

COPE Project  
GAP ANALYSIS IN SWEDEN  
(Mikrofonden Väst)

**CONTEXT**



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The history of co-operation in Sweden goes far back in time and largely follows the history of co-operation in the rest of Europe. As early as 1801, the first mutual insurance company was established and during the first half of the century, above all, producer cooperation grew. At the end of the 19th century and around the turn of the last century, there was an increase in consumer cooperation, with a clear influence from, among others, British grocery stores. In 1923 Sweden's first tenant cooperative, HSB, was formed and extensive housing cooperation emerged in Sweden. Today, all the large, Swedish cooperatives have their roots from this time

During the 80s and 90s, the co-operation went through a revival of sorts and a "new co-operation" emerged. Parental cooperative preschools, rural schools as staff cooperatives and various forms of artists' and craft cooperatives gradually became more common. So-called work-integrated social enterprises / work cooperatives were also started, mainly to create meaningful jobs for people far from the regular labour market.

Compared to many other countries, the cooperative model is less in demand in Sweden. One explanation for this, can be found in the extensive welfare construction that the country underwent after the Second World War and until approx. mid 70s. The cooperative model as a solution to the challenges of society was not in demand, mainly due to the fact that a strong public sector provided for basic needs and income disparities were the lowest in the Western world.

In Sweden, co-operation is not a form of association of its own, if you want to start and run a co-operative, the form of choice is usually Ekonomisk Förening (Economic Association) and this company form is relatively unknown and surrounded by a lot of prejudices. The norm for entrepreneurship in Sweden is Aktiebolag (Private Limited company).

There is also a form of company called Ömsesidiga Bolag (Mutual Companies). This form only occurs in insurance operations and some of Sweden's largest insurance companies are Ömsesidiga Bolag.

The turnover for the 100 largest cooperative companies in Sweden in 2019 was € 44,2 billion. To this sum another € 21,4 billion can be added as turnover of the largest mutual companies that same year.

Within this total, there is a significant range, the largest (ARLA) had a turnover of € 12,2 billion (but in this context it should be mentioned that Arla is not entirely Swedish). Of the all-Swedish companies, Lantmännen Ekonomisk Förening with 21 member associations is the largest with a turnover almost half of Arlas. As a further comparison, that the company with the lowest turnover of the 100, had a turnover of € 4,3 million. In total, the co-operation accounts for about 10% of GDP in Sweden.

Another measure of size is the number of employees. Seven of the 100 largest companies had 1,000 or more full-time employees and just over a quarter had fewer than 20 full-time employees. Five of the 100 largest companies had no employees at all. For comparison, it can be mentioned that only 0,4 per mille of all Swedish companies have 1,000 employees or more.

The number of full-time jobs in total, with the 100 largest Economic Associations and the Mutual Companies together was approx. 77,500 in 2019. However, it should be added that many employees were part-time and / or short-term employees and this means that cooperative and mutual companies together have an estimated close to 100,000 employees in total.

Regarding the number of members in the associations, KF-Coop and the Consumer Associations are in a class of their own with about 3,5 million members.

This is followed by OK associations with 1 million and HSB associations with 650,000.

The members representation on the boards was 747 members, of which 30% women.

The largest and most well-known cooperative companies in Sweden represent a few industries, such as agriculture, food, food processing, wholesale, energy production and transport. At the level below, we find education including preschools, housing, healthcare & care as well as building & construction.

The overall picture is that those who provides consumer services for daily needs are run by individual consumers. For production goods, business services and rare purchase services, it is mostly producing companies that run the business and among energy companies it is common for both households and companies to be included as members.

In the cultural sector, individual cultural practitioners are involved as producers, and in care, school, care, it is common for both user-driven (clients themselves or their relatives) as well as employee-driven companies.

It is also not uncommon for both users and employees to be members of one and the same Economic Association.

Source: Svensk Kooperation and SCB, Statistics Sweden.

## **PRODUCTION PROCESS**

All the interviewees work as advisors / counsellors at various, relevant organizations in Västra Götaland (west of Sweden). Approximately 60% of the respondents in the in-depth interviews work as advisors / counsellors within the cooperative sphere, the rest represent other organizations with some sort of relevance to entrepreneurship and innovation. The people who participated have long experience of providing support to groups, but not all have experience of cooperation. The advisors / counsellors work within organizations that receive some sort of state or municipal grants in order to be able to offer a certain number of hours of free advice.

We e-mailed requests, asking for participants and then we made appointments for the interviews. All interviews were conducted digitally via zoom and the average time for each interview was about 1 hour. Some questions needed more time than others due to the need to reason our way towards answers to arrive at what distinguishes the cooperative way of working compared to more traditional forms of entrepreneurship.

All interviews, both in-depth interviews and in the focus groups were documented in Swedish and then compiled and analysed by the Mikrofondens COPE-team before translated into English.

## **QUALITATIVE ANALYSIS**

### **INTERVIEWS**



**1. For how long have you been an instructor promoting entrepreneurship education? How did you accumulate the knowledge you currently have?**

The persons in our 10 individual interviews had an average of 13 years of experience in training / business counselling. Their knowhow has been gathered in a number of different ways, mainly through own experience and further training within the organizations where they worked with business consulting and financing solutions. Most have an academic education, but not necessarily an education that includes business consulting and / or financing.

Among those interviewed were also a number of persons who have financial education and/or law studies.

We can see that a number of persons have a related background as business advisors or as financing and/or business developers.

One of the trainers have previously been a board member of Coompanion, both on regional and national level, but is today part of the working the team as a trainer/ advisor and project manager.

In summary we see that there is a long and broad experience among those who were interviewed, which all represents various organisations within the Mikrofonden Väst network of collaborators.

**2. How do you and your organization work in the promotion of the cooperative entrepreneurship with adults? (i.e., working individually or with groups)**

The people that we have interviewed are from various networks, including established cooperation but also from other advisory organizations. We have also interviewed various key persons who are engaged in Mikrofonden Väst's advisory activities.

The majority of those interviewed and who had no connection to Mikrofonden Väst, expressed that they had a lack of knowledge about cooperative entrepreneurship and that they most often refers the clients to their nearest Coompanion.

When asked about the difference between corporate collaboration and cooperation, it became clear to us that they were familiar with the cooperative model but they had not identified it as cooperation.

**3. How do you reach your target group?**

The target group is, to a large extent, reached through the website, via newsletters, social media and via networks. Some stated that they had good, regular contacts between various other business advisory organizations and the prospective entrepreneurs were referred to each other within these networks.

Some mentioned that they got in touch with people within the target group through workshops, lectures and/or information meetings arranged by themselves or others. Several advisors also rely on their personal networks to a large degree in their efforts to reach the target group.

**4. Which groups or sectors have reached out to you as an instructor? Where is the strongest demand for the cooperative model?**

The advisors/counsellors stated that they are being contacted by entrepreneurs, non-profit associations, business networks and other similar organizations that are in need support in the form of advice, business development and financing solutions. It can also be organizations and companies that work in various relevant projects. We did notice a

difference between the advisors /counsellors that work regularly with the cooperative model and those who expressed a lack of knowledge about cooperation. We did also notice that specific words and expressions recur among the cooperative advisors/counsellors, for example; “value-driven companies”, “social entrepreneurship”, “sustainability” and “circular economy”.

Mikrofonden Väst works specifically towards its target group which organizations and associations with in the social economy.

**5. Did you organise mentoring activities for groups in pre-start-up phase?**

The majority of those interviewed state that they don't have an organized mentorship for groups. Within certain target groups, for example, *work-integrating social enterprises*, there is often a need for more continuous support and when that is provided, it can be likened to a mentorship of sorts.

**6. How do you plan and implement trainings on cooperative entrepreneurship? Are you following training modules?**

The established cooperation in Sweden use mostly templates and materials developed on a national level. Advisors/counsellors within Mikrofonden Väst and Coompanion usually start out with their own templates and material together with modules and material from their respective national federations. The reason for these methods is, according to the advisors/counsellors, that each group is unique and that they adapt the training modules and material based on the group's level of knowledge and needs.

Advisors/ counsellors that work within specific project activities do not use the same advice and training approach as those aimed at cooperative entrepreneurship. Although they do mention in the interviews that their work methods probably are based on a cooperative model, when they give it some thought.

**7. Which are the training topics?**

One individual mention that his/her organization have an online education where the cooperative principles and values are taught. Within the established cooperative businesses, advisors /counsellors tells us that they put emphasis on teaching values and structural development within their own organization. It is obvious that the established cooperatives mainly focus on managing one's own business and organizations, they do not focus on promoting new cooperatives. The advisors / counsellors who work directly with the target group, i.e. prospective or start-up cooperatives/companies tells us that they mainly teaches explains about business development, finance, marketing, law and knowledge regarding forms of associations.

**8. How did you present the financial aspects and the business planning?**

Advisors / counsellors working within the established cooperative business focus mainly on supporting management and providing support to the board. Advisors / counsellors who mainly work with start-up groups and advice on financing, use various methods and

teaching modules, for example, Business Model Canvas -BMC. They also give support and advice regarding how and what a budget must contain to be presented to banks and other financiers. Advisors / counsellors also tells us that when they meet with Individual Companies (non-cooperative enterprises) use individual budget templates, but they rarely use various business plans.

**9. How do you present the cooperative principles and the cooperative governance model?**

Some of those interviewed mentions that basic training in board work with emphasis on the cooperative principles are one example.

Those advisors / counsellors who do not focus mainly on cooperative entrepreneurship tells us that they do not mention the cooperative principles but those who do work with cooperative entrepreneurship explains that the principles are the base of which they work from and a natural part of their advice and training efforts.

**10. How do you present the topics of sustainability and innovation?**

Among the established cooperation, the issue of sustainability is present in all their activities and training. They all have information on how their organization works with sustainability issues and they also have it on printed information and in newsletters and the like that is sent to their members.

One individual from Mikrofonden describes that the issue of sustainability is integrated in all their training / counselling and that they link sustainability issues to the UN's global goals. Many other advisors / counsellors explain that it is naturally included in all advice, and they mention, among other things, circular economy, financial and ecological sustainability.

**11. How did you introduce the topics of entrepreneurial marketing and scaling in business?**

The interviewees told us that they include talks about scalability and PR/marketing in all their consultations and they also provide good and inspirational examples. They also put emphasis on the connection between PR/marketing and sales to create sustainable companies.

All advisors initiated general marketing dialogues and tailored training based on the group's needs and location.

**12. Which training methods do you use to improve learning development? (Case study, Games-based training, lecture, Role-Play, simulation,...) which methods do you think are more suitable?**

The majority of the advisors / counsellors that were interviewed state that they use lectures, workshops and learning by doing. One advisor mentioned showing relevant films as a good method, and group work was also mentioned.

In our opinion the majority of the advisers use more than one method and not only the ones which are listed in the question, but since the question stated specific methods, the answers is based on these.

Many of the advisors / counsellors that we have interviewed have a lot of experience and they explained that they, above everything else, rely on their ability to read the group and adapting methods based on the specific needs of the specific group.

**13. According to your experience, what is missing or what should be more developed in a training on cooperative entrepreneurship?**

The majority of advisers / counsellors that usually work more towards traditional entrepreneurship express a general lack of knowledge about cooperation in entrepreneurial education at large. There is not enough teaching materials and methods about cooperation to lean on. Some also express a desire that the big, established cooperatives should support the new co-operation to a much greater extent, they are large organizations and they have enough resources to produce, finance and provide teaching materials and training methods specifically for co-operation.

The established cooperatives on the other hand, mentioned that they calls for more concrete collaborations between old and new co-operation. It could lead to an increased knowledge about the cooperative values among members and within society at large. The importance of headlighting cooperative leadership and cooperative control systems was also mentioned in the interviews.

**14. According to your experience, what makes a training successful? Present a good practice from your experience.**

The persons interviewed by us express a general feeling of being good at adapting their advice and teaching to each individual / group they meet.

The established cooperative organizations conducts only training internally for their members and boards and they have recurring educations all year around. This mean they can reuse concepts and methods throughout their organization.

Advisors / counsellors who mainly work towards new cooperation and potential cooperative groups develop different methods and concepts that they adapted to each group. The majority feel that they are professional and committed in their effort to give good advice / teaching.

This is reflected in the fact that many groups express, when asked, that they are satisfied and return for more advice when needed.

One of the advisor that was interviewed, describes that the most important method is to create a sense of participation and inclusion among the group, both in the process and in discussions.

**15. what are the biggest challenges in your work? and how do you try to overcome these challenges?**

Some of the advisors / counsellors that we have interviewed also occasionally work with counselling and support to groups /associations within specific projects. Their experience tells us that it can be difficult to establish good collaborations between the



groups/associations even though they have a joint goal within the project. Some persons / groups are stronger than others and to create a democratic process is a challenge. Advisors/counsellors from the established cooperatives businesses mention future education as a potential challenge. The level of education, design and the digital format will be the challenges of the future. A generational change is taking place that will affect their methods and educations.

A major concern that several interviewees, regardless from which organization, mention is the general ignorance and lack of knowledge regarding cooperation, the cooperative model and Ekonomisk Förening as a business association.

Some advisers mention a lack of resources and time which poses a challenge and potential limit to their opportunities to reach out to groups or to do dissemination efforts.

The fact that there is a great deal of ignorance means that advisors / counsellors within the social economics and co-operation have to spend time explaining about co-operation at the same time as they need to have more cases and groups to advice in order to maintain public funding. This affect both financial advice / counselling as well as start-ups.

To be able to overcome these challenges, our interviewees highlights the importance of good PR/marketing work, advocacy and networking. It is all about making co-operation and all of us who advocate cooperation well known to erase old notions about the co-

Ang mikrofonden tankar om möjliga vägar framåt:

Mikrofonden behöver utveckla samverkan mellan Coompanion och Mikrofonden, men även andra rådgivarorganisationer. Behöver utveckla de kooperativa principerna och integrerar dessa i lite mer moderna verktyg, bla gentemot hållbarhet, och affärsutvecklingmetoder, i dagsläget svävar de kooperativa principerna lite väl fritt.

## FOCUS GROUP

This is a conclusion of two focus groups where a total of eight people who work as advisors and educators have worked with questions related to cooperative business and have been part in discussions lead by a process leader.

## QUALITATIVE ANALYSIS AND CONCLUSIONS

### **1. For how long have you been an instructor promoting entrepreneurship education? How did you accumulate the knowledge you currently have?**



Many advisors have many years and a great amount of experience. Many advisors have dedicated their knowledge through their work and internal educations within the organisation of which they work.

## **2. How do you and your organization work in the promotion of the cooperative entrepreneurship with adults? (i.e., working individually or with groups)**

To promote cooperative entrepreneurship the focus groups considers it important to manage advocacy work, marketing and to be active in networks that connect our advisors. Few in Sweden have knowledge of cooperative entrepreneurship and to be able to advise people we need to network. We help them from having only a business concept to having a complete business, amongst other things we help with education and board work.

## **3. How do you reach your target group?**

First and foremost, we reach our target group through networking and strategic collaborations as well as social media. The focus groups see that our business partners want for us to also market our services, as a crucial step to spread our message and yet again reach our target group.

## **4. Which groups or sectors have reached out to you as an instructor? Where is the strongest demand for the cooperative model?**

This focus group deem the biggest demand come from those who are driven by a ground set of values that correspond and finds liking in the cooperative model. We have experienced that those who contact us are those who want to start something together and have a common need, for example childcare, housing, food/cultivation.

## **5. Did you organise mentoring activities for groups in pre-start-up phase?**

The focus groups were united in the reasoning that mentorship in cooperative associations is worked with far too less and that is has a great potential for development.

## **6. How do you plan and implement trainings on cooperative entrepreneurship? Are you following training modules?**

The focus groups uses existing material such as Business model Canvas and Blue Ocean among others, and the focus group means to say that both in advisory work and educating work it is important to use coaching approach and to lead through the process. They make sure to always give the groups a possibility to develop sustainability in different aspects, economically, socially and ecologically. They help these different aspects become part of the process and use democracy as an important part of it all.

## **7. Which are the training topics?**

The focus groups mean that they advise in many different areas and have a great amount of knowledge and a big network to take help from. The counselling happens in these areas; law, financing, business development within an organisation and leadership. They mean that all counselling and advisory work is customised and is based on the individuals and the business.

#### **8. How did you present the financial aspects and the business planning?**

The focus groups believe that the business plans should be adapted, based on the company's needs and the individuals' prior knowledge and what it is meant to be used for. They use their organizations' templates and partners depending on the company and industry.

#### **9. How do you present the cooperative principles and the cooperative governance model?**

The focus group believes that it is very clear both when you go through, and shape the association's statutes, but that it is also part of the regular counselling.

#### **10. How do you present the topics of sustainability and innovation?**

The focus groups are usually based on the sustainability of the companies based on economic, social and ecological sustainability and they now use the UN's global sustainability goals to help shed light on this particular cause. When it comes to innovation, it is more service innovation than product innovation in the cooperative companies.

#### **11. How did you introduce the topics of entrepreneurial marketing and scaling in business?**

The focus group believes that marketing has become more accessible and easier to do yourself: many today have good knowledge about it, it has become easier to talk about and it is easier for everyone today to do marketing themselves and they can also understand the benefits of it.

The focus group believes that scalability is most often used when counselling established companies more than for start-ups.

#### **12. Which training methods do you use to improve learning development? (Case study, Games-based training, lecture, Role-Play, simulation,...) which methods do you think are more suitable?**

The focus group believes that they often use *participation between people* or similar companies as the one to be started. They also say that they use all the good examples that are available on social media, youtube, etc.

#### **13. According to your experience, what is missing or what should be more developed in a training on cooperative entrepreneurship?**

The focus group believes that the cooperative business model is not addressed in education, that most of the education at universities and colleges is about limited companies. The group thinks that the cooperative leadership within the board work should be raised and that all cooperative organizations do not have to be, or perhaps should not be, “flat” organizations but need leadership that is clear; but one that lives by the cooperative principles.

**14. According to your experience, what makes a training successful? Present a good practice from your experience.**

The focus group believes that a success is to adapt to the group's needs and not decide on a completed training program or counselling process immediately, but that it is essential to analyse the needs of the group at the first counselling. The focus group believes that the great competence the advisors possess in collaboration with digitalisation today has made it more accessible to both share and provide good examples for inspiration.

**15. What are the biggest challenges in your work? and how do you try to overcome these challenges?**

Analysis: The focus group believes that financing is a problem and that many banks see challenges with, the legal form and the knowledge of cooperation with banks and auditors is not large enough. The group believes that companies' time to work with development work is one of the biggest challenges. They further believe that the cooperation has always worked to help people realize ideas, and solve societal challenges, and that the focus group believes that it is difficult to know which solutions to prioritize for a change to take place.