

Social entrepreneurship in Lapland

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In the frame of the Interreg Europe funded project “Social Enterprises in Sparsely Populated Areas – SOCENT SPAs”, a report was compiled on the status of social enterprises in Finland and in particular in Lapland. This report will serve as base for the development of an Action Plan for Lapland, which is to be implemented for the introduction of a comprehensive social entrepreneur support scheme in sparsely populated areas. Data for the report was collected by conducting desk research on social entrepreneurship in Finland, its legislation, terms, concepts and related issues. In addition, three interviews with stakeholders of social enterprises in Lapland were conducted, which were subsequently analysed using the STEEP method.

Situation of social entrepreneurship in Finland and Lapland

Social entrepreneurship is a relatively new issue in Finland (European Commission 2014). As the welfare system in Finland is fairly developed, the meaning of families is not as central and thus, the purpose of social enterprises is quite different from other countries (Pättiniemi 2006, p. 3). In the Finnish language, there are two different definitions for social enterprise, making international comparison difficult. *Sosiaalinen yrittäjyys* translates to social entrepreneurship and so does *yhteiskunnallinen yrittäjyys*. Nevertheless, it is agreed that *sosiaalinen yrittäjyys* can be translated to work integration social entrepreneurship, making distinguishing between the two terms while translating social entrepreneurship into Finnish somewhat easier.

However, the Finnish Ministry of Economic Affairs and Employment is very specific when defining social enterprises (translated from Finnish):

“The purpose of social enterprises is to create jobs especially for people with lowered ability to attain employment and for long term unemployed. A social enterprise does not differ from other companies. It produces goods and services to markets and aims at making profit just like mainstream companies. A social enterprise can act in any field. It pays salaries to all staff according to collective bargaining and is always registered in the commercial register. The only difference is that 30 % of the employees in a social enterprise are persons with disabilities or persons with disabilities and the long term unemployed. In addition, social enterprises have to be registered in the ministry’s register for social enterprises.” (TEM 2017.)

For social enterprises, a mark was created, identifying them as such to the outside. The Association for Finnish Work launched the Finnish Social enterprise Mark (Yhteiskunnallinen yritys) in 2011. The mark is described as being given to companies, which are set up to solve social and environmental problems and the companies dedicate most of their profits to this purpose. They also cherish transparency and openness in their activities. The companies apply for the Finnish Social Enterprise Mark and an independent committee awards it (Suomalaisen Työn Liitto 2017). (Figure 1)

Apart from going through the register of holders of the Finnish Social Enterprise Mark manually, it is difficult to obtain any statistical information on the number of social enterprises in Finland or, for that matter, in Lapland. As stated in the definition of social enterprise by the Ministry for Economic Affairs and Employment, social enterprises need to be listed in the ministry’s register of social enterprises.

Nevertheless, in Finland many organisations show characteristics of social enterprises, without holding the official mark or being listed in any register. These organisations usually hold the legal form of association, foundation or cooperative. Especially cooperatives have a long history in Finland and their values include for instance ethical behaviour, democracy, caring for others, social responsibility, equality and solidarity (ICA 2017). Hence, when looking at statistics for social enterprises, the register of Pellervo, the Finnish association for cooperatives, should be taken into account. Overall, it seems that the registers do not give a comprehensive picture of the number of social enterprises in Finland. Hence, estimating the amount and profile

of social enterprises in Finland is quite challenging. However, what can be seen from the registers is that Lapland is considerably underrepresented in them, with only two holder of the Social Enterprise mark in Lapland.

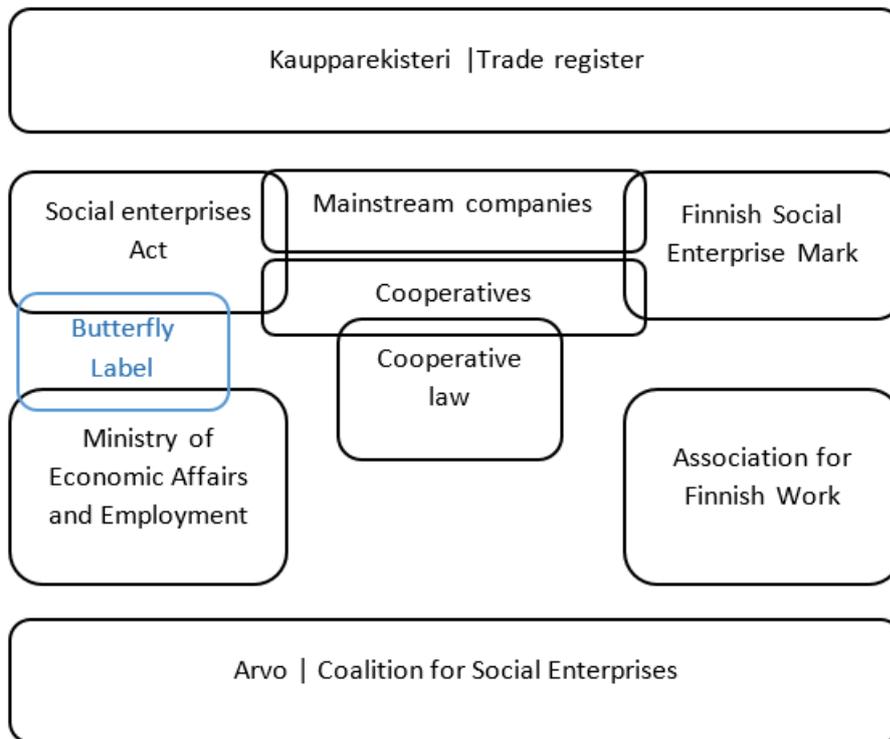


Figure 1 Field of social enterprises in Finland (SOCENT SPAs study report, to be published)

The current situation of social enterprises in Lapland has been analysed also with the help of interviews. The interviewees were chosen based on their affiliation with social enterprises and in order to give a broad view of social entrepreneurship in Lapland. Among the interviewees was one participant from a cooperative in northern Lapland, one from an enterprise holding the Finnish Social Enterprise mark in Rovaniemi and one from a local development agency in central Lapland. The interviews clearly showed that there is a demand for social entrepreneurship in Lapland. However, this demand currently is not met by lawmakers or governing bodies, but is presently mostly fulfilled by associations, foundations and cooperatives. Nevertheless, with the upcoming province reform as well as the reform of the Finnish health care and social services system, it is believed that the demand for social enterprises will increase and that municipalities will have to respond to it.

Conclusion

In conclusion, it is to say that the current status of social enterprises in Lapland is hard to gauge. Although two registered enterprises holding the Finnish Social Enterprise Mark exist in Lapland, a much larger number of organisations sharing the characteristics of social enterprises, such as cooperatives, associations and foundations, exist in the area. Based on the findings of the desk research and the interviews, the following recommendations were formed:

- More support and information is provided on social entrepreneurship to start-ups and on-going businesses in Lapland;
- The visibility and usefulness of the Finnish Social Enterprise Mark is increased;
- Models of other countries regarding social entrepreneurship, their implementation and support systems are investigated.

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