

# **Nonprofit Entrepreneurship: a comparative analysis of Sweden and the United States.**

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Nonprofit entrepreneurship, more commonly referred to as social entrepreneurship, is a growing field of inquiry. The result of foundational work has been the development of an understanding of nonprofit entrepreneurship that is based on behavioral characteristics which distinguish the behavior from similar nonprofit behaviors (Dees, 1998; Mort, Weerawardena, and Carnegie, 2003, Mair and Marti, 2006). While a need for additional clarification is still relevant, conceptual progress does enable future research to examine more substantive nonprofit entrepreneurship questions.

A noticeable omission from existing literature is comparative studies of nonprofit entrepreneurship in different socio-economic environments. This paper extends theoretical development and remedies the aforementioned omission by exploring the similarities and differences of nonprofit entrepreneurship in the United States and Sweden.

The focus on nonprofit entrepreneurship has primarily examined the strategic behavior in capitalist economies (LeRoux, 2005; Dees, 1998; Mort, Weerawardena, and Carnegie, 2003). This narrow perspective can lead to general conclusions that misrepresent the true impact of the behavior. The Swedish welfare state offers a unique environment to explore the limits and/or extensions of nonprofit entrepreneurship theory.

The analytical framework used in this research to analyze nonprofit organizations in both countries rests on an understanding of nonprofit entrepreneurship as a behavioral phenomenon. Nonprofit entrepreneurship is not defined in this perspective as activity that results in commercial output (i.e. earned income). On the contrary the focus is on the application of innovation, proactiveness, and risk-taking that result in the development and use of a “new thing” (Covin & Slevin, 1988; Helm, 2007). Nonprofit entrepreneurs amalgamate these three separate constructs into a uniform behavior in order to create catalytic change in their sector (Covin & Slevin, 1988; Helm, 2007). Based on this understanding of nonprofit entrepreneurship, this research examines the following hypotheses:

Hypothesis 1: Swedish nonprofit entrepreneurs will exhibit a higher degree of innovation, risk-taking and proactiveness, than Swedish non-entrepreneurial nonprofit organizations.

Hypothesis 2: Swedish nonprofit entrepreneurs and United States nonprofit entrepreneurs will exhibit different levels of innovation, risk-taking, and proactiveness.

In order to test the hypotheses two convenience samples of 100 nonprofit organizations each will be drawn, one from the United States and one from Sweden. Since the purpose of this research is to examine nonprofit entrepreneurship it is imperative that selection of organizations minimize potential confounding variables that will mitigate the ability to draw conclusions. As such organizations with a primary goal of community influence, organizations engaged in information diffusion, and organizations that operates to accomplish social change either domestically or internationally through education or other direct means will be selected since they exist in both countries.

The nonprofit sector includes a broad and diversified array of entities. However, these entities also share some common features including; being organizations; not profit distributing; self-governing; and, voluntary (Salamon et.al, 1999) .The scope of a nonprofit sector is partially dependent on the service provision of government. The potential arenas for nonprofit activity outside the state in Sweden in the areas of social welfare have been limited as a consequence of socio-economic implications of the welfare state during the major part of the 20th century (Lundström and Wijkström, 1995). On the contrary, the reduced social service provisions of the United States government enable a far more expansive nonprofit sector, especially in the area of social welfare programs. Still, the Swedish nonprofit sector is characterized by the variety of its organizations and is not to be measured solely by the extent to which it is engaged in service delivery. When viewed in this way, the nonprofit sector is perceived as playing an undeniably significant role in Swedish society.

Organizations will be asked to complete an internet based survey that includes demographic questions and a social entrepreneurship scale. The social entrepreneurship scale was developed to quantify nonprofit entrepreneurship based on an organization's behaviors (Helm, 2007). The scale was tested for both content validity and inter-item reliability to confirm its application in future studies (Helm, 2007).

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