstandings and conflicts. As a field of organizations social entrepreneurship is characterized by great diversity and blurred boundaries. The variety includes operating on very different areas of society, they use different forms of organization and they vary in how they emphasize the social versus the economic dimensions. This diversity makes it difficult to provide a clear definition of this type of organizations, as they are located in different types of institutional frameworks.

In this report we highlight some of these boundaries and thresholds for the development of social entrepreneurship in Norway. The main findings in the project are that the knowledge about social entrepreneurship in the Municipals is not very extensive. That is, there exist insecurity about how to define social entrepreneurship and also how to deal with them legally in contracts. The knowledge seems rather person dependent. This impression is also supported from the perspective of the social entrepreneurs, investors and incubator environments. They also add that there exists skepticism towards social entrepreneurs in public sector and mistrust towards their intentions. Even though politicians may talk very positively about social entrepreneurship, the entrepreneurs don't experience the same

positivity when they make contact with public employees working in their field of interest. Social entrepreneurs have requested the development of knowledge about social entrepreneurship and its potential among decision makers in Municipals.

Social entrepreneurship is emerging at a time when we see movements and changes in both the ideal and the private sector, and in an era where the focus is increasingly on how the Welfare states are under increasingly pressure. In Norwegian debates social entrepreneurship is increasingly drawn into political discussions about the need for innovation and restructuring. This has already been key topics in business for quite a while, but the need apply increasingly also to public sector in Norway. Thus, the focus of interest is increasingly pointing towards not only market solutions, but also the voluntary sector, for innovation in the welfare field. Many predict that one yet only sees the beginning of the development of social entrepreneurship as a field and that it will play a central role in the modernization of welfare states, including in the Scandinavian countries.

Although social entrepreneurship is now receiving increasing attention in Norwegian debates and political plans, it is still too early to say what kind of scope it can get in Norway. There are indications that social entrepreneurs can fill important needs both as a provider in terms of inclusion in the workplace and can act as an innovative force especially for NAV and municipalities in their efforts to reduce exclusion. In Norwegian municipalities, social entrepreneurship seems to grow particularly in healthcare and education sector and aimed at young people. In these fields, they can contribute with new and unknown solutions, help to increase the diversity of public services and they can contribute to the involvement of active citizenship and increase user involvement in local services.