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Context Matters

– A qualitative study of social innovation in rural Sweden

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- A qualitative study of social innovation in rural Sweden

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ABSTRACT

Recently, the concept of social innovation has gained increased attention both in academia and in policy, presented as a useful tool for solving complex societal challenges, also the societal challenges apparent in rural areas. The rural context, however, and its implications for social innovation, is often neglected. This study sets out to increase knowledge about the interplay between social innovation and the rural context by exploring how the context of rural Sweden constrains or enables social innovation, and how the assets and liabilities of the context are utilised or overcome. The empirical cases are five social innovation initiatives in rural locations across Sweden. The study finds that different dimensions of context enable or constrain social innovation to a varying extent throughout the process. In line with previous research, the social context appears to enable social innovation while the institutional context constitutes the main liability. Extra-local networks and individuals are found to be crucial to overcome such constraints. In sum, this study contributes to the field of rural development by underscoring the matter of context and the need for governmental action in order to release the potential of social innovation as a tool for solving rural societal challenges.

Swedish summary / Sammanfattning på svenska

Under senare år har begreppet 'social innovation' uppmärksammats allt mer, av såväl akademiker som beslutsfattare. Social innovation presenteras som ett effektivt sätt att möta och lösa dagens komplexa samhällsutmaningar, vilket borde gälla även de utmaningar som utmärker många landsbygder. Trots detta förbises ofta den rurala kontexten och dess förutsättningar för social innovation. Syftet med den här studien är att bidra till ökad kunskap om samspelet mellan social innovation och den rurala kontexten genom att undersöka hur förutsättningarna på svenska landsbygder möjliggör eller hindrar social innovation och hur dessa möjligheter och hinder kan nyttjas eller övervinnas. De empiriska fallen utgörs av fem sociala innovationer i landsbygder runt om i Sverige. Studien visar att olika aspekter av kontexten påverkar den sociala innovationen på flera sätt i olika delar av processen. I linje med tidigare forskning visar sig den sociala kontexten vara viktig för att möjliggöra social innovation, medan den institutionella kontexten utgör det främsta hindret. Vidare visar studien att individer och sociala nätverk som sträcker sig utanför det lokala sammanhanget är viktiga för att övervinna faktorer som hindrar den sociala innovationen. Sammanfattningsvis bidrar den här studien till området landsbygdsutveckling genom att understryka betydelsen av kontexten samt behovet av politiska åtgärder för att ta tillvara potentialen i sociala innovation som lösningar på dagens samhällsutmaningar.

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INTRODUCTION

During the last decade, the concepts of social innovation and social entrepreneurship have gained increased attention, often presented as “silver bullets” for solving all kinds of societal issues. In areas where the public sector is struggling to deliver sustainable solutions to complex challenges, faith is put in social innovation to do the trick (Bock 2016; Bosworth et al 2020; Copus et al 2017; Lindberg 2017). The high expectations on social innovation and social entrepreneurship is shared by the Swedish government, which launched a strategy for sustainability through social entrepreneurship and innovation in 2018, pointing out social innovation as an important tool for solving societal challenges within areas such as integration, health, education, climate, environment, unemployment and inequality. Following the strategy, 150 million SEK of 2018’s budget was set aside to boost social entrepreneurship and social innovation. The government highly emphasises the importance of the public sector being an active part in creating beneficiary conditions for social innovations to emerge and grow (Ministry of Enterprise and Innovation 2018).

Before further elaborating on this topic, it must be noted that the concepts of social innovation and social entrepreneurship are often understood as more or less referring to the same thing. However, there is a difference between them. One of modern history’s most influential scholars on innovation and entrepreneurship, Joseph Schumpeter, sees innovation as the driver of change processes in society, while entrepreneurship includes all types of entrepreneurial organising, not only those driven by economic value (Howaldt & Hochgerner 2018). Simply put, innovation is about change, while entrepreneurship is about how this process is organised. Social innovation can be described as the very core of social entrepreneurship (Schmitz 2015) which may, or may not, turn into a social enterprise run by a social entrepreneur (Copus et al 2017; Mulgan & Pulford 2010).

Sweden is a sparsely populated country and consequently, a substantial share of the country’s area can be considered as “rural” (Minoz 2017). Rural areas, in Sweden as well as in the rest of Europe, are often associated with certain societal challenges such as the withdrawal of the public sector in terms of primary schools, health institutions as well as the shutdown of commercial services such as the local bank or grocery store. Many rural areas struggle to attract young people and people new in Sweden to move to the area and/or stay there. There are also less noticed challenges such as lack of housing for newcomers looking for a place to settle and sometimes difficulty to find the right competence for certain jobs (SOU 2017:1). Even when it comes to issues regarded as national (or international) challenges, such as integration or climate change, the symptoms, consequences and solutions may appear differently depending on the location.

If one is to believe the promising prospects of social innovation, the many societal challenges of today could be solved, also in rural areas. Although Swedish actors working to promote social innovation identify the “gap between urban and rural” as one issue where social innovation could be an effective tool (Gustafsson & Netz 2018, p.37), social innovation is often portrayed as something that takes place in urban settings, closely connected to new technology and philanthropic investments (e.g. Mötesplats för Social Innovation 2017; Frostberg 2017; Saldert 2015). The matter of context, and especially the rural context, in relation to social innovation seems to have been neglected, in media, policy and in research (Minoz 2017; Steiner & Teasdale 2019). There is inadequate knowledge about the mechanisms that enable or constrain social innovation and how to design policies to promote successful social innovation specifically in rural areas (Neumeier 2017). Thus, this study is motivated both by a gap in research but also by insufficient policy.

AIM AND RESEARCH PROBLEM

Along with the increased attention from policy makers, research on social innovation has boomed during the recent decade or so (Van Der Have & Rubalcaba 2016). Yet, there is a need to elucidate the relevance of context and to deeper understand the interplay between context and social innovation (Bosworth et al 2016; Copus et al 2017; Steiner et al 2019). While research on social innovation and its drivers and constraints often tend to be situated in urban contexts, the rural context is less explored (Bock 2016; Govigli et al 2020). Few empirical cases are situated in Sweden or even in the Nordic countries (Copus et al 2017; Freidrichs & Lundström 2017; Friedrichs & Wahlberg 2016; Lindberg 2017; Lindberg & Berg Jansson 2016). There is a specific need to learn more about the dynamics of social innovation in a rural context and how social innovation can be used as a tool for societal development in rural areas (Bock 2016; Bosworth 2016; Lindberg 2017; Neumeier 2012; Richter 2019; Steinerowski et al 2008).

The aim of my thesis is therefore to increase knowledge about the interplay between social innovation and the rural context, as well as the assets and liabilities that the context may entail for social innovation. I seek to answer the following research questions:

1. In what way does the context of rural Sweden enable or constrain social innovation?
2. How are the assets and liabilities of the rural context utilised/overcome in order to enable social innovation?

BACKGROUND

In this section, the concept of social innovation will be introduced, followed by a brief description of the context of rural Sweden. Lastly, these two themes will be combined to give an overview of the current state of social innovation in Sweden, and rural Sweden in particular.

1. Social innovation

The origin of social innovation

‘Social innovation’ has become somewhat of a “buzzword”, frequently suggested to by politicians and policy-makers as an effective tool to solve today’s complex societal challenges (Bock 2012; Copus et al 2017; Steinerowski et al 2008). However, social innovation has existed long before the breakthrough of technical innovation and it is only the understanding of the term that has shifted over time. During the 19th century, social innovation was associated with socialism and social reform. Over the years the connotations became less controversial and could be applied to almost anything. Governmental reforms, the emergence of (commercial) enterprises as well as new social behaviour such as wearing gloves or getting divorced are all described as social innovations in the early 1900’s (Godin 2012). Since the early 2000’s however, social innovation has experienced a revival, which according to Copus et al (2017) has been caused by a combination of factors: the financial and ecological crises, shortcomings of neoliberal public-sector policies as well as changing demographic and social trends. The increased connectedness between people, both globally and locally, through new technology such as social media has also caused increased awareness and ability to act (Huybrecht & Nicholls 2012).

Defining social innovation

So, how is social innovation defined today? This is in fact one of the most debated issues within social innovation research (Van Der Have & Rubalcaba 2016). There is a general ambition within the field to find ways forward by reaching a more coherent understanding of the concept (Haxeltine et al 2017). Nevertheless, different definitions of social innovation vary on a scale from very broad to very specific (Bock 2012; Copus et al 2017) and the meaning of social innovation can be interpreted through a number of theoretical lenses. It is given different meanings whether put in the context of economic, sociological or management theory to name a few. (Ferreiro & Sousa 2017; Neumeier 2012).

Despite the ambiguousness of social innovation as a concept, there are some characteristics that most scholars agree upon. This includes the notion that social change rather than economic profit is the primary driver of social innovation. Moreover, social innovation is understood as a process that

takes place through collaboration and interaction with others and lastly, social innovation transcends the borders of the public, private and civil society sectors (Defourny 2001; Hudcovà et al 2018; Littlewood & Khan 2018; Mulgan & Pulford 2010; Neumeier 2012). The definition used by the European Commission is frequently cited in policy and guiding documents on social innovation: “Social innovations are new ideas that meet social needs, create social relationships, and form new collaborations. These innovations can be products, services or models addressing unmet needs more efficiently” (European Commission 2020). This definition broadly captures how social innovation is understood in contemporary literature and is therefore used to define social innovation for the purpose of this thesis. A slightly more detailed definition was used to demarcate the selection of cases included in this study and will be presented further on. As the European Commission’s definition of social innovation indicates, many scholars understand social innovation not only as the outcome (i.e. an innovative product, service or model) but just as much as a process which in itself is a source of well-being and proliferates society’s ability to achieve change (Murray et al 2010; Neumeier 2017). Social innovation is thus perceived as closely linked to collaborative skills and social networks, something which will be further elaborated on in the literature review.

Criticism of social innovation

Being a field under development, in practice, policy and academia (Gawell et al 2020; Neumeier 2017; Steiner et al 2019; Gustafsson & Netz 2018) the notion of social innovation opens up for definitions adapted to a given situation or need, adding legitimacy to all kinds of meanings and messages (Bock 2012). The lack of a common definition might be a reason for why the concept of social innovation appears as rather uncontroversial. It is possible to adjust the understanding of the concept in whatever way that one finds suitable. As Bock (2012, p.61) puts it: “the fuzziness [...] neutralizes its critical potential”.

Some suggest that the increased popularity of social innovation and broader terms such as social economy is the result of a failing public sphere where a market-oriented approach to public services has predominated for too long (Steinerowski et al 2008). There is also an increased expectation on non-state actors and individual citizens to actively take part in the design and delivery of services to society (Milligan & Fyfe 2005). This, in combination with the global economic crisis, an increased concern about sustainability in general and scepticism towards multinational firms may have caused a greater trust in, and a demand for, alternatives to prevailing neo-liberal solutions (Copus et al 2017). Social innovation as we understand it today is such an alternative, focusing on social rather than on economic value (Mulgan & Pulford 2010) and striving towards systemic change (Murray et

al 2010). However, critics question whether the focus on social innovation is anything but a sign of state withdrawal and an over-expectation on private and/or civil society initiatives to achieve societal well-being (Bock 2016).

Social innovation in rural development

Although it has been claimed that social innovation research predominantly has applied an urban perspective, several scholars argue that contemporary rural development theory and policy have a lot in common with the notion of social innovation (Bock 2016; Bosworth 2016; Neumeier 2012). In the last couple of decades, rural development thinking and policy-making has been influenced by neo-endogenous development theory. The neo-endogenous development theory is a bottom-up approach focusing on local empowerment and capacity building, with networks of local actors as the main driving force (Bock 2016). Unlike the two models of exogenous and endogenous development, neo-endogenous development theory takes a more holistic approach toward rural development where local resources are key but external connections and the role of the state as a facilitator is recognised as significant (Bosworth et al 2020). The most obvious (European) example of a neo-endogenous development approach is the “Community Led Local Development” approach, which is the strategy of the LEADER program and broadly implemented across the EU (Rubertis 2020). The ability to act collaboratively and create an environment which allows innovation and creative solutions is seen as crucial success factors within neo-endogenous rural development (Neumeier 2012). Hence, the idea of neo-endogenous development and social innovation seem to have a lot in common (Bock 2012; Neumeier 2012; Bosworth 2019). Neumeier (2017) even argues that social innovation is the core of neo-endogenous development approach which concludes that social innovation as a tool for societal development in rural areas is not a completely innovative idea (Copus et al 2017).

2. Rural areas in Sweden

The conventional picture of rural Sweden as portrayed in mainstream media and shared by many Swedes is rather miserable; rural areas suffer from an ongoing depopulation where the educated and motivated young people leave for urban areas while elderly and low-skilled youngsters, mostly men, are left behind. This, along with the absence of public as well as commercial services, is said to aggravate the gap between rural and urban areas and their inhabitants, which is in turn manifested in a polarised political landscape (e.g. Kleja 2018; Sjögren 2019; TT 2018; Persson 2018; Stockholm Chamber of Commerce 2018). At the same time, there is also a growing interest for the

“rural lifestyle”, spurred, and possibly romanticized, by TV programmes and social media influencers (e.g. Bergman 2020; Töpffer 2017; Lidström 2017)

Needless to say, this is a contested image of rural Sweden. For example, the “depopulation” of rural Sweden can also be explained in terms of that there is a national population increase, but urban regions tend to grow faster than rural regions. Furthermore, data on the proportion of Swedes living in rural areas can vary from 13 per cent to 76 per cent. None of these numbers or analyses are false, it all depends how concepts such as “urbanisation” or “rural” are defined. For instance, 35 per cent of the Swedes themselves define the place where they live as “rural” (Rural Sweden 2018).

Moreover, it is crucial to point out that “rural” is different in different parts of Sweden. Sweden is a large country, the distance between the far-most Northern point and the Southern tip is 1572 km. There is a wide variety of landscapes, from mountains and far-stretched pine forest to archipelagos and abundant grasslands (Utrikespolitiska Institutet 2020). Places described as “rural” can be located at a commuting distance from one of the big cities, as well as miles and miles away from the nearest town. Briefly put, the living conditions in different rural parts of the country are extremely diverse (Hedlund 2016). This variety of geographical contexts, which in turn causes a variety of challenges and possibilities in different rural parts of the country, is crucial to keep in mind when talking about “rural Sweden”.

Despite the diversity of rural Sweden, some general tendencies can be discerned. The slightly stereotypical mainstream view of Swedish rurality is not entirely true, but it is neither entirely false. In many places, the out-migration and distortion of the population in terms of age, gender and socio-economics is challenging (Bjerke & Mellander 2017, Keuschnigg 2019; Rauhut & Littke 2016). In the aftermath of these challenges come other set-backs such as depletion of public and commercial services and lack of competence (Copus et al 2017). Weak infrastructure (both in terms of transportation and digitalisation), lack of housing and jobs as well as integration of immigrants are also challenges currently apparent in rural Sweden (SOU 2017:1; Rural Sweden 2018).

However, rural areas in Sweden indeed hold a lot of potential in the pursuit for sustainability. The economy of Sweden is to a large extent dependent on its natural resources, which naturally are found in rural areas and in many ways hold the keys to a more sustainable future, for example in terms of sustainable food and energy provision. Another important rural asset is the vivid civil society (SOU 2017:1; Rural Sweden 2018).

3. Social innovation in (rural) Sweden

Sweden has a strong track record when it comes to conventional innovation of products: dynamite, the modern zipper, the pacemaker, the walk-frame, as well as more contemporary innovations such as oat milk or digital doctor apps, are all examples of innovations with Swedish origin (Tekniska museet 2020; Sweden.se 2020). However, the concept of social, rather than technical, innovation does not seem to be quite as familiar in Sweden and has only started to gain increased attention in the last few years (Gustafsson & Netz 2018). Policies for rural and regional development reflect this tendency with a strong focus on innovation but seldom referring to social innovation or rural development as such. Compared to other European countries, social innovation in relation to rural development has been given a limited amount of attention in Sweden and the institutional structure for supporting social innovations is poorly developed (Minoz 2017; Skerratt 2012).

In Sweden, as well as in the other Nordic countries, social innovation and social enterprises predominantly seem to be found within the welfare sector, with a focus on improving the well-being of vulnerable groups (Nordic Council of Ministers 2015). “Work integration social enterprises”¹ is a well-established and documented concept in Sweden, where the enterprise finds more or less innovative ways to create jobs for disadvantaged groups with the ultimate goal of integrating people into regular jobs. This model is perhaps what most commonly comes to mind when speaking of “social enterprises” in Sweden and is familiar to politicians and policy-makers, while there often is a lack of understanding of social innovation initiatives that are not primarily job integrating (Skerratt 2012; Nordic Council of Ministers 2015; Gustafsson & Netz 2018). Moreover, social innovation (although not always recognised as such) in rural areas is often found in the form of community-led initiatives, a model which often enjoys a high level of support amongst local inhabitants (Friedrichs & Lundström 2017).

Sweden, as well as other Nordic countries, has a tradition of a strong public sector and citizens in general hold a high level of trust in authorities. Municipal authorities are relatively independent from the state and usually have a close relationship with the local community. This beds for good conditions for public sector engagement in social innovation (Copus et al 2017) and the municipalities are considered to be important potential customers of social innovation products or services (Swedish Agency of Economic and Regional Growth 2018). However, the trend throughout Europe, as well as in Sweden, is to create larger areas of local governance, something which may increase the distance from government to local communities and intensify the need of an

¹ Arbetsintegrerande socialt företag

active local civil society (Copus et al 2017). When it comes to the support system for social innovation and social entrepreneurs, the Swedish Innovation Agency Vinnova, the Swedish Agency for Economic and Regional Growth, Coompanion, Mikrofonden and Mötesplats för Social Innovation are all major actors within the field and have put a lot of effort into promoting and supporting social innovations during the recent years, although there is a substantial need to further strengthen these actors and to spread knowledge on social innovation (Gustafsson & Netz 2018).

LITERATURE OVERVIEW

Research on social innovation in rural contexts is a field under recent development. So far, knowledge is fragmented, studies often have a narrative character and are carried out in a British context (Howaldt & Hochgerner 2018; Steiner et al 2019; Steinerowski et al 2008; Van Der Have & Rubalcaba 2016). Awaiting the development of well-grounded theories relating to the topic (Haxeltine et al 2017), existing research is to a large extent built on innovation and entrepreneurship management theories (Govigli et al 2020). In current research, social innovation is considered to have the potential to overcome societal challenges in rural settings (e.g. Neumeier 2017; Richter 2019; Steiner et al 2019), but policy makers are cautioned not to overly rely on social innovation and see it as a substitute for an active public involvement (Bock 2016). Some scholars even question whether social innovation is a suitable tool to address societal challenges in rural areas at all (Neumeier 2017; Bock 2016). Further, research indicates that a rural context entails both drivers and constraints for social innovation to emerge, develop and sustain. In this section, existing research on social innovation and the rural context is presented in a structure that resonates with forthcoming sections of this thesis, namely in terms of the social, spatial and institutional aspects of the rural context.

1. Social aspects of social innovation in a rural context

Rural communities are generally characterised by strong social networks, high levels of trust as well as a vivid civil society (Skerratt et al 2012; Jack and Andersson 2002). People in remote areas tend to know and trust each other and are to a higher degree dependent on the support from one another. Social enterprises in rural areas are considered to operate to benefit the local community and adapt to the local context to a greater extent than social enterprises in other geographical settings (Barraket et al 2010, Richter 2019). This coheres with studies of conventional entrepreneurship that found that rural businesses collaborate with their competitors rather than competing with each other (Skerratt et al 2012; Berggren & Brulin 2006). There is a greater sense of solidarity compared to

more densely populated territories and (social) entrepreneurs can benefit from the relatively high level of social capital, as long as they align to the local rules and culture (Steinerowski et al 2008, Welter 2010). As regional social capital as well as commitment of local actors is seen as crucial for successful social innovation (Neumeier 2017), the social aspects of rural communities ought to be a valuable asset for social innovation initiatives (Dufays & Huybrechts 2014).

The social cohesion and relatively high level of civic engagement is due to the limited amount of people living in a certain territory (Richter 2019) but also to rural communities' tradition of "self-help" and providing their own necessary services (Skerratt et al 2012; Steinerowski & Steinerowska-Streb 2012). Studies on entrepreneurial culture show that socially excluded groups, such as women and non-whites as well as people in remote locations, are more likely of being engaged in entrepreneurial activity with a social purpose (Williams 2007). However, despite strong social networks within the community, rural communities are often less connected to extra-local networks and new societal trends which in turn means limited access to credibility, knowledge, finance and power (Shaw & Carter 2007). As innovation can be considered as a creative process where existing elements are put together in new ways, input from the outside in terms of social networking beyond geographical borders is regarded as crucial for social innovation (Bock 2016, Richter 2019).

2. Spatial aspects of social innovation in a rural context

When it comes to the spatial aspects, there are indications that a smaller, remote location may be both an asset as well as a liability for social innovation. Neumeier (2017) suggests that a smaller geographical region has a higher potential to produce participatory planning processes due to a higher level of emotional connection to that specific place, and concludes that this ought to favour rural social innovation. Steinerowski and Steinerowska-Streb (2012) find that a remote and sparsely populated location may be an asset for social enterprises due to the lack of competitors and that inhabitants are eager to support initiatives providing services that were previously absent.

One renowned challenge in many rural areas is the issue of out-migration (Copus et al 2017). Bock (2016) points out that in order for social innovation to prosper there is a need for certain entrepreneurial people, and that these people often are the ones to leave for urban areas. Moreover, research shows that people with a higher level of education are more likely to participate in collaborative processes (Peter & Pollerman 2010, in Neumeier 2017). Neumeier (2017) draws the conclusion that "the social contexts most in need of social innovation may also have the greatest difficulties in motivating and mobilising the actors necessary for a successful social innovation." (p.

42). In other words, the more remote an area is, the more difficult it will be to attract human capital, something which appears to be an asset when it comes to social innovation (Steinerowski-Steinerowska-Streb 2012). Bock (2016) is also concerned that this may result in only the most resourceful rural areas developing social innovations which in turn leads to increased inequalities between different regions. This phenomenon has become apparent for instance in the LEADER program according to Bock (ibid.).

Furthermore, geographical distance and disconnectedness from markets and networks outside the local community are perceived as obstacles to social innovation in rural locations (Bock 2016; Steinerowski & Steinerowska-Streb 2012; Richter 2019). Similar observations have been made in conventional entrepreneurship research and have been explained as related to lack of access to goods, services, certain skills, clients and support systems (Steiner & Cleary 2014, Korsgaard et al 2011). Steinerowski & Steinerowska-Streb (2012) argue that liabilities in terms of remoteness force rural social enterprises to be flexible and draw on local characteristics. Steiner & Teasdale (2019) suggest that rural areas are able to make use of their remote location by developing social innovation initiatives within food production, tourism and renewable energy.

3. Institutional aspects of social innovation in a rural context

Aspects related to formal institutions such as funding, public administration, legislation and politics are decisive factors when it comes to social innovation in general, and therefore also in a rural context (Neumeier 2017; Gustafsson & Netz 2018). Administration processes are often poorly adapted to local, collaborative actors and processes and require extensive documentation of results, something which is often incompatible with the process of social innovation (Neumeier 2017). As an example, the study by Bosworth et al (2020) of social innovation in the context of LEADER shows that the extensive administrative process as well as a skewed power balance hampers what could have been a fuse for social innovation. A transfer of power from national and regional authorities to local groups is needed, according to Bosworth et al (ibid.).

An additional problem is considered to be the lack of knowledge and awareness of what social innovation is and its benefits for rural development within governmental as well as financial institutions (Neumeier 2017). Steiner & Teasdale (2019) argue that the unfamiliarity with social innovation and the complexity and diversity it entails, leads to a “one-size fits all approach” which supports already privileged social innovations. On the other hand, these (formal) institutional factors are more or less possible to change or influence in order to promote development of social innovation in rural areas (Neumeier 2017), as opposed to social and spatial aspects. Lastly, a

general challenge for social innovation in relation to institutions is the lack of a common understanding of the concept. This may aggravate collaboration between different sectors, for example partnerships between social innovation initiatives and local authorities or co-learning between regions and countries (Steinerowski et al 2008, Nordic Council of Ministers 2015).

4. Criticism of social innovation as a tool for rural development

Within contemporary research on rural social innovation, there is also criticism of the idea of social innovation as a solution to societal challenges in rural contexts. One of the most reoccurring criticisms is that it should not be the responsibility of the private or civil sector actors to solve problems caused by a failing public sector. Bock (2016) points out rural challenges that may seem local, such as depopulation, are in fact signs of large socioeconomic and political changes and that social innovations initiatives emerge from people's desire to regain power over their local community. Bosworth et al (2016) argue that opportunity-driven processes are to prefer rather than social innovation driven by necessity, where people are forced to adapt due to changing external factors. Innovation sparked by necessity turns out less creative and has less transformative outcomes. In rural areas, the consequences of public sector withdrawal and austerity measures are more apparent than in urban locations. Thus, innovation is more likely to be driven by necessity (Skerratt et al 2012) which may not be favourable for the outcome, according to Bosworth et al (2016). Steiner et al (2019) however, see the combination of necessity and opportunity in the form of the strong social capital associated with rurality as push and pull factors which provide a promising context for social innovation to thrive.

CONCEPTUAL APPROACH

As previously mentioned, the research field of social innovation is still very much under development and predominated by empirical studies. Therefore, the conceptual framework used to explore the concept of context (Welter 2010) draws on the field of conventional entrepreneurship and is, together with a model of the social innovation process presented by Murray et al (2010), primarily utilized to answer the first research question regarding in what way the rural context enables or constrains social innovation. This framework is supplemented by additional theoretical concepts mainly relating to the second research question of how the assets and liabilities are utilized or overcome, such as embeddedness (Jack & Andersson 2002), institutional logics (Thornton & Ocasio 2008) as well as one concept deriving from social innovation research, "the embedded intermediary" (Richter 2019).

1. Dimensions of context

The aim of this thesis is to increase knowledge about the interplay between social innovation, in which entrepreneurial activity is a key element, and the rural context. In order to do so, it is necessary to further investigate what constitutes a context. With inspiration from Steyaert & Katz (2004), Welter (2010) illustrates the complex and multifaceted concept of context by identifying three aspects; the social context, the spatial context and the institutional context. Welter argues that exploring the context is crucial to understand entrepreneurial activity and states: “Context simultaneously provides individuals with entrepreneurial opportunities and sets boundaries for their actions; in other words, individuals may experience it as asset and liability.” (p.165). By identifying the factors perceived as assets or liabilities for social innovation in rural areas relating to the social, spatial or institutional context I will gain insight into the how the rural context enables and constrains social innovation. This knowledge could be helpful when designing or implementing policies and projects aiming to support social innovation as solutions to societal challenges in rural areas.

According to Welter (2010), exploring the context implies asking the questions *when* and *where* an entrepreneurial activity takes place, in order to get an idea of *who* is involved and *why*. While the question *when* refers to the historical context, *where* means looking at the aspects of location. Welter identifies four dimensions of the context in regards to the issue of *where*; business, social, spatial and institutional. However, these categories cannot be strictly separated but overlap and are interlinked with one another. Welter emphasises that acknowledging the diversity and many layers of context is important in order to include innovative forms of entrepreneurial activities. As social innovation can be seen as an entrepreneurial activity driven by social change rather than economic value (Howaldt & Hochgerner 2018), Welter’s framework is suitable also to study the enablers and constraints for the social innovation process.

When elaborating on the different dimensions of context, Welter (2010) chooses to leave out the business dimension. She argues that much of existing entrepreneurship research is done from a business context perspective, since it is relatively easy to observe and suits the prevailing idea of entrepreneurship as an individual activity. Klapper, Lewin & Delgado (2009) understand the business context as to what extent the legal and bureaucratic framework facilitate the process of starting a (commercial) business. After considering what a business dimension of context would mean in terms of social innovation, I decided to, in line with Welter, focus on the three non-

business dimensions. The role of the legal and bureaucratic framework in social innovation can be understood as part of the institutional dimension.

The social context

Social networks are considered to be an essential resource for both social and conventional entrepreneurial activity (Dufays & Huybrechts 2014). They can provide information, different forms of capital and resources, as well as encouragement and support. Research shows that strong social ties are especially important for an entrepreneurial initiative in its infancy to overcome the disadvantage of being new and small, and for providing opportunities for disadvantaged groups such as women and ethnic minorities (e.g. Davidsson and Honig 2003, Manolova et al 2007). Another, less recognised, aspect of the social context is the importance of the family and the household. The family or the household are not only valuable in terms of support, but can also provide and recognise entrepreneurial opportunities and facilitate access to resources (Welter 2010).

Several scholars use the term “social capital” to highlight that relationships play an important role in entrepreneurship as well as in democracy, given that social capital can be transformed into other forms of capital (Dufays and Huybrechts 2014). Welter (2010) conforms to this understanding even though she does not use the term social capital but rather speaks about social networks and what resources they can give access to. In most cases social capital is regarded as an asset, but it has its darker sides. Exclusion of “outsiders”, strong norms within the group, constraints on individual freedom through social control and an “underdog” group identity may all hamper new ideas and behaviour (Portes 1998), such as innovation and entrepreneurial activity.

The spatial context

The spatial context refers to the geographical environment, but it is more than a physical location according to Welter (2010). The spatial context is also defined by its social boundaries, which can consist of shared identities, meanings and informal rules connected to a certain place. Thus, the spatial context is strongly intertwined with the social dimension of the context, as well as with informal institutions.

The institutional context

One of the most famous definitions of institutions was formulated by Douglass C. North (1991) who described institutions as “rules of the game” and stated that “institutions are the humanly devised constraints that shape political, economic and social interaction. They consist of both informal constraints (sanctions, taboos, customs traditions and codes of conduct) and formal rules (constitutions, laws, property rights).” (p. 97). According to North, institutions evolve gradually

over time and are needed to create order and reduce uncertainty in all forms of interaction. Welter (2010) seems to agree with North and exemplifies formal institutions as policies, regulations, political decisions, economic systems and technological changes and informal institutions as attitudes, norms, informal rules and religion.

2. Institutional logics

Central to the institutional context is the concept of institutional logics. In short, institutional logics can be described as the overarching values, beliefs, assumptions and practices that guide the cognition and actions of both individual and organisational actors (Thornton & Ocasio 2008). Capitalism, democracy, state bureaucracy, religion and family are all examples of institutional logics (Thornton & Ocasio 2008). A multiplicity of institutional logics can exist within the same organisation, something which can cause conflict and destruction but also contribute to a more enduring and innovative environment (Besharov & Smith 2014). The ability to bridge different institutional logics may even be a crucial factor for a successful social innovation (Kokko 2018).

3. Embeddedness

In line with Welter (2010), Jack & Anderson (2002) also stress the importance of context in relation to entrepreneurship. They elaborate on the concept of embeddedness, which is seen as “the nature, depth, and extent of an individual’s ties into the environment” (p. 468), further highlighting how strong the linkage between spatial and social aspects are, especially in a rural location. Jack and Anderson argue that embeddedness entails local knowledge that can provide opportunities and access to information inaccessible to outsiders.

4. The embedded intermediary

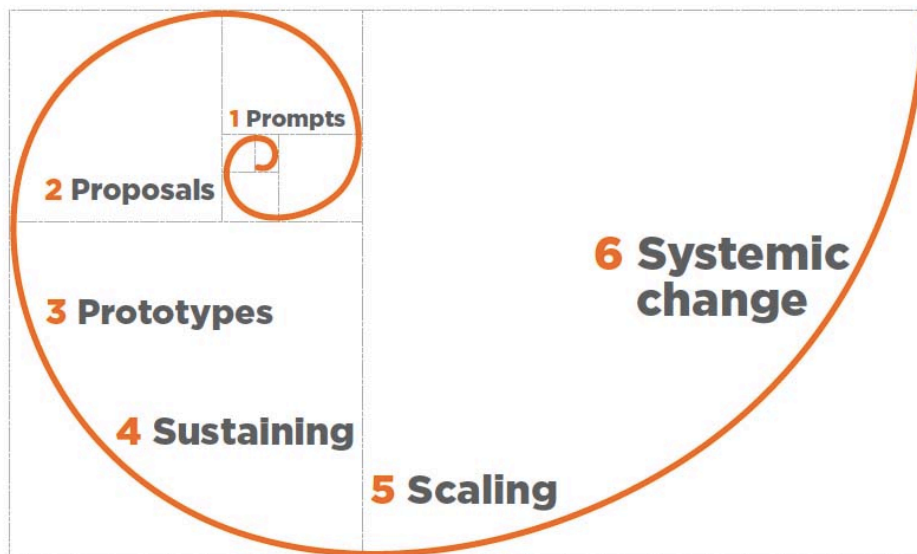
Drawing on theoretical concepts such as the information broker, structural holes (Burt 1992; 2004) and the multiple insider (Vedres & Stark 2010), Richter (2019) coins the term “the embedded intermediary”. Richter claims that this is a well-suited model to explain the role of a social enterprise in a rural community. The embedded intermediary can be considered to encompass the social, spatial as well as the institutional dimension of context, acting as a bridge between social, spatial and cultural gaps and possessing the ability to link different spheres and mobilise resources in order to realise innovative ideas that benefit the community. The embedded intermediary is socially embedded in the local community, holds a personal engagement for the well-being of their group and operates for the benefit of the community. The embedded intermediary plays an important role in rural communities by enabling access to resources that previously were difficult to acquire, such as knowledge, trends, power and financial resources through their social

embeddedness in the community and unique position in outsider networks (Richter 2019). In his study, Richter illustrates his theoretical concept with two cases of social enterprises where the ability to act as an embedded intermediary can be traced to a personal experience of bridging gaps in terms of being a “return migrant” or an “outsider” to the local community.

5. The process of social innovation

Social innovation is a collaborative process perceived as valuable in itself and the impact of the context can vary throughout the social innovation process (Murray et al 2010; Neumeier 2017). Therefore, I have chosen to interpret the data not only with the help of Welter’s (2010) dimensions of context, but also by recognising the different stages of the social innovation process. Even though each social innovation process is unique and seldom evolves in a linear fashion, a model of the process can provide a helpful framework for analysis (Murray et al 2010). I have chosen the model of the social innovation process put forward by Murray, Caulier-Grice and Mulgan in *The Open Book of Social Innovation* (2010) and illustrated in figure 1.

Figure 1. The six stages of social innovation (Murray et al 2010).



Prompts

The first stage of the social innovation process refers to what triggers the process to begin with; the root cause of the challenge that the social innovation is a response towards. This cause can emerge out of opportunity but also from necessity, or both (Bosworth et al 2016). An economic or ecological crisis, cuts in public spending and new technology are all examples of prompts that can spark social innovation (Murray et al 2010).

Proposals and ideas

This stage is about generating ideas to solve the challenge identified in the previous stage. There is a great variety of formal methods especially designed to come up with ideas, but this stage might as well happen spontaneously (Murray et al 2010).

Prototypes

At this stage, the ideas are tested in practice through trial and error. Some social innovations might involve more formal prototyping such as pilot studies or an actual prototype of a product, while others might simply try the idea and learn along the way (Murray et al 2010).

Sustaining

If the social innovation survives the prototyping stage, focus will shift to how to make the innovation sustainable. Financial sustainability might be what first comes to mind, but other aspects such as social relations as well as governance and organisation of the social innovation initiative may be just as significant (Murray et al 2010).

Scaling and diffusion

In conventional commercial innovation, the goal is often to up-scale the innovation in order to maximise profit. Scaling in terms of reaching broader markets and a larger number of users might be the ambition in some cases of social innovation, but scaling might equally well imply spreading of ideas, imitation of ideas and adaptation of the innovation to new locations. Other examples of scaling or diffusion put forward by Murray et al (2010) are adoption by the public sector and diffused demand, for example an increased demand for locally and sustainably produced goods. Steiner & Teasdale (2019) suggest that in a rural context, it may be necessary to shift from a focus on “scale” to “scope”, in terms of increased networking and collaborating within and across sectors.

Systemic change

Since social innovation strives to transform the existing order (Murray et al 2010), its ultimate goal is systemic change, i.e. a situation where the social innovation actually changes the predominant system whether it be in terms of laws and regulations, economic flows, mind-sets, household behaviour or something else. According to Murray et al (2010, p.13), “systemic change generally involves new frameworks or architectures made up of many smaller innovations.” One example is how waste has moved from being considered the end of a product’s life cycle and a public health problem, to being seen as a resource and how this in turn has changed household behaviour, laws and production systems. The stage of systemic change coheres to Welter’s (2010) idea about “recursive links” between the context and the entrepreneurial activity. According to Welter,

entrepreneurial research has hitherto mainly focused on how the context impacts entrepreneurial behaviour. However, the links between context and entrepreneurship are recursive, which means that the entrepreneurial activity also shapes the context. While this issue is only touched upon in conventional entrepreneurship, it is the very core of social innovation.

METHODOLOGICAL APPROACH

In this section, I will present the choices made throughout this study and what motivated them. Beginning with the philosophical outset, I then proceed to explain the process of gathering empirical material and conclude by pointing out some of the challenges and limitations to this study.

Philosophical worldview

To fully comprehend a piece of research it is important to know the underlying worldview and assumptions that have shaped the study, also known as ontology, epistemology and methodology (Cresswell 2014). Ontology attends to the nature of reality and what we can know about it, epistemology refers to the question of knowledge, what it constitutes and how it can be obtained, while methodology concerns the techniques used to gather knowledge (Bryman 2012).

This study is premised on the research approach of critical realism. This approach views reality as independent of our perceptions and descriptions of it, however, reality and the social phenomena that constitute it cannot be directly accessed through observation. Through conceptualisation, the scientist can set out to understand real events and their underlying structures, processes and mechanisms. Furthermore, the critical realist approach acknowledges the context as crucial to reveal conditions that promote or impede processes (Bryman 2012), which closely corresponds to the aim of this thesis which is to gain increased insight into the interplay between social innovation the (Swedish) rural context.

Literature overview

Prior to conducting this study, an overview of existing literature on social innovation in rural contexts was conducted. Articles were retrieved from the scientific databases available through the library at the Swedish University of Agricultural Sciences. The search words used were “social innovation” OR “social entrepreneurship” AND “rural”. From the retrieved articles, I identified the most frequently cited authors specifically addressing the topic of social innovation in relation to (rural) context. Deriving from their work, I explored the research area until the same pieces of

research where repeatedly cited, indicating that the main ideas of the field had been covered (Salkind 2012).

Research design

For the purpose of this study, a qualitative approach was chosen due to its suitability to explore complex links between a wide range of mechanisms and present a holistic perspective (Denscombe 2018). Furthermore, the study was conducted in the form of a case study, which is appropriate when the purpose is to explore contemporary phenomena intertwined with real-life contexts and the research question posed is “how” (Yin 2009). The overarching case is considered to be “social innovation in rural Sweden” and consists of five empirical sub-cases of social innovations in different rural locations in Sweden.

Selection of cases

The empirical cases included in this study were found by contacting strategic people who could be expected to be acquainted with social innovations in rural locations, such as staff at the Swedish University of Agricultural Sciences, staff at Coompanion and through a post in the Facebook group “Social entrepreneurship and social enterprising” administrated by the Swedish Agency for Economic and Regional Growth. Approximately 30 suggestions on rural social innovations were acquired through these channels, whereof ten were chosen guided by the definitions to be presented in the next section. Out of these ten, five representatives of the social innovation initiatives responded and had the possibility to participate within the given timeframe of the study. In each of the cases, an interview was conducted with the one individual expected to have the best insight into the process of that social innovation. In four of the five cases, the interviewee was the initiator or one of the initiators of the social innovation, and for one of the cases the interviewee was a project manager at the organisation that initiated the social innovation.

Firstly, the eligible cases of social innovation were identified in coherence with the definition of social innovation used in this study; “Social innovations are new ideas that meet social needs, create social relationships, and form new collaborations. These innovations can be products, services or models addressing unmet needs more efficiently” (European Commission 2020). As this definition is still relatively broad, the selection of cases was also guided by the “principles of a social enterprise” (TESSEA Network 2011 in Hudcovà et al 2018) which adds emphasis on the local and environmental benefits that social innovations can provide and thus is suitable for the purpose of studying social innovation as a tool for rural development.

Table 1. Principles of social enterprise. (TESSEA Network 2011, arranged by Hudcovà et al 2018, p. 382).

| Principles of social enterprise | Social benefit | Economic benefit | Environmental and local benefit |
|--|---|--|--|
| <p>Characteristics and features, following European understanding of social enterprise.</p> <p>Social enterprises have to fulfil – or to evolve toward a fulfilment – of these criteria.</p> | <p>Activity is benefitting society at large or specific groups of (disadvantaged) people.</p> <p>Participation of employees and members in the strategic planning of the enterprise.</p> <p>Any possible profits are used primarily for the development of the social enterprise and/or for fulfilling community goals.</p> | <p>Performing of regular economic activity.</p> <p>Autonomy in management decisions, management is not dependent on external founders.</p> <p>At least the minimal share of the total output (products or services) is sold in the market.</p> <p>Ability to cope with economic risk.</p> <p>The trend toward paid work.</p> | <p>Priority is given to satisfying the needs of the local community.</p> <p>Favouring and using local resources.</p> <p>Satisfying, therefore, the local demand.</p> <p>Respecting environmental aspects of the production and the consumption.</p> <p>Cooperation of the social enterprise with important local players.</p> <p>Innovative approach and innovative solutions.</p> |

The five selected cases are all located in rural areas according to the Swedish Board of Agriculture’s classification of “rural municipalities” (Swedish Board of Agriculture 2020) as illustrated in figure 2. This classification takes both the amount of population, population density and distance to a city with at least 50 000 inhabitants into account. The classification is used by several Swedish governmental agencies and based on work by the OECD which enables international comparisons (Swedish Agency for Economic and Regional Growth 2020).

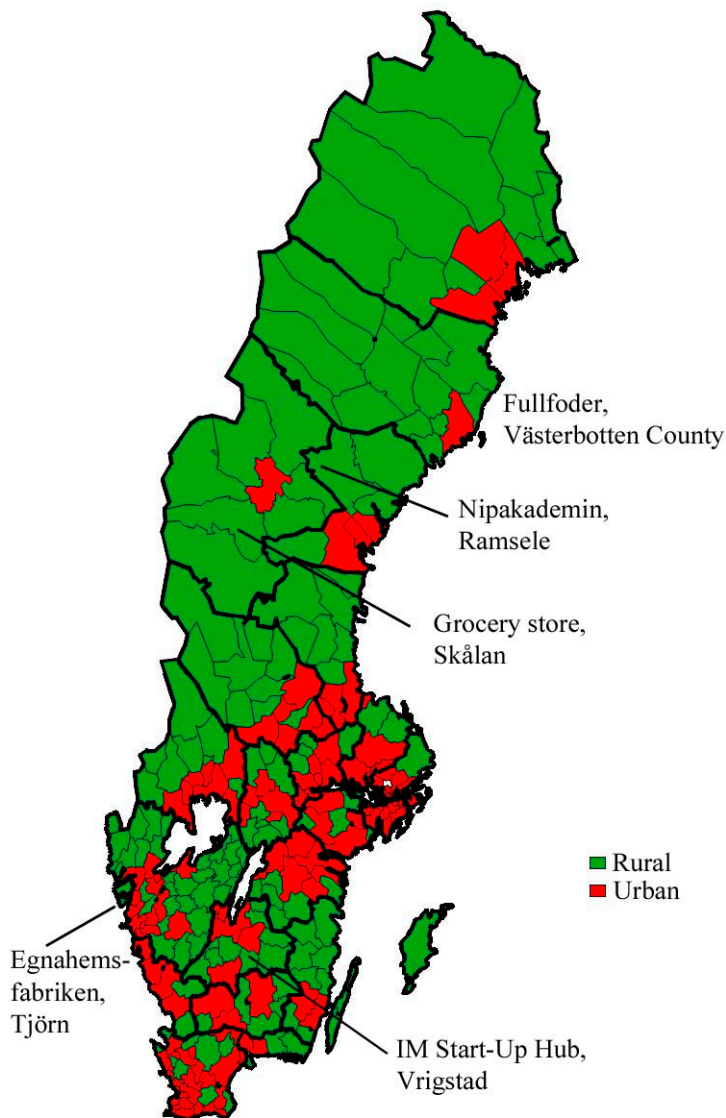


Figure 2. Classification of Swedish municipalities as rural or urban (Swedish Board of Agriculture 2020) and locations of social innovation cases (added by author).

Interviews

Because of the complex nature of both social innovation processes as well as contexts, it can be assumed that a detailed description can best be given by someone who has experienced these dynamics. Therefore, semi-structured interviews were conducted with individuals involved in social innovations. Semi-structured interviews imply that a set of topics are covered throughout the interview but that the order of these topics is flexible and the interviewee is encouraged to develop his or her thoughts along the way (Denscombe 2018). The overarching purpose of the interviews

communicated to the interviewees was to hear the story of their social innovation initiative, from the moment the idea was first prompted to potential plans for the future.

Each interview was approximately 60 minutes long and conducted per telephone during March and April 2020, partly due to geographical distance and partly because of the spread of Covid-19 during the spring of 2020. The interviews were recorded and transcribed and notes were also taken. One of the audio files containing an interview was damaged and could not be transcribed word by word, but the assessment was made that the notes were detailed enough to conduct an analysis. All five interviewees have approved of their full names being published in this thesis.

Table 2. Cases of social innovations.

| Name of social innovation initiative | Interviewee | Location | Main activity |
|---|---------------------|--|---|
| Nipakademin * | Åke Wikström (ÅW) | Ramsele, Sollefteå municipality, Västernorrland county | Initiating entrepreneurial activity with the purpose of local ecological and economic well-being. |
| Fullfoder | Arne Lindström (AL) | Västerbotten county | Developing a type of reindeer fodder to solve conflicts between farmers and reindeer herders. |
| Grocery store | Pär Olsson (PO) | Skålan, Berg municipality, Jämtland county | An unstaffed grocery store using new technology. |
| Egnahemsfabriken | Tinna Harling (TH) | Tjörn, Tjörn municipality, Västra Götaland county | Enabling access to housing for disadvantaged groups. |
| IM Start-Up Hub | Erik Lago (EL) | Vrigstad, Sävsjö municipality, Jönköping county | Individually based support to newcomers in Sweden. |

**Due to technical problems when recording this interview there are no direct citations in this case.*

Analysis of empirical material

The analysis of the empirical material was carried out by arranging the conceptual framework on dimensions of context provided by Welter (2010) and the model of the social innovation process provided by Murray et al (2010) into an analytical framework. The analysis was carried out through coding, guided by the suggestions by Bryman (2012). Practically, the interviews were coded into a chart which visualises which dimension of context that enabled or constrained the social innovation process at a certain stage of the process (Table 3). With the help of the chart, a set of major themes were identified and further investigated with the guidance of additional theoretical concepts.

Table 3. Chart to visualise stages of the social innovation process in relation to dimensions of context (Murray et al 2010, Welter 2010, arranged by author).

| | PROMPTS | PROPOSALS | PROTOTYPES | SUSTAINING | SCALING/SCOPING | SYSTEMIC CHANGE |
|----------------------|---------|-----------|------------|------------|-----------------|-----------------|
| SOCIAL | | | | | | |
| SPATIAL | | | | | | |
| INSTITUTIONAL | | | | | | |

Challenges and limitations to the study

The elusive nature of social innovation as a concept has been a challenge throughout this study, both in relation to theory as well as empirics. Firstly, scholars employ different definitions of social innovation while claiming to study the same topic, namely social innovation in rural development. This makes identifying relevant literature an intricate task. However, I have been aware of this issue throughout the process of reading literature on the topic and selected which studies to include in the literature review based on relevance to the research question and that the claims made can be applicable also to situations where a slightly different definition of social innovation is used.

Secondly, due to the fact that the nature of social innovation is difficult to pinpoint, and given that the concept is still relatively unfamiliar to Swedish authorities (Skerratt 2012; Nordic Council of Ministers 2015), there is no formal register or documentation of social innovation initiatives in Sweden, with the exception of “Work integration social enterprises” who can choose to register themselves on the platform Sofisam (Sofisam 2020). As previously mentioned, cases were selected in accordance to a set of definitions in order to ensure that their circumstances would be fairly similar. Choosing to include a broader range of social innovations, such as work integration social enterprises, would have increased the number of eligible cases which would have made it possible to delimit the study to a smaller geographical area. However, as the conditions for these kinds of social enterprises are significantly different from the conditions for the chosen social innovation initiatives, the study would have taken a different direction than intended. Choosing a specific Swedish region was thus not an alternative due to the scarcity of social innovations with somewhat similar characteristics. Furthermore, the purpose of this study is not to compare the cases with one another but to explore the interplay of each social innovation and that specific rural context.

Additionally, if the cases demonstrate similar results despite their various geographical locations, this indicates that the results are connected to the rural context rather than the characteristics of that specific community (Yin 2009).

To gain an even deeper insight into the relation between the context and each of the social innovation initiatives, it would have been desirable to interview more people involved in or affected by the initiative such as local stakeholders, representatives of the institutional sector and actors cooperating with the social innovation initiative. This has not been feasible within the scope of this study and has not been necessary in order to fulfil the aim of the study, but provides an intriguing prospect for future research.

Finally, it can be noted that four out of five interviewees are men. Whether this is a coincidence or if it suggests that men are more probable to initiate/manage social innovations than women is not possible to discern from this study, but could too make up a topic for future studies.

RESULTS

In this section I will present the five cases of social innovation and how each of the interviewees have perceived the process in terms of enablers or constraints as well as how they have made use of or overcome the perceived assets and liabilities. In order to prepare for the forthcoming analysis, I will link the empirical results to the dimensions of context described by Welter (2010): the social, spatial and institutional dimensions of context.

1. Nipakadmin, Ramsele

“Nipa” is the word for the steep, sandy slopes that sometimes line the rivers in certain parts of Northern Sweden. The slopes are a result of long-time erosion and give a unique character to the scenic landscape. “Akademi” is, not unexpectedly, the Swedish word for academy and was chosen to give the name a sense of nobility. The initiative to found Nipakademin was taken by Åke Wikström (ÅW) in 2006 when he returned back to his home village Ramsele after retiring and realised that the landscape had changed dramatically during his years away from home. The beautiful slopes he remembered from his childhood were overgrown with bush. ÅW decided to do something about it and gathered a group of local like-minded people to help restore the landscape. One of their first projects was to jointly start a cattle farm with the purpose of letting the cattle graze the slopes. During the years, Nipakademin has resulted in several other initiatives focusing on sustainable management of the local environment and promoting local food production and green entrepreneurship.

The prompt for starting Nipakademin can thus be said to derive from the **spatial context**; ÅW's urge to do something about the deteriorated landscape. At a second stage, ÅW reached out to people that could help him to formulate ideas to realise his vision. He did not only rely on pre-

existent relationships but simply made telephone calls to people whom he thought might be interested and strategically important for the purpose. ÅW emphasises that there was a need for both theoretical and practical skills. The people that ÅW involved were both local people that shared the concern for the landscape as well as more strategic contacts in terms of veterinarians, researchers and other specialists. Hence, the stage of proposals and ideas as well as the stages of prototypes were to a great extent shaped by the **social context**. However, the social context is undeniably intertwined with the other dimensions of context. ÅW mentions that the Ramsele region has a history of a “green wave”, a 1970’s movement where people from large cities moved to rural areas with the ambition to lead a more sustainable life. Therefore, according to ÅW, Ramsele has a considerable number of inhabitants that are interested in sustainability issues and keen to take part in projects like the one he had in mind. Something which demonstrates the connection between the **social, spatial** and the (informal) **institutional** dimensions of context. Furthermore, ÅW utilised his personal connections with the County Administrative Board of Västernorrland, which is an actor of the local (formal) **institutional** context.

Once the idea of creating a shared cattle farm was formulated, finance was acquired from the Country Administrative Board and the World Wildlife Fund to realise Nipakademin’s first project of restoring the landscape with the help of grazing cattle. ÅW did not perceive the application for funding as particularly challenging at the time, but his experience is that bureaucratic processes have become increasingly complex since then. In the case of Nipakademin, the sustaining stage of the venture appears to be just as much about the spreading of ideas. Nipakademin has come to develop into a generator of ideas and initiatives that go on to function more or less in their own capacity. Today, their primary commitment is to spread knowledge and experiences regarding local sustainable development through seminars and maintaining a broad social network including experts, researchers and journalists.

When it comes to the question whether Nipakademin has managed to make an impact on the context in any way, ÅW notices that Nipakademin has brought people with a shared interest in local sustainable development together and that the many initiatives that stem from Nipakademin have contributed to the community both in terms of social, ecological and economic value. However, ÅW perceives it as difficult to involve local inhabitants who do not share the concern for the local environment to the same extent as those involved in Nipakademin. It is also a challenge to sell the locally produced goods within the region, rather than exporting them to bigger cities such as Stockholm. To reach a more systemic change in line with Nipakademin’s vision, ÅW reasons that

there is a need for a paradigm shift where the environment is ascribed a greater value than today, i.e. a shift in the informal **institutional** context. He reckons that a global crisis might be necessary in order to initiate such a change and mentions the current situation with Covid-19 and its aftermath as such an event.

2. Fullfoder, Västerbotten county

Conflicts between farmers and reindeer herders regarding land are relatively common in the Sami parts of Sweden. At the same time, both farming and reindeer herding are examples of rural industries suffering from harsh conditions and unprofitability. Reindeer herders face difficulties in finding nutritious fodder for their animals, partly due to climate change, resulting in less meat and less income, while farmers have trouble finding profitability in selling their produce. Fullfoder presents a solution which could contribute to improved relationships between the two conflicting communities as well as economic value for the whole region. The idea is to develop a type of fodder that could be produced by local farmers and sold to reindeer herders. However, the project has currently stalled due to lack of finance.

It was an escalating conflict concerning damage on cultivated land caused by grazing reindeer that prompted Arne Lindström (AL), who was the chairman of The Federation of Swedish Farmers (LRF) in the region of Västerbotten at the time, to initiate meetings between the two stakeholder groups. AL realised that there was a severe amount of distrust between the groups, and that this was partly due to the lack of a formal model to handle crop damage caused by the reindeer. In other words, the need for this social innovation was induced by a deficit in the **social** and the (formal) **institutional** context. Eventually these meetings resulted in a model for compensating the damage, but for technical reasons it ceased to fill its purpose after a while. However, the meeting had spurred positive effects, such as increased trust and dialogue between farmers and reindeer herders.

Later on, AL had a conversation with a farmer who previously had an infected conflict due to reindeer damages on his fields. This farmer had managed to settle the conflict by making an agreement with the reindeer herder that he would buy a certain amount of fodder each year and in exchange, the farmer would tolerate the damages made by the reindeer. At this time, AL was also contacted by the chairman of one of the Sami villages and met him to exchange experiences regarding the conflict. They soon realised that they had the same view of the problem although from different perspectives, and agreed that the idea of turning the conflict into a business venture in terms of producing and buying fodder was a solution that ought to be scaled up and spread

throughout the region. Hence, the idea of Fullfoder was deeply shaped by interaction of stakeholders, in other words, by a change in the **social** context.

AL and the chairman of the Sami village managed to tap into a collaborative project led by their respective organisations on a national level and initiated the process of developing a fodder that could be produced by local farmers and also meet the high nutritional demands on reindeer fodder. The project was supposed to receive initial funding from the Swedish Board of Agriculture, but in the long-term the plan was that no funding should be necessary. However, just as the project was about to launch, the Swedish Board of Agriculture announced that there was no money to finance the project. Another attempt to receive funding from the LEADER program was made, but the application was rejected.

AL sees the rejection as a result of some public officer's lack of competence, because according to him, the idea of Fullfoder has gotten massive support from people all over the region as well as from the stakeholder organisations and officers at the Swedish national government. He perceives bureaucratic procedures as the only real challenge about the Fullfoder initiative.

“Bureaucracy has been the big obstacle. To me, it is impossible to understand how these ideas can get such immense support and attention, and then there is someone who sees something that no one else has seen, a problem.”

He is clearly disappointed in how things turned out and suggests that the issue of finance should be able to be solved on a regional level because the project ought to be of interest for both the regional government as well as the County Administrative Board of Västerbotten. AL believes that there is a lack of leadership within these organisations and that it would have been possible for regional leaders to change the situation if they would have taken a clear stance for the Fullfoder initiative.

“What we need is that someone in a high position dares to point with their whole hand. [...] I have been in a lot of organisations and I increasingly miss the courage to just step forward. Leadership.”

In one way or another, the obstacle that put this social innovation to a halt appears to lie within the **institutional** dimension of context. Whether it adheres to an individual officer, to policies and regulations or to the lack of communication is difficult to discern at this stage and within the scope of this study. At the moment, AL does not see any alternative ways for the project to move on and he does not intend to be the one who drives it forward.

“I will not be the one taking the initiative, but if someone else does I will gladly help them. Because I don’t know how... I still believe that it is obvious that we should have gotten the finances for this project, because it is really no big sums of money.”

AL estimates that development of Fullfoder and the local business that would have followed from it would have had a significant positive impact on the regional context in terms of settling long-time conflicts and creating opportunities for profit in an economically deprived area.

3. Grocery store, Skålan

Skålan is a small village with approximately 140 inhabitants. During the last couple of decades there has been no grocery store in Skålan, but in 2019 the community council² (a small non-profit organisation driven by local people to promote local development) opened up a small store where customers can shop for basic groceries using digital solutions. There is no need for cashiers and currently there are only two part-time employees to take care of ordering and unpacking groceries. The community council expects the store to be economically sustainable but not profitable. The added value is perceived as the increased attractiveness of Skålan and as environmental gains in terms of reduced emissions when people no longer have to travel by car to shop for groceries.

The reason for initiating the grocery store is quite simple, according to Pär Olsson (PO) who is the chairman of the community council. Ever since the old grocery store closed, the inhabitants of Skålan have missed being able to shop their daily groceries nearby. The nearest supermarket is situated 35 km from Skålan which meant a lot of travelling to get groceries. Hence, the prompt for this social innovation appears to lie within the **spatial** context, i.e. the remote geographical location. Managing a store in such a small village is deemed to be unprofitable and thus, a commercial solution was not an alternative. Even though the community council wasn’t interested in making a profit, they soon realised that maintaining a regularly staffed store would not even be economically sustainable.

So, the council contacted other rural communities across Sweden to find out how they had solved similar challenges. They discovered that there were several unstaffed or partly staffed stores that worked very well in contexts comparable to Skålan. The community council made use of these contacts to build up knowledge on how they could start a similar store.

² Byråd

“So, I guess one could say that we did a bit of stealing. We had the idea ready, that we wanted a grocery store. So, we searched for alternatives. [...] and we called them up and asked how they had done, some pros and cons...”

The idea of how to develop an alternative grocery store was thus generated by the **social** context, more specifically through networks outside the local community. The next step was to finance the start-up of the store. The community council managed to source money from several donors, including the LEADER program, the municipality and a fund with the purpose of compensating the local community for previous environmental destruction. PO recalls the application for finance as a lengthy, but not particularly difficult process. A key factor in realising the grocery store was, according to PO, the treasurer of the community council who is experienced and skilled in searching and applying for finance. Moreover, the treasurer’s wife is a former accountant and has contributed with valuable knowledge in bookkeeping and other economic skills.

“You need a person who is engaged and driven and who knows where to look for money.”

However, the most challenging part of the prototyping stage was, according to PO, getting information from the municipal office to assure that they were building the store in line with rules and regulations. Before spending hundreds of thousands of SEK on construction, the community council wanted to make sure that the building would pass an inspection. But the answer they got was that they should build first and that the municipality would make a decision afterwards. To get the information they needed, the community council instead had to rely on informal contacts with people who had already built a store or similar spaces. In general, PO experienced little help from the municipal government at this stage. Yet, he reckons that the municipality frequently uses Skålan as a good example once the idea of an alternative grocery store proved to be successful. To sum up, the biggest challenge to launch the store was in the formal **institutional** sector, a challenge which was overcome through **social** networking.

When it comes to sustaining Skålan’s grocery store, the local **social** context is perceived as a valuable asset in terms of a sense of cohesion in the village. People are devoted to supporting the local store for the good of the community, even though it might imply buying slightly more expensive groceries than in the supermarket.

“A lot of people don’t really have the need of a local grocery store, but we have discovered that many of them shop here anyway. People want to be loyal and do their shopping in the store that we have opened to make it stay and function well.”

The minor problems that arise due to technical problems in the store can also be solved thanks to the **social** context in terms of trust and relationships.

“We had some minor technical problems when we just opened, like not being able to pay on the way out, but then we were able to solve the problem there and then. Sometimes they would call me for help, sometimes the treasurer. Or we would tell them to write down what they took from the store and pay next time.”

Other challenges when it comes to the long-term continuance of the store is how to find staff that is willing to work part-time at odd times of the day, a challenge that can be seen as connected to Skålan's **spatial** context in regards to the limited number of people possible to recruit in such a small, remote village. PO mentions the economy as another concern. He notes that there are often financial resources to apply for in the start-up phase, but not at the stage of sustaining. According to PO there is some funding for this purpose but it is not adjusted to support smaller stores due to the high demands on the level of economic turnover.

The grocery store has drawn a lot of attention from other parts of the country, several communities in the need of a grocery store have looked to Skålan for inspiration and 8-10 groups have come to visit. This spreading of ideas is an example of **scaling** and to some extent of how the grocery store has impacted on the local community by attracting visitors. Another effect on the local context is that people from outside stop to shop when passing through Skålan. In a way, this can be seen as a **systemic change** on a local level. Instead of people from Skålan travelling to get groceries, there are now people travelling into Skålan to do their shopping. Furthermore, PO underscores the importance of having an optimistic attitude towards your local community and explains how this attitude both drives social innovation such as the grocery store and is reinforced by it. The village of Skålan is, according to PO, characterised by such an optimism and everyone helps out in whatever way they are able to, an example of how the **social** context has enabled this case of social innovation.

“There is a need for an optimistic attitude towards the community one lives in. And I think that is regardless of whether you live in Sundbyberg or in Uppsala or in Skålan. You need a sense of optimism to make a positive change in society.”

PO reckons that there is an overall trend towards a more positive view of the Swedish countryside and that people have begun to see the benefits of a rural life. Perhaps, he reasons, the work of the Skålan community council might play a small part in this systemic change.

4. Egnahemsfabriken, Tjörn

Egnahemsfabriken is the name of an initiative based on the island of Tjörn outside the Swedish West coast. Their slogan is “We build houses, togetherness and transition”. Literally translated into English, Egnahemsfabriken means “own home factory” and refers to a movement in the early 20th century with the aim of providing better housing for the working class. The name also says something about their main activity, namely to enable more people to build their own sustainable homes on Tjörn, with a specific focus on the young, the elderly and newcomers in Sweden. Besides this, several other projects such as common gardening, seminars, youth activities and cultural events have been initiated, always with collaboration and sustainability as the guiding principles (Egnahemsfabriken 2020).

It was the shortage of housing that sparked the idea of Egnahemsfabriken. Tinna Harling (TH), the main initiator, worked as an architect at the municipality of Tjörn and had a lot of contact with the islanders and she recalls that many of them were concerned about the difficulties for elderly as well as young people to find affordable places to live on Tjörn. At this time, there was also a significant increase of people seeking asylum in Sweden and thus also on Tjörn. During her spare time, TH was engaged in an activity where Swedes and newcomers met to speak Swedish and get to know each other. TH soon realised that newcomers, primarily boys without families, was yet another group of people who would have trouble to find appropriate housing in the area. However, the shortage of housing is not a problem that is only concentrated to Tjörn, but a failure of the state that is especially apparent in rural areas, according to TH.

“It’s become so clear to me that it doesn’t pay off to build houses in rural areas and that this in turn drives the process of urbanisation and makes it more difficult to find labour in rural areas because young people can’t afford to stay here. It’s crazy, the only alternatives are houses. And it is much more profitable for a young person who wants to build a house to do so in a city where there will be an increase in economic value. There are so many issues where housing could play an important part but for some reason the government just seems incapable of acting.”

“We wanted to highlight this issue on a systemic level.”

So, the Egnahemsfabriken initiative can be seen as prompted by the **institutional context** in terms of an urge to address a national societal challenge, but also by the **spatial** and **social** context with regard to the ambition to create decent homes on Tjörn for the identified groups.

Apart from her job at the municipality of Tjörn and local engagement, TH was also involved in several other networks dealing with alternative ways of sustainable building. Through these networks she met people with similar ideas and concerns and eventually she brought them together in order to formulate a project proposal. This group of people also included a researcher living on Tjörn and local actors such as The Church of Sweden and study associations.

“So it wasn’t just one idea, I think that’s very important to point out. There were several similar ideas that were born in my different networks. And what I did was to bring them together.”

Clearly, the proposal stage was enhanced by TH’s connection into different networks, local as well as extra-local. TH reasons that her position as an architect at the municipality of Tjörn has made her more or less well-known on the island and that this made it easier to bring different people and actors together. She also describes Tjörn as a community of creative and driven people, which further indicates that the intertwining **socio-spatial** context played an important role in the initial stages of Egnahemsfabriken.

The project proposal resulted in funding from Vinnova which allowed the network that TH brought together to move forward with their plans of creating a platform for sustainable and collaborative building. Not only were they able to buy material and employ staff with the funding from Vinnova, but TH points out that the money enabled those involved to use more of their own time to work on the project. After receiving the money, an intense period of hard work followed to get the house-building workspace in place. TH explains that there was no time for detailed planning, it was a process of trial and error.

The biggest challenge in realising the idea of Egnahemsfabriken has been the bureaucratic process, for example getting a building permit from the municipality. TH reckons that there are several reasons for this. One is that the municipality is not used to and has little knowledge of this type of organisation, that is, a so-called co-operative society.³ Another reason was that politicians at Tjörn kommun, TH believes, were afraid to make mistakes and to support a concept that was unfamiliar to them. TH recalls that she needed to do a lot of research on her own to understand the laws and policies that the municipality referred to and that collaboration with civil society actors and researchers was important in order to convince them. Acquiring a bank loan has also been challenging and a solution was eventually found with the help of Mikrofonderna and Ekobanken. Thus, the (formal) **institutional** context can be considered as the major liability at the prototyping

³ Ekonomisk förening

stage of this social innovation but this challenge was overcome partly with the help of **social** networking.

“It was important to bring along actors such as The Church of Sweden and RISE, major names, it would have been difficult without them.”

However, the municipality’s attitude towards Egnahemsfabriken has slightly changed. TH notes that no other business on Tjörn has gotten the same amount of publicity that Egnahemsfabriken has and that the politicians seem very happy about that. She perceives that once the politicians understood the idea and realised that it actually seems to enable young people to find housing they were overwhelmingly positive.

“It was obvious when we held a presentation for our politicians in December, they almost fell off their chairs, they clearly hadn’t got it. They jumped up and down and were so happy when they understood that we build houses for young people. They thought it was fantastic. But they hadn’t understood this before the presentation, and that’s a bit sad.”

The municipal department for integration has been a valuable asset according to TH. They have gathered various actors working to promote integration on Tjörn to strengthen the cooperation between them. Something that has facilitated the cooperation between all the actors involved in the initiative of Egnahemsfabriken is that they have organised into a committee where a wide range of local actors are represented, including the municipality.

The idea of Egnahemsfabriken is not only to build houses but also to encourage the realisation of new ideas and activities, something which is very much influenced by the interests and skills of the individuals involved, indicating that Egnahemsfabriken is constantly in a process of change depending on the **social** context. Several other initiatives have been inspired by Egnahemsfabriken and new networks have also emerged on Tjörn thanks to the meeting place that Egnahemsfabriken constitutes.

There has been a great interest in the Egnahemsfabriken model from outside Tjörn and several other initiatives have been inspired to start something similar in their own context. However, TH remarks that their model cannot be copied or up-scaled, because the local context differs. Their role is to set an example and inspire to action. She also perceives it as challenging to grow as an organisation without losing the local connection.

The root incentive for initiating Egnahemsfabriken was to challenge a dysfunctional housing market, at the local but also systemic level. TH thinks that Egnahemsfabriken has managed to reach

this ambition even though there is a lot left to do. She reckons that a sustainable lifestyle is an issue that is constantly becoming more relevant and people are searching for alternatives, something which can be interpreted as a shift in the informal **institutional** context.

“I think that we, perhaps even more after the situation with Covid-19, are moving towards a transition where people don’t want to put all their money into a place to live. And we found a model for that – how can you build a house using your own time? I think that’s relevant in our time.”

However, TH believes that in order to achieve a shift on the systemic level in the issue of housing, it is up to the government to take a more active role and to steer away from an expectation on the market to solve societal issues.

5. IM Start-Up Hub, Vrigstad

The IM Start-Up Hub was initiated and is managed by an NGO called IM (Individuell Människohjälp) in Vrigstad, Småland. IM is a national organisation who operates both globally as well as in Sweden to fight poverty and promote democracy and equality. IM has its roots in Vrigstad and one of the offices is located there, which is also the place for the hub. The aim of the Start-Up Hub is to simplify the process of starting a new life in Sweden for immigrants, by identifying and meeting individual needs. Some examples of what the Start-Up Hub has helped people with are taking a driving license, Swedish lessons and job applications.

The idea of the Start-Up Hub sprung out of lessons learnt from a previous project that IM had in Vrigstad. The project managers experienced the current system for integrating people into a new life in Sweden in terms of learning the language, getting a job, finding a place to live etc. as rigid and inflexible. Many of the people they met experienced that the prevailing system did not suit them and that there was little room for individual needs and abilities. The Start-Up Hub initiative can thus be seen as a reaction towards a deficit in the current system for integration, an attempt to create an alternative to the formal **institutional** context.

Thanks to lessons learned from the previous project, the staff at IM in Vrigstad had a relatively clear idea of what they wanted to do. Funding was acquired through the LEADER program and the municipality. Erik Lago (EL), coordinator at IM in Vrigstad, perceives the municipal government as progressive and eager to collaborate with the local civil society. Thus, the local **institutional** context must be considered an enabler in the case of the IM Start-Up Hub.

IM appears to play a major role in the social context of Vrigstad. EL describes IM as well-rooted in the local community, due to the organisation’s long history in Vrigstad as well as to the uniting role

that IM has come to play in the community. As an example, IM has arranged public midsummer celebrations and in the past they used to serve lunch on a daily basis.

“There aren’t really that many civil society organisations here, so consequently there are not that many actors to cooperate with. Some things that a community association would traditionally arrange, such as a midsummer celebration, have been held by IM. We’ve kind of had that function, being a natural place to meet for the locals.”

Other local civil society actors such as a study association and the church have been involved in occasional activities in the Start-Up Hub project, but IM has clearly “owned” the project all along. According to EL, one thing that has been challenging in the Start-Up Hub initiative has been to reach the stakeholders, that is, people new in Sweden and in Vrigstad. The project leaders had to put quite a lot of effort into building trust and communicating the kind of support they could offer. Another issue is how to secure financial resources in the long-run and IM is currently exploring alternatives to find a more stable source of income.

EL perceives that the Start-Up Hub has achieved their ambition of facilitating the integration process for newcomers in several ways, for example increased awareness of gender equality and employment. However, he points out that it is difficult to measure such results in numbers and figures.

“X hours of education with X number of participants doesn’t say anything about the change that actually has occurred. We try to measure change a bit differently. [...] But then the financiers want the numbers, it’s important to them.”

This implies that IM has met the expectations of the prevailing **institutional** context, i.e. how results are measured and what is a good result. EL reasons that it is probably difficult to customise support to fit each individual on a more systemic level, but that giving civil society an increased capacity to act may be a step in that direction. According to EL, municipalities should be able to involve smaller civil society actors in their work with integration to a greater extent.

ANALYSIS

The ambition of this thesis is to increase knowledge about the interplay between social innovation and the (rural) context and its implications for rural social innovation in terms of assets and liabilities. In this section, I will interpret the empirical material with support from the chosen theoretical concepts in order to provide answers to the research questions that were posed initially:

1. In what way does the context of rural Sweden enable or constrain social innovation?
2. How are the assets and liabilities of the rural context utilised/overcome in order to enable social innovation?

According to the theoretical framework based on Welter (2010), context can shape entrepreneurial activities through access to opportunities, resources and support among others. Welter concentrates on three different dimensions of context (the social, spatial and institutional dimension) to better understand how the context “provides ... opportunities and sets boundaries” (p. 165) for entrepreneurial activities, although she emphasises that these dimensions constantly overlap and intertwine. To gain insight into the interplay between the rural context and social innovation, I have used Welter’s dimensions of context in combination with the model of the social innovation process put forward by Murray et al (2010) to arrange an analytical framework. This analytical framework primarily tends to the first research question of how the rural context enables or constrains social innovation. Regarding the second research question, I have made use of theoretical concepts such as embeddedness (Jack & Anderson 2002), the embedded intermediary (Richter 2019) and institutional logics (Thornton & Ocasio 2008) to explain how the assets and liabilities that the context implies are utilised or overcome. The analysis is presented in two sections, where the first section primarily refers to research question number one, and the second section addresses research question number two.

1. How the rural context enables and constrains the process of social innovation

Prompts of rural social innovation

Following this study of five social innovation processes, it has become apparent that the different dimensions of context (Welter 2010) shape the social innovation to a varying extent at different stages of the process (Murray et al 2010). The prompt that sparked the social innovation has in all cases been a societal challenge, but yet identified at different levels of society. Some of the studied cases of social innovation illustrate responses to challenges that are not specific to the local community (such as scarcity of housing in the case of Egnahemsfabriken and the rigid system for integration in the case of the IM Start-Up Hub) but of a more systemic character. These social innovations can be said to primarily have derived from a failing institutional context as depicted by Welter (2010). In other cases, the prompts are locally connected (the need for a local grocery store in Skålan, the deteriorated landscape in the case of Nipakademin and the need for a solution to a situation of conflict in the case of Fullfoder) and can thus be understood as spurred primarily by the spatial context (Welter 2010) in terms of a remote geographical location and insufficient

management of local natural resources. However, in coherence with the two former examples one could argue that the latter three cases also illustrate social innovation spurred by the institutional context, given that informal institutions (Welter 2010) such as urbanisation and exploitation of the environment shape the spatial context.

Access to resources through social networks

In the stages of formulating ideas and prototypes (Murray et al 2010) to meet the identified need, it is the social context (Welter 2010) that has predominantly shaped the social innovation in terms of the interests and skills of the individuals involved, the social networks available and what resources they might give access to. In the case of Egnahemsfabriken, it became apparent that TH's widespread personal network, locally as well as outside the local community, was fundamental to realise the idea. Her network contributed primarily with resources in terms of know-how, experience and legitimacy when approaching institutional actors such as the municipality. In the case of Fullfoder, the very idea of the social innovation was born out of a shift in the social context, namely that reindeer herders and farmers started to interact. The networks that AL had due to his position as a chairman of LRF enabled the further development of the idea. In both these cases, the networks utilised were to a large extent pre-existent due to the profession of the initiator.

In the cases of Nipakademin and the grocery store in Skålan, social networks were primarily initiated as strategic moves in the social innovation process to access necessary knowledge, especially in the proposal and the prototype stages. Although there were also pre-existent networks of importance. Nipakademin benefitted from personal contacts with authorities and locals that could contribute to the initiative and one of the most important assets in developing the grocery store in Skålan was the participation of the community council treasurer and the contributions from his wife in terms of skills and experience. In the case of IM Start-Up Hub, the social context appears to have been as asset, but not a crucial one. Resources in terms of know-how, manpower and time were to a large extent found within the organisation, as IM is a national organisation with a long history of starting and managing projects similar to the one in Vrigstad.

The constraining institutional context

In three of the five cases studied (Egnahemsfabriken, Fullfoder and the grocery store in Skålan), interviewees insist that the biggest challenge throughout the process has been related to bureaucratic procedures, which in turn can be seen as part of the (formal) institutional context (Welter 2010). The formal institutions, in most cases referring to the municipal government, are perceived as unwilling to see the potential in and support social innovations until they have proved to be

successful. Lack of funding from governmental actors has also been a concern in several of the social innovation cases, particularly in the stage of prototyping. In the case of Fullfoder, the sudden absence of financial resources from institutional actors caused the initiative to dissolve.

Nevertheless, there are examples of how the formal institutional actors have been perceptive toward the logics of social innovations. The municipal initiative to gather civil society actors on Tjörn in the case of Egnahemsfabriken can be seen as an example of how the institutional context can enforce the social context. The Egnahemsfabriken committee, where the municipality is represented, suggests that the social context can adopt institutional features to manage social networks more efficiently. Overall, the further the social innovation has developed in terms of the six stages of social innovation depicted by Murray et al (2010), the more likely it seems that the formal institutional context will act as a facilitator instead of an obstacle.

Scaling and spreading

None of the cases appear to have managed to up-scale their social innovation in the conventional sense of increasing production and reaching broader markets (Murray et al 2010). Neither of the social innovation initiatives even had the ambition of doing so, with exception of Fullfoder where the idea was to scale up to include the whole region. Instead, the social innovations have spread in two ways. Firstly, they have spread in terms of inspiring other communities looking to solve similar challenges, which is a form of scaling according to Murray et al (2010). Secondly, spreading has occurred in the sense that the scope of the social innovation initiative has broadened to include more activities and address more issues in the community, in line with the perspective on scaling presented by Steiner and Teasdale (2019). These effects have been fuelled by expanding social networks both locally and extra-locally, in other words, the social context has enabled spreading of the social innovations. The fact that the social innovation is constantly shaped by the social context implies that the process does not follow a linear path, but that all stages of the process rather are simultaneously ongoing.

Systemic change and recursive links on multiple levels

According to Murray et al (2010), the final stage and ultimate goal of social innovation is systemic change. All five social innovations are perceived by the interviewees to have made an impact on the local context, which may be thought of as systemic change on the local level or as “recursive links” in the terms of Welter (2010). Apart from meeting the direct needs of the community (e.g. opening a grocery store), the enabling social context, that has been a prerequisite for the social innovations to emerge, has been further reinforced throughout the social innovation process. For example, this

can be illustrated by the increased interaction between the two previously conflicting stakeholder groups as a result of Fullfoder, even though the initiative did not reach its full potential. Another example is how Nipakademin and Egnahemsfabriken have encouraged increased collaboration and further initiatives for sustainability in the local community.

When it comes to systemic change that stretches outside the local community, the interviewees seem to agree that it is not possible to achieve such a shift through one social innovation, even though their efforts can contribute to an overarching change, which aligns to the idea of Murray et al (2010) that systemic change is made up by many small innovations. Several interviewees emphasise the role of the government, i.e. the formal institutional context (North 1991; Welter 2010), to enable systemic change and that a shift in the informal institutional context is needed, for example in the form of less dependency on the neo-liberal market and that people in general realise the benefits and the importance of rural areas. Furthermore, as these social innovations are heavily shaped by and adapted to the local context and locally manifested societal challenges, in coherence with findings by Steinerowski & Steinerowska-Streb (2012), consequently they cannot be expected to scale up to create a systemic change.

2. Utilising assets and overcoming liabilities

Access to resources outside the community through the embedded intermediary

The social context has been crucial in almost all of the social innovation processes studied, by enabling access to resources in the form of knowledge and ideas. The relevance of social embeddedness which refers to “nature, depth and extent of an individual’s ties into the environment” (Jack & Anderson 2002, p.468), as well as access to connections outside the local community is apparent in all five cases. How these two factors are combined can be understood through the lens of the embedded intermediary (Richter 2019). The embedded intermediary alludes to an actor who holds a position of being socially embedded in the local context, but is also able to act as a bridge into spheres previously inaccessible to the community (ibid.). As we shall see, embeddedness and the embedded intermediary have been important in the cases studied, although in different forms.

IM, the initiator of IM Start-Up Hub, appears to be well embedded in the local community due to their long history as a major actor in Vrigstad. However, the target group for IM Start-Up Hub was newcomers in Sweden who cannot be expected to be familiar with IM’s role in Vrigstad. This explains why IM had to put effort into building trustworthiness, i.e. social capital (Dufays & Huybrechts 2014), towards the stakeholder group. As these efforts proved to be successful, their

social embeddedness can be considered to have deepened in the community. IM operates as a bridge between social and cultural gaps in the sense that they strive to integrate newcomers in the local community as well as in the Swedish society. However, IM cannot be considered to fully cohere with the idea of the embedded intermediary given that they are not primarily motivated or bound to the specific location of Vrigstad, but act first and foremost according to the aims of the national organisation. Skålan community council does however correspond to Richter's (2019) idea of the social enterprise as an embedded intermediary. They are well-rooted in the community, their main goal is to serve the needs of Skålan and they seem trusted by the community to do so. Further, they possess the capability of accessing extra-local resources in terms of knowledge, new trends and financial resources.

However, in the remaining three cases included in this study, the role of the embedded intermediary is rather embodied by an individual. Both TH (Egnahemsfabriken) and ÅW (Nipakademin) possess the favourable position of being locally embedded and holding important ties into other spheres. TH has these contacts through her profession and various engagements and ÅW closely resembles the example in Richter's (2019) study, being a "return migrant". He also holds valuable personal contacts and the ability to create the networks necessary. However, as time has passed, Nipakademin as an organisation increasingly has come to adopt the characteristics of the embedded intermediary, acting as a bridge between the local community and other spheres (ibid.). The case of Fullfoder is slightly different, due to the fact that the communities are rather two stakeholder groups (reindeer herders and farmers) than a physical location. AL and his project partner, the chairman from one of the Sami villages, can be seen as embedded intermediaries since they were both embedded in their respective communities and at the same time had access to networks outside of that community.

Following the cases explored in this study, it can be understood that the role of an individual as an embedded intermediary can be crucial depending on whether there is a socially embedded organisation or actor initiating the social innovation or not. As the social innovation becomes increasingly embedded in the local community, the importance of one individual seems to diminish and the role of the embedded intermediary appears to transfer from a specific person to the social innovation as a collaborative actor.

Overcoming the liability of competing institutional logics

The formal institutional context in terms of bureaucratic procedures and what is perceived by interviewees as disinterest and lack of understanding among the local decision-makers is the most

apparent liability for rural social innovation according to this study. However, the attitudes of the local institutional actors appear to change along the process of social innovation. Hence, it can be understood that it has not been the social innovation outcome as such that has caused the authorities to hesitate in their support, but rather what can be referred to as competing institutional logics (Thornton & Ocasio 2008).

Institutional logics can be described as the norms and rationality that guide action within any organisation (Thornton & Ocasio 2008). The institutional logic of a governmental authority most likely entails that outcomes can and should be planned for and measured and that processes can be monitored. AL (Fullfoder) suggests that many formal institutions are characterised by insufficient leadership, an organisational culture that could then also be considered as part of an institutional logic. By contrast, the innovative nature of social innovation implies a certain amount of risk-taking, organic processes and difficulty to foresee and measure exact results (Murray et al 2010). Thus, there is a gap between the innovative logic of social innovation and the bureaucratic logic of the municipality which needs to be bridged or compensated for.

Each of the social innovations have handled the competing institutional logics (Thornton & Ocasio 2008) using different strategies. The reasons why bureaucratic procedures were not considered to be obstacles in the cases of IM Start-Up Hub and Nipakademin could be many. After all, the formal institutional context is to some extent constituted by individuals, and the role of these individuals has not been explored in this study. It is possible that individuals at the municipal or regional decision-making level have enabled (or constrained) the initiatives due to (lack of) personal connections or experiences. Nipakademin had the advantage of personal connections into the formal institutional context while AL, one of the initiators of Fullfoder, suggests that decisions made by an individual within an institution caused their initiative to stall. As a well-established national non-governmental organisation, IM has probably learnt to adapt to the logics of bureaucracy by for example adapting their tools for measuring results to fit the donors' logics. This could partly explain why IM has not perceived the institutional context as an obstacle.

The cases that did perceive the formal institutional context as a liability made use of social networks to overcome this deficit. As an example, Egnahemsfabriken utilised the support that they had from credible actors to gain legitimacy in the eyes of decision-makers, actors who are associated with the characteristics of a bureaucratic institutional logic to a greater extent than a social innovation initiative (e.g. the Church of Sweden, a researcher and a research institute). In the case of the grocery store, the community council simply turned to their social networks to acquire

the information the municipality failed to give them and in the case of Fullfoder attempts to navigate the obstacles that the formal institutional context entails have not yet succeeded.

DISCUSSION

This thesis further underscores the importance of contextualising social innovation. The study of five cases of social innovations in rural Sweden to a large extent coheres with existing research regarding how the rural context can enable and constrain social innovations. The social dimension of the rural context has proved to be an asset for social innovation as suggested by several scholars (Dufays & Huybrechts 2014; Skerratt et al 2012; Richter 2019). The constraining effect on social innovation due to competing institutional logics also aligns with previous research (Bosworth 2020; Neumeier 2017; Steiner & Teasdale 2019) as well as the significance of extra-local networks (Bock 2016; Richter 2019; Shaw & Carter 2007).

In contrast to what is suggested as a liability of the rural context within conventional entrepreneurship research (Steiner & Cleary 2014, Korsgaard et al 2011), this study does not clearly indicate that geographical remoteness constrains social innovation. A reason for this could be that, in line with findings by Steinerowski & Steinerowska-Streb (2012), the context heavily shapes the social innovation and therefore the initiators are forced to adapt to the spatial context at an early stage. This study also points to the importance of individuals in order to access certain networks and knowledge, particularly in the initial stages of the social innovation process. This finding strengthens the critique put forward by Bock (2016) and Neumeier (2017), that only the most resourceful rural areas will attract these individuals and develop social innovations, leading to increased inequality between rural areas. In other words, the “gap between rural and urban” may shrink, while a gap between rural and rural is instead nurtured if social innovation is overly relied upon to solve societal challenges in rural areas.

It is interesting to note that while social innovation appears to be driven by an urge to resist and transform prevailing paradigms deriving from neo-liberal policy, initiating a social innovation could be understood as an approval of the withdrawal of the state and increased dependency on the private and civil sector. The question lingers whether the civil and private sector should be expected to solve problems that are perceived to be driven by an absent state. In regard to this, an interesting prospect for further research would be to explore the level of political engagement amongst individuals and actors involved in social innovation initiatives.

To sum up, this thesis has contributed to existing research on social innovation in rural contexts by pointing out that the perception of the context as constraining or enabling varies depending on the stage of the social innovation process and the character and resources of the social innovation initiator. Consequently, in order to enhance social innovation, it is crucial to take notice of the context as well as the character of the social innovation initiator.

1. Implications for policy

As social innovation is increasingly acknowledged by policy makers as a solution to complex societal challenges, it seems appropriate to consider what implications this study has for future social innovation policy. As the five cases in this thesis show, social innovation has the potential of providing creative ideas to solve local as well as systemic challenges, while also stimulating the overall well-being of a community. However, if social innovation is not to be considered as yet another withdrawal of the state, the increased reliance on social innovation as a tool for societal development needs to be accompanied by governmental action. After all, the uttermost responsibility to drive systemic change toward sustainability ought to fall upon the government.

In the light of this study, the following suggestions regarding social innovation policy are made. First of all, the matter of context needs to be increasingly noticed when designing policies and strategies to promote social innovation. For instance, the Swedish government's strategy for social enterprises (2018) contains several promising ambitions, such as increasing knowledge on social innovation within the public sector and enabling social networking between social enterprises and financiers, but it does not mention how the prerequisites for social innovation vary throughout the country and how these objectives can be adapted to fit urban as well as rural contexts. By scrutinising what enables and constrains social innovation where and why, as has been done in this thesis, a biased situation where social innovation thrives in some places but not in others can be avoided.

Secondly, strategies to enable access to extra-local networks need to be designed to also fit rural contexts. As this study reveals, extra-local networks are often connected to specific individuals, which is a vulnerable situation if social innovation is to be applied as a policy tool. Thirdly, governmental authorities need to find ways to support social innovation without burdening initiators with heavy administration and bureaucratic procedures which clinch with the innovative nature of social innovation. This could for example imply lowering the demands on measurable and foreseeable outcomes. Lastly, it could be helpful to define and include social innovation in legal

frameworks in order to make social innovation initiators more credible and tangible in the eyes of decision-makers and government officials.

2. Implications for rural development

The implications of this study for the field of rural development is that social innovation, if managed wisely, could be a valuable tool for solving societal challenges in rural areas. In fact, the similarities between social innovation and the neo-endogenous development approach (Bock 2016; Bosworth 2020), which currently dominates rural development practice, can be considered an asset in the sense that many rural communities are already accustomed to the locally empowered, bottom-up practices of development. However, in line with the neo-endogenous development approach (Bosworth et al 2020), this thesis argues that the role of the state as a facilitator of local empowerment should not be neglected.

In addition, the dense social context of rural communities (Skerratt et al 2012; Jack and Andersson 2002; Steinerowski et al 2008) in comparison to more urban settings can be utilized to advance social innovation, although it is crucial to take notice of the fact that constraints and enablers vary between different rural contexts. Examples of successful social innovation with the purpose of inspiring other rural communities should be followed by a reflection on how that specific context has enabled a fruitful process and outcome. This would enable the spreading of successful social innovations also to less resourceful rural areas. Lastly, social innovation can have a valuable impact on rural communities and even contribute to change outside of the community, but social innovation alone cannot be relied upon to achieve solid systemic change within the field of rural development.

CONCLUSION

This study has highlighted that different dimensions of context enable or constrain social innovation to a varying extent throughout the social innovation process. The social context is considered to be the main asset in order to enable social innovation throughout the whole process, but especially in the initial stages of generating ideas and prototypes. The formal institutional context appears to be the major liability for social innovation, although it seems to become less constraining and increasingly enabling along the process of social innovation. Also, social innovations in rural contexts seem prone to spread and adapt to other rural settings through social networks, rather than scaling in conventional meaning.

How the liability of competing institutional logics between formal institutions and social innovations is handled is largely dependent on the specific character of and the resources available to the social innovation initiator. However, it is apparent that social networks are utilised to access resources, primarily in the form of knowledge and credibility. Networks outside the local community appear to be of particular importance and the role of the embedded intermediary offers an explanation to how resources are accessed from such networks. This study suggests that individuals can act as embedded intermediaries in the infancy of a social innovation but that the importance of the individual diminishes as the social innovation process proceeds.

To conclude, decision-making authorities must take the lead to achieve societal change at a systemic level, although social innovations can provide innovative examples of how to solve complex societal challenges, well-grounded in the local context. Because after all – context matters.

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