THE INFLUENCE OF WICKED PROBLEMS ON COMMUNITYBASED ENTREPRENEURSHIP IN RURAL SWEDEN

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Anne T. Pierre
ABSTRACT

Entrepreneurship research has, since the 1930’s, mainly focused on so-called traditional entrepreneurship and studies have to a large part discussed management processes. During the past 40 years social entrepreneurship research and research into community-based entrepreneurship and practice has emerged, as a response to changes in society due to global, regional and local events that affect local development. Such changes often affect rural areas severely, for instance depopulation, which often leads to a decrease in small business development, a decrease in social services such as healthcare, schools, banks and road maintenance, and a decrease in local and regional economic health. These structural changes are usually due to political decisions taken at a governmental level, which trickle down through society and affect local economic development and, indirectly, small business development. Local enthusiasts, business associations and in particular entrepreneurs often try to meet these structural changes through community-based entrepreneurship, which involves processes through which new businesses are created and can operate within the existing social structure of the local community. However, the practical problem is that there are factors influencing community-based entrepreneurship and hence the establishment of small businesses and local development, such as wicked problems, which in the rural context in this thesis refers to structural changes and complex relations. The theoretical and practical research gap is found in that there is a lack of studies exploring how wicked problems influence community-based entrepreneurship in rural contexts. Complex relations can be found in the three pillars of institutions based on regulative, normative and cultural-cognitive elements, where the same person can have many different roles, hence influencing local rural development. For this thesis, the theories of community-based entrepreneurship, state-society synergy, and small business development have been used to explore how wicked problems (structural changes and complex relations) influence community-based entrepreneurship in rural Sweden. Two literature studies were made on social entrepreneurship and community-based entrepreneurship, followed by three case-studies. The context of the first case-study was rural areas in the county of Jämtland and is based on results from the findings in the cross-disciplinary project on societal entrepreneurship in
sparsely populated areas (SESPA). The context of the second case-study is the municipalities of Berg, Krokom and Östersund in the county of Jämtland, where a total of 23 interviews were conducted with farm owners, participants in the service social farming and municipal officials and politicians. The context of the third case-study is the municipality of Sorsele in the county of Västerbotten and the municipality of Berg in the county of Jämtland, which are both situated in rural areas, where a total of 39 interviews were conducted with owners of small businesses, municipal officials and politicians. Results show that the development of community-based entrepreneurship research has furthered the possibilities to better understand the processes of entrepreneurship in local rural contexts. Furthermore, results indicate that the complex relations influencing community-based entrepreneurship that appear in this thesis call for caution. The structural changes that are interrelated with community-based entrepreneurship are, in spite of facilitating increased interest, not necessarily positive for local rural development. It was also seen that the rural context studied is a semi-stable institution, indicating that local rural development, and thereby small business development, is incoherent. If a municipality and the owners of small businesses are well in tune with the regulative, normative and cultural-cognitive elements in their rural context, have an understanding of what wicked problems are, and if they are properly understood and dealt with, then there is a chance that, although experiencing a semi-stable institution, local rural development can be attained. The theoretical contributions of this thesis pertain to entrepreneurship in rural contexts, community-based entrepreneurship, and wicked problems. This thesis concludes that wicked problems, in the shape of structural changes and complex relations, are present in the rural contexts studied. These wicked problems influence community-based entrepreneurship by being disruptive factors, affecting policy creation and implementation by the municipality. A flow-chart model has been created in order to show how wicked problems influence community-based entrepreneurship and hence local rural development.

**Keywords:** Social entrepreneurship, community-based entrepreneurship, wicked problems, small business development, rural local development, state-society synergy.

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Persåsen, September 2017
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**LIST OF PAPERS**

This thesis is based on the following five papers:

**Paper I**

A review of social entrepreneurship research

**Paper II**

Entrepreneurship in society – a review and definition of community-based entrepreneurship research


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1. INTRODUCTION

“Rather, ten times, die in the surf, heralding the way to a new world, than stand idly on the shore....” Florence Nightingale

1.1. Background

Since 1934 when Schumpeter discussed theories of economic development, and when business historians pioneered the study of entrepreneurship during the 1940’s and 1950’s (Jones and Wadhwani 2006), entrepreneurship research has developed to include many different approaches, concepts, and definitions. Today, in contrast to much management research over the past two decades, and through diverse coverage of countries, regions and industries, entrepreneurship research explores how the economic, social, organisational, and institutional context matters (ibid.).

There are several entrepreneurship research areas that have developed over the past four decades, where three of them are discussed in this thesis, namely social, community-based, and societal entrepreneurship. Social entrepreneurship can broadly be viewed as a process of creating value by combining resources in new ways that are intended primarily to explore and exploit opportunities for creating social value by stimulating social change or meeting social needs (Mair and Marti 2006). Community-based entrepreneurship enables individual entrepreneurs to pursue opportunities that create social benefits for a community, thus solving many of the unmet needs that many communities struggle with because of factors such as structural change (OECD 2011). Societal entrepreneurship can be viewed as a process in which “human beings invent ‘tools’ and organize in new ways to solve problems and create opportunities on the many arenas that contemporary societies offer” (Berglund et al., 2012 p. 2). In this thesis the main focus is on community-based entrepreneurship in a rural context.

Community-based entrepreneurship is important, especially in rural areas, where many communities face obstacles in local development such as depopulation, which often leads to a decrease in small business development, a decrease in social services such as healthcare, schools, banks, and road maintenance, and a decrease in local and regional economic health (Johannisson 2007). Local enthusiasts and business associations often try to meet these structural changes by employing community-based entrepreneurship (see e.g. Shields 2005, Johnstone and Lionais 2004, Stel et al. 2005, Johannisson 2007, Ratten and Welpe 2011). These structural changes are usually due to political decisions taken at a governmental level, which

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1 In this thesis the two concepts are viewed as identical and the term community-based entrepreneurship is used.
trickle down through society and affect local economic development and indirectly small business development. Structural changes often stimulate the local population and municipalities to test creative and innovative measures to solve or improve the situation (see Florida 2005). As such, community-based entrepreneurship is recognised by governments for its ability to transform society (Ratten and Welpe 2011).

Peredo and Chrisman (2006 pg. 310) define community-based entrepreneurship as “a community acting corporately as both entrepreneur and enterprise in pursuit of the common good” and say that community-based entrepreneurship involves processes through which new businesses are created and can operate in the existing social structure of the community. In Sweden the concept of community-based entrepreneurship was coined in the late 1980’s, in the Swedish discussion on local community development (Johannisson 1990; Johannisson et al. 1989; Westin 1987), to describe how enthusiasts began to find their own solutions to create change or to solve local problems in order to make their community a better place and enhance the lives of others (see e.g. de Leeuw 1999; Montgomery et al. 2012; Ruebottom 2013). Examples of how community-based entrepreneurship has been employed to meet challenges and create opportunities include: the Swedish Ung Omsorg (in English “Young Care”), which is an initiative that employs youthful energy to provide a meaningful leisure time for elderly people with disabilities and social activities together while at the same time bridge the gap between old and young individuals; Muhammad Yunus, who is a pioneer in micro financing and founded Grameen Bank to offer microcredits to poor people in Bangladesh without demanding security; Björn Söderberg who founded the Fair Enterprise Network, which has supported companies in Nepal that combine social responsibility with profitability; Hugh Evans and Simon Moss who launched the Global Poverty Project, also called Global Citizen, which is an education and advocacy organisation working to increase the number and effectiveness of people taking action to put an end to extreme poverty; and historically Florence Nightingale who established the first school for nurses and fought to improve hospital conditions (Ashoka 2015).

Community-based entrepreneurship can enhance and alleviate local rural problems, challenges and small business developmental efforts (see e.g.; de Leeuw 1999; Fandel et al. 2012; Ruuska and Teigland 2009), by encouraging individuals to acknowledge social, economic and ecological changes. Responses to such changes usually occur at the local level (Spilling 2011). Hence, community initiatives and entrepreneurship and thereby small business development are encouraged, by e.g. regions and municipalities, in order to create local development (ibid.). Interesting aspects of community-based entrepreneurship and small business development are how
municipalities can create favourable conditions for local business; what and how municipalities can learn from each other; how each individual in the local area can contribute; and finally, the requirements that need to be met before know-how can successfully be transferred at a local level (see Fink et al. 2012).

In community-based entrepreneurship, the mutual dependence that arises between different people and organisations, such as owners of small businesses and municipalities, with the purpose of influencing local development, gives rise to a symbiotic relationship (Ratten and Welpe 2011). The symbiotic relationship focused upon in this thesis is state-society synergy. This involves a complexity based on cooperation and balance between sectors, which in its turn can enable active governmental bodies and mobilised communities to support developmental efforts (Svendsen and Svensdsen 2009, Malecki 2012, Evans 1997) through synergetic activities, such as enhancing the local business climate or creating entrepreneurial opportunities.

Community-based entrepreneurship “in Sweden is recognised as being part of a dynamic interplay in which established systems and processes compete with new influences” (Gawell and Westlund 2014 p. 241). Hence, while most established societal and local needs are financed by taxes and administered by the public sector, community-based entrepreneurship in a setting such as rural Sweden becomes a mechanism for renewal and experimentation (Lundqvist et al. 2010). An indirect effect of this is that new businesses are created, as well as non-profit initiatives, in order to meet societal needs and to generate local development (ibid.). According to Westlund (2011 p. 975), “although entrepreneurship is generally defined as the foundation of new businesses, the concept of entrepreneurship is increasingly being defined and applied in several contexts outside its 'core'”. It is further argued in research that synergy is most easily fostered in societies characterised by egalitarian social structures and robust, coherent state bureaucracies (ibid.). Sweden fits this description well, which makes the cases and their contexts in this thesis wellanchored in previous research. However, there is an aspect that complicates the local development in rural areas and which often poses obstacles: so called wicked problems (see e.g. Head and Alford 2015, McCall and Burge 2015), which may in many ways hinder or make the process of change and small business development difficult to realise. The wicked problems referred to in this thesis are structural changes and complex relations.
1.2. The problem in general

The problem in this thesis has to do with if the rural context has an indirect effect on the synergy that is said to be easily fostered in a country such as Sweden, how local rural development is affected by this, and if wicked problems influence community-based entrepreneurship. The theoretical and practical research gap is found in that there is a lack of studies exploring how wicked problems influence community-based entrepreneurship in rural contexts. Previous studies on this aspect discuss for example the effectiveness of state-society synergy in rural Ghana (Jagri and Yeboah 2016); if state-society synergy in the USA can be created in the short run, or if it requires historically deep institutional and normative foundation (Varda 2012); and the changing relation between education and the state in a Swedish context (Säfström 2006). However, there is still little knowledge about state-society synergy in a rural context, and about whether wicked problems influence community-based entrepreneurship.

1.2.1. The wicked problems of structural changes and complex relations in rural contexts

Many of the structural changes, such as political and economic change (see Siemens 2010) have resulted over the years in people looking towards community-based entrepreneurship and starting their own businesses (ibid.). Reasons for this can include being able to stay in the rural area where they live, a sense of needing to remain in the area due to cultural and social needs, to avoid getting caught in the unemployment-web, or seeking the opportunity to start their own business. In modern societies, entrepreneurship and innovation are widely seen as key sources of economic growth and can give local development a boost (Dew and Sarasvathy 2007). Consequently, communities, governments, and interested organisations wish to exploit the potential of small businesses and entrepreneurship to create jobs and sustain these communities (Skuras et al. 2005). Small businesses in rural areas are shown to pursue rather different development paths than their urban counterparts, due to the way in which they adjust to the opportunities and constraints afforded by the local environments in which they operate (North and Smallbone 1996). The rural areas can be far from market hubs and therefore offer limited opportunities for personal interaction with potential new buyers of goods and services or with suppliers (Siemens 2010).

The equation might seem easy: create policies about how to work with community-based entrepreneurship and state-society synergy on a municipal level, and the wicked problems will be solved. Unfortunately, it is not that simple. On the one hand, entrepreneurial forces originating in individual or collective initiatives are
driven by passion and commitment to the context, in this thesis rural Sweden, which means that these forces are beyond the control of the municipalities (Johannisson 2007 p. 7). On the other hand, there are the wicked problems of structural changes and complex relations, where uncontrollable outside factors come into play and affect policy creation and implementation. Put all these factors together and the equation at once becomes much more complicated to solve. For example: in 2008, the United States experienced a major financial crisis which led to the most serious recession since the Second World War. The financial crisis and the downturn in the U.S. economy spread to many foreign nations, resulting in a global economic crisis (Tugrul and Dilek 2015). Despite intense efforts at the local level to create development and solve social, economic and ecological challenges, such outside and uncontrollable events make these efforts even more challenging. If such an event is examined at a local level, the effects may include: a lack of liquidity for owners of small businesses, businesses going bankrupt and thereby increased unemployment rates, decreased resources for municipalities to work with, and poorer health among the local population (see van der Meulen 2012, and Huang et al. 2011). Wicked problems, which are sometimes called social messes or untamed problems, are dynamically complex, ill-structured, public problems (Rittel and Webber 1973). The causes and effects of such problems are extremely difficult to identify and model; wicked problems tend to be intractable and elusive because they are influenced by many dynamic social and political factors (ibid.). They cannot be completely solved, but the state of the problem can improve, making it less destructive and noticeable (Batie 2008).

Since wicked problems cannot be easily categorised into separate disciplinary boxes, nor divided into more manageable parts under the assumption that there are clear and known casual paths, public policy makers might have a hard time recognising and treating wicked problems in connection with small business development (Weber and Khademian 2008). Wicked problems exist in many different contexts and originate from several different sources (Head and Alford 2015). Further, there are a range of problems that can be classified as wicked problems, such as economic, political and environmental, however this thesis focuses on structural changes and complex relations, which are also considered being wicked problems (see Head and Alford 2015). The first one concerns the structural changes that are taking place within the welfare state in Sweden, which, as this thesis shows, affect rural areas in particular through, for example, depopulation and centralisation (see Westlund 2011). The second one is about the complex relations that exist, in which people often sit on two chairs, meaning for instance that one person can have several positions in the private and public sectors, as shown in this thesis. People in this situation, with multiple roles, often engage themselves in social and economic issues in the attempt
to develop the community in which they live. In order to better explain these two kinds of wicked problems and how they influence community-based entrepreneurship in rural contexts in Sweden, they will be further explored in this thesis in the light of Scott’s (2014) institutional theories on the three pillars, regulative, normative, and cultural-cognitive, within an institution. To clarify, the wicked problem of complex relations are viewed in this thesis as being a part of the institution, which is the rural context, where also the structural changes happen and are felt.

Scott’s (2014) theoretical basis, the three pillars of institutions; regulative, normative and cultural-cognitive, is explained in order to show how and why these will be used in the analysis of the results and to explain the complexity of local rural development. A more detailed explanation of these theories can be found in the theoretical review chapter. Scott (2014) theorises the complex relations by looking at the three pillars that make up an institution (in this thesis the rural context) and relates this to various sorts of organisations, for example, non-profit associations, sport clubs, business associations, businesses, political networks and municipalities.

The focus of this thesis is the municipality as an organisation within the rural institutional context. According to Scott (2014), there are three institutional pillars in society: regulative, normative and cultural-cognitive. As Hoffman (1997 p. 36) states: “the three pillars form a continuum moving from the conscious to the unconscious, from the legally enforced to the taken for granted”.

The regulative pillar is based on what Hoffman (1997) calls the “legally enforced” or the “conscious” regulations. In other words, this pillar is comprised of the rules and regulations present in society, which every citizen should abide by. The second pillar is the normative one, in between what Hoffman (1997) refers to as the “conscious and the unconscious”. Normative rules introduce a prescriptive, evaluative, and obligatory dimension into social life (Scott 2014). This pillar includes both values and norms. The third pillar, referred to by Hoffman as the “unconscious” or the “taken for granted” element, is the cultural-cognitive element. Scott (2014 p. 67) stresses “the centrality of cultural-cognitive elements of institutions (in this thesis the rural context): the shared conceptions that constitute the nature of social reality and create the frames through which meaning is made”. The thesis also discusses how fragile these systems are, especially the normative and cultural-cognitive, when structural changes occur. In order to present a clearer explanation of how these three pillars function within a rural context, these pillars of institutions will be discussed in detail in the theory chapter.
The results of this thesis are hence analysed in the light of Scott’s theories presented above, since the areas studied have undergone structural changes due to global, national, and regional occurrences, as well as experiencing complex relations possibly due to them being located in rural contexts. In the light of the research problem, the following section formulates the aim of this thesis and presents three research questions.

1.3. Research aim and questions

There are theoretical and practical research gaps regarding how wicked problems (in this case structural changes and complex relations) influence community-based entrepreneurship in a rural context, in particular regarding complex relations such as those between owners of small businesses and the municipality, so called statesociety synergy. Furthermore, research on traditional concepts of entrepreneurship and economic development do not seem to capture essential features of community-based entrepreneurship in local rural areas (see e.g. Spilling 2011). This indicates a theoretical and practical gap in research that call for studies on the influence of wicked problems on community-based entrepreneurship.

Previous research on wicked problems in conjunction with community-based entrepreneurship chiefly examines the following aspects: entrepreneurship in relation to complex social problems (Dorado and Ventresca 2013); how the overall development of an entrepreneurial venture might help to expand the inventive possibilities for civic entrepreneurs to come to grips with wicked problems today (Gerding and Vealey 2017); linking supply chain performance to types of knowledge and supply chain governance where the wicked problem is sustainability (Peterson 2009); and how institutional entrepreneurs play an important role in the wicked problem of sustainable urban development (Klein Woolthuis et al. 2013).

Wicked problems and the on-going policy creation and implementation by municipalities in rural areas make it even more difficult and complicated for municipalities to create local development that will increase the value of the area and increase their competitive-ness and their ability to create businesses and jobs, attract people to move there, improved infrastructure, public services such as healthcare and schools. This thesis contributes to the theoretical field of community-based entrepreneurship in rural contexts influenced by wicked problems and also presents practical suggestions for policy makers and thereby facilitates the process of rural local development.

The purpose of this thesis is hence to explore how wicked problems influence community-based entrepreneurship in rural areas in Sweden. It is argued that wicked problems, such as structural changes and complex relations, affect
entrepreneurship in rural areas, due to contextual factors. However, this problem has not been addressed sufficiently in previous research, which has created a theoretical as well as a practical gap (see e.g. Cavicchi et al. 2013; Dentoni et al. 2012; Conklin 2006). The results of this thesis, derived from literature studies and case studies, are analysed through the lens of Scott’s theories of the three institutional pillars; the regulative, normative and cultural-cognitive systems, in order to fill the gaps in research and create a better understanding of the complexity of community-based entrepreneurship in rural areas.

To address the aim of this thesis, the following three research questions have been formulated:

1. How has community-based entrepreneurship research developed to enhance the understanding of entrepreneurship as part of local rural development?

2. How do wicked problems influence community-based entrepreneurship in rural areas in Sweden, and what are the effects on the development of small businesses and local development?

3. How stable are the three pillars of institutions (regulative, normative and cultural-cognitive) in the rural context, and in what way does this affect local rural development?

By enhancing the knowledge on how wicked problems influence community-based entrepreneurship in rural areas, I want to contribute to the theoretical research field of community-based entrepreneurship. This will be done by exploring small businesses and municipalities in rural areas and the influence of the wicked problems of structural changes and complex relations.

**1.4. Process and outline of the study**

The layout and connection of the various sections making up this thesis can be visualised as a U-shaped arrow, as seen in figure 1 below. Showing the process of the thesis in which the sections opposite to each other mirror and connect to one another and where the five papers are the foundation of this thesis.
Figure 1. Process of the thesis and the connection and mirroring of the various sections, adapted from Lekvall and Wahlbin (2001)

The outline of the thesis continues by discussing the theory, which consists of a problematisation of entrepreneurship and its components, state-society synergy, small business- and local development, and finally wicked problems in a rural context. Subsequently, the method, paper reviews, discussion, conclusion and limitations are presented.
2. THEORETICAL REVIEW

This thesis proposes that there is a complexity of the notion community-based entrepreneurship in rural contexts and that this notion is influenced by wicked problems. In order to explore and analyse this proposition, this chapter highlights certain theories, which will help in this analytical process. The theories discussed are entrepreneurship, especially social, community-based and societal entrepreneurship; state-society synergy, the three institutional pillars and small business development, and finally wicked problems in a rural context.

2.1. Entrepreneurship and its components: social, community-based and societal entrepreneurship

Entrepreneurship has existed as a concept and field of research for a long time and 200 years of study of entrepreneurship has provided many definitions (Bull and Willard 1993), for example, the classic definition by Schumpeter (1934), which describes the economic outcome-based concept, that an entrepreneur creates value by carrying out new combinations causing discontinuity. Schumpeter further discusses the circular flow of economic life as conditioned by given circumstances. Entrepreneurship is also a dynamic process involving opportunities, individuals, organisational contexts, risks, innovation and resources (Heilbrunn 2005). This process is applicable to organisations of all sizes and types (Brandt 1986), such as public, private, non-profit, small businesses and large enterprises. According to Covin and Slevin (1991), entrepreneurship is a dimension of strategic posture, especially at the business level. Shane and Venkataraman (2000) argue that entrepreneurship as a concept is concerned with the discovery and exploitation of profitable opportunities, while at the same time their research mainly focuses on who the entrepreneur is and what he or she does. They further conclude that the field involves the study of sources of opportunities; the processes of discovery, evaluation, and exploitation of opportunities; and the set of individuals who discover, evaluate, and exploit them. This is confirmed by what Schumpeter (1934 p. 3) already concluded, that “a fact is never exclusively or purely economic; other, and often more important, aspects always exist”. Schumpeter also claimed that social facts are the result of human conduct and economic facts are the result of economic conduct. In other words, there can be different perceptions of entrepreneurship: traditional, based on economic values, and contemporary, based on social values. For example, when people live in a close context, such as a rural one, where most individuals know each other, relationships are created on different levels and through different approaches. These relationships are affected by the elements within the rural context, which Scott (2014) explains in his theories as the regulative, normative and cultural-cognitive pillars of institutions. This has generated yet
another view of entrepreneurship, namely the concept of social and community-based entrepreneurship. These ideas have increased in importance in the past decade as “globally more people and organisations are interested in issues related to how to encourage a sustainable world for future generations” (Ratten and Welpe 2011 p. 283).

In order to be able to understand community-based entrepreneurship, it is important to start off by explaining social entrepreneurship and then examine societal entrepreneurship, which in a European perspective is also referred to as community-based entrepreneurship. Societal entrepreneurship and community-based entrepreneurship are very similar concepts, and can be seen as almost identical, depending on the context in which they are being researched and in what country the research is taking place (see Gawell et al. 2014).

Early studies of social entrepreneurship focused chiefly on core issues in the attempt to understand the nature of a new but growing phenomenon (see Pierre et al. 2014a). Such core issues were for example found at the beginning of the development of this field of research by authors such as Prochaska (1994), who wrote about how nonprofit organisations could profit from an entrepreneurial mind-set, and how to deal with the challenges that arise when traditional altruistic values in such organisations meet business values in a rapidly changing environment; Sundar (1996) emphasised the function of social entrepreneurs and social entrepreneurship as agents of change and gave examples of how innovation-driven voluntary-based organisations create alternative power structures in a changing society; and de Leeuw (1999) argued that such entrepreneurship-driven processes of change gain force through incremental community institutionalisation. This discussion was further developed by Fowler (2000), who applied the concepts of societal entrepreneurship and civic innovation to non-governmental development organisations, in the light of commercial entrepreneurship and public welfare.

As being shown in this thesis (Pierre et al. 2014a, Pierre et al. 2014b), research on social entrepreneurship is scattered, not following any particular pattern, and examines a wide spectrum of issues of problems regarding social entrepreneurship from different angles. This includes studies of sustainable organisations (see Meyskens et al. 2010; Weerawardena et al. 2010), local social enterprising (see Martin and Novicevic 2010; Rashid 2010), poverty alleviation through micro financing (see Epstein and Yuthas 2010; Mohan and Potnis 2010), social innovation frameworks (see Chand and Misra 2009; Dawson and Daniel 2010), start-up processes (see Hwee Nga and Shamuganathan 2010; Maase and Bossnik 2010), definition of SE (see Clamp and Alhamis 2010; Fowler 2000; Peredo and McLean 2006; Spear 2006; Swanson and
Zhang 2010), social value creation (see Di Domenico et al. 2010; Munshi 2010),
community development (see Fawcett and Hanlon 2009; Irani and Elliman 2008),
social capital (Birch and Whittman 2008; Meyskens et al. 2010; Onyx and Leonard
2010), non-profit organisations (see Dempsey and Sanders 2010; Eikenberry and
Kluver 2004), driving forces behind social entrepreneurs (Ruvio et al. 2010), and
solving social challenges (see de Leeuw 1999; Smith et al. 2010; Tremblay et al. 2010;)
As can be seen, the field of social entrepreneurship is wide with many points of
departure. One point of departure discusses that community-based entrepreneurship
is considered to be a key factor in enabling individual entrepreneurs to pursue
opportunities that create social benefits for a community and thereby solves many
of the unmet needs that many communities struggle with because of structural
changes (see Wigren 2003; OECD 2011).

Community-based entrepreneurship is defined as a locally grounded phenomenon,
which encompasses profit and non-profit organisations, local businesses
individuals, local community-oriented projects and networks that together or
separately strive to create a sustainable and flourishing community by working with
the community to solve problems and improve and develop social and economic
value and benefits (see Pierre et al. 2014b). Thus locality, sustainability, social and
economic value, community development, networking, collectivism and
enthusiastic individual entrepreneurs are seen as important properties of
community-based entrepreneurship (ibid.). The research field of community-based
entrepreneurship started as far back as in the 1970’s, with a study by Nottingham
(1975) that focused on implementation issues in community-based entrepreneurship
when initiating a rural development programme. Other areas that have been
discussed in community-based entrepreneurship research include the interest
shown by entrepreneurs (Baron 1998); how to estimate the impact of local fiscal
variables on individual community choices (Nechyba and Strauss 1997); how local
characteristics can affect rural programmes (Bierman et al. 1997); and community
entry and how this is a prelude to any action that will take place in a partnership
with the community (Tareen and Omar 1997). This thesis further shows that there
was a slight increase in research on community-based entrepreneurship in the mid
1990’s (Pierre et al. 2014b). However, a significant increase in community-based
entrepreneurship research took place at the beginning of the 2000’s. For example,
when Straete (2004) discussed how local entrepreneurial capabilities are important
factors for innovation and production in local communities; Gold (2004) outlined
how to improve sociological work; Johnstone and Lionais (2004) explained how
conditions in depleted communities can limit the possibilities for traditional
development, while entrepreneurial responses are not constrained in the same way;
Morrison et al. (2005) discussed the community entry process, action cycle of
problem identification, community planning and implementation and evaluation of strategies to handle identified problems; and Heilbrunn (2005) focused on how market criteria, such as competition and profitability at the organisational level, promote individualistic oriented motivation and influence the economic behaviour of entrepreneurs within the community setting. Later in the 2000's articles appeared on topics such as what role indigenous tourism operations play in the economic recovery of an island (Cardow and Wiltshier 2010); businesses in need of support, advice and different approaches to entrepreneurship (Bent et al. 2010); discussions on the early studies by Bengt Johannisson regarding developing an adequate understanding of the role of small businesses in local communities (Spilling 2011); and studies on how traditional concepts of entrepreneurship and economic development do not appear to capture the essential features of investing in depressed areas, such as indigenous communities in developing countries. The outline of previous research above further indicates the research gap discussed earlier, where there is a lack of studies that examine the influence of wicked problems on community-based entrepreneurship.

Much empirical research has taken place within the field of community-based entrepreneurship, often with a qualitative approach (see Pierre et al. 2014b). Although such studies often have the limitation of limited generalisability, they contribute important insights in specific contexts, such as rural contexts, which is the focus of this thesis. Community-based entrepreneurship is concerned with contextual influences and many conclusions may only be applicable in certain contexts (see Pierre 2017a and Pierre 2017b). Examples of such studies are on entrepreneurship in indigenous communities (April 2010); indigenous tourism operators and economic recovery in island tourism destinations (Cardow and Wiltshier 2010); community-based entrepreneurship as a mechanism for renewal and experimentation (Lundqvist et al. 2010); the collective power of ethnic entrepreneurship (Kraybill et al. 2010); how a different approach to entrepreneurship such as community-based entrepreneurship could be significant for policy makers and practitioners, given the growing interest in entrepreneurship and sustainability as tools for local development (Torri 2009), which this thesis will contribute to; instead of greater local participation, decentralisation may further marginalisation (Lortanavanit 2009); and analysing a stakeholder approach towards a sustainable relationship between city and university (Russo et al. 2007).

Community-based entrepreneurship involves collaborative and cooperative relationships and activities in which resources are combined into the co-creation of beneficial value for the stakeholders involved (Peredo and Chrisman 2006), such as the notion of state-society synergy, which is a part of this thesis. Peredo and
Chrisman (2006 p. 310) try to define the concept as “a community acting corporately as both entrepreneur and enterprise in pursuit of the common good” and claim that community-based entrepreneurship involves processes through which new enterprises are created and can operate in the existing social structure of a community, such as small business development. As such, community-based entrepreneurship is recognised by governments for its ability to transform society (Ratten and Welpe 2011). Successful implementation of community-based entrepreneurship can reinvigorate a society, but failure can lead to shortcomings in fulfilling long-term success, when society fails to address the dignity, creativity and the potential of the inhabitants (see e.g. Smith et al. 2010). However, there is a lack of empirical studies showing how this operates in rural contexts, which this thesis will help to fill.

Many empirical case studies of community-based entrepreneurship focus on three specific categories: local challenges and responses; how organisations multiply their missions as a response to what people perceive as needs in society; or as collective solutions to what seem to be diverse goals (see Gawell et al. 2014). It is further noticed that entrepreneurs often respond to opportunities (Shane and Venkataraman 2000), or to what they perceive as necessities (Gawell 2014), and within a specific context, such as a rural one (Arbuthnott and von Friedrichs 2012). Koorsgard and Anderson (2011 p. 148) discuss how entrepreneurship is as much social as economic, and they show “rich examples of social value creation that suggest that considering only the single dimension of economic growth as outcome overlooks some critical aspects of entrepreneurship”. This is explained by Koorsgard and Anderson (2011 p. 149):

“We note how value creation could be seen in, and related to, the private and public, with internal and external dimensions. On the one hand, the private skills and satisfaction of residents, and their enjoyment of life and family expanded; and in the sense of fulfilling ambition, it all came together in the entrepreneurial project. On the other hand, on the public side, we saw not only the growth in public interest but also growth in the value created in the local settings”.

As such, community-based entrepreneurship has an undisputed importance for regional and local policy and practice by being a cross-boundary force for local development, meaning that there should preferably be coherence between policy makers and practitioners, in other words state-society synergy should be present (see Gawell et al. 2014). Therefore, traditional small businesses linked to rural development programmes are common and can strengthen communities and the
economic attractiveness of rural areas, which ultimately contributes to regional competitiveness and prevent people from moving to urban areas (Gawell et al. 2009). Peredo and Chrisman (2006 p. 310) describe community-based entrepreneurship as “a community acting corporately as both entrepreneur and enterprise in pursuit of the common good” and claim that it involves processes through which new businesses are created and can operate within a community’s existing social structure. The common good they refer to is creating economic and social growth through entrepreneurial activities (ibid.). Examples of such activities in the municipalities studied in this thesis ranged from creating a meeting-hub in a sparsely populated area with funding from various actors, including individuals, regional funds and the municipality itself (see Pierre 2017a) to a farmer who wants to diversify his farm business by not only producing milk, but also building a dairy on the farm so that he can sell milk to wholesalers and supermarkets (see Pierre 2017b). The consequences of these entrepreneurial activities are seen in an increased social presence by locals, when they share a common interest, both in the actual products being sold, but also in a sense of pride in their community. A further consequence is economic growth, both for the companies with added income, but also for the community in attracting visitors.

Community-based entrepreneurship is often understood as a local response to a local challenge, or a collective solution to diverse goals and can also stimulate the municipality to meet further needs in the community (see Gawell et al. 2014). It can also be seen as a process in which people invent tools and organise in new ways to solve problems and create opportunities in the communities where they live (Berglund et al. 2012). In other terms, community-based entrepreneurship is about engagement in and for the community, combined with an entrepreneurial action involving individuals and groups, and it influences small business development in various ways. Concretely, ideas are transformed into actions, in the form of new products or services, new methods of organisation, the use of new resources or new markets (see Bjerke and Karlsson 2013; Schumpeter 1934).

According to OECD (2011) increased community-based entrepreneurship and collaborative work between public and private actors has helped local economies to transform into entrepreneurial and innovative communities with the ability to create more and better jobs. For this to be possible there needs to be a smooth and functioning cooperation between the public and private sectors. However, as this thesis shows, this transformation can be complicated by the influence of wicked problems on community-based entrepreneurship and the effects this has on the institutions of the rural context and its three pillars: the regulative, normative, and cultural-cognitive elements (see Scott 2014). Previous research explains that
cooperation between the public and private actors can be vulnerable, due to wicked problems (see Head and Alford 2015, Ruuska and Teigland 2009). This cooperation, which often entails factors such as social capital and trust, is often referred to as state-society synergy, and will be discussed in the next part of this chapter in conjunction with the influence of wicked problems on community-based entrepreneurship and hence on the three pillars of institutions in a rural context (see Pierre 2017a).

2.2. State-society synergy and the regulative and normative pillars of institution in a rural context

State-society synergy is a type of public-private partnership, in which the public and private sectors work together in a collaborative process (see Pierre 2017a). In public-private partnerships a large number of developmental projects are cross-sectoral and include partners from a number of organisations, such as municipal bodies, nonprofit organisations and businesses (Ruuska and Teigland 2009). In such projects, such as the concept of social farming explored in paper IV in this thesis, the risks, costs and benefits are shared. Public-private partnership can also be described as a form of public procurement, in which a private company or consortium is assigned the task of financing, building and managing a public utility on a long term basis, usually a hospital, motorway or other infrastructure investment (Cheung et al. 2012). Some of the challenges facing public-private partnership projects are related to that the partners are located in different organisations and in various geographical locations (see Pierre 2017a). Other difficulties can arise when partners encounter specific problems such as variability in team composition and multiple relationships between the partners (ibid). However, in spite of these challenges Cheung et al. (2012) claim that there are three factors that are common in successful public-private partnership projects: commitment and responsibility from the public and private sectors, a strong and well-functioning private consortium, and appropriate risk allocation and risk sharing. In figure 2 below, the public-private partnership is visualised, where it can be seen that the reason for such a partnership is a common interest. Such as the example of reorganizing the public service of social farming to also becoming a private business venture for farmers (see Pierre 2017a).
However, as discussed previously, in order for public-private partnership to be effective and efficient, and for local development to take place, there needs to be a synergy between the state (in this thesis municipalities) and society (in this thesis small businesses) (see Pierre 2017a and b), in other words state-society synergy. State-society synergy is an attempt to bridge the “great divide” between state and society, where social capital and trust often are important factors influencing the outcome (Brenya and Warden 2014; Evans 1997). It occurs when there is a certain balance between how the municipality makes its political decisions and how municipal officials implement these policies and how the owners of small businesses understand, adapt and agree to such decisions and implementations (see Hallström 2015). Irani and Elliman (2008) argue that the public sector is often seen as synonymous with inefficiency and lack of motivation to be innovative and therefore, for change to occur, such as through community-based entrepreneurship, passionate individuals and entrepreneurs must step in and make things happen on a community level (Johannisson 2007). State-society synergy can be understood as cog-wheels, as seen in figure 3 below, where all the cogs of the different wheels (state and society) need to fit and turn smoothly in order to function. If a cog is broken, does not fit or is disrupted, the mechanism of the cog-wheel (synergy) will most likely fail or decrease. The three smaller cog-wheels in figure 3 below, can be seen as representing the three pillars of institutions (regulative, normative, and cultural/cognitive), which in this thesis have been shown to play an important role in the functioning of state-society synergy in a rural context.
The degree of state-society synergy reflects the degree to which a partnership’s collaborative process is successful in combining its participants’ perspectives, knowledge and skills (Weiss et al. 2002). Lange (2003 p.372) argues that “by increasing local participation in government, this view suggests that decentralization is able to exploit the knowledge and resources of both state and societal actors in order to optimize policy implementation and make possible a more democratic form of development”. The idea of synergy is relatively new, but previous research shows that the value of synergistic strategies is evident (ibid). For example, as Scott (2014) discusses, collaboration adds value through building shared knowledge and understanding, generating opportunities for creative synergy and developing the capacity among stakeholders to work together locally to solve common problems, for instance in a rural context. Vaillancourt (1999) argue that businesses and the public sector (for instance a municipality) have much to learn from each other and state-society synergy might encourage this type of exchange (see Pierre 2017b). In the light of this, a paradigm shift seems to be taking place in which partnering appears to be shifting the nature of the role of the public sector away from that of simply providing services towards organising the provision of services and monitoring the marketplace (Scott 2014). This in its turn can stimulate people to establish small businesses (see Codecasa and Ponzini 2011) in rural areas, encouraging them on a local level and leading to increased entrepreneurship and consequently the development of small businesses. One major factor that influences the effectiveness, efficiency and balance of such partnerships is how communication between partners takes place at the briefing stage, as it is essential for stakeholders to convey the major message regarding what they need at the start (ibid.). At this stage certain stakeholder-related factors play an important role, for example, good facilitation, clarity of the roles of stakeholders, balance of the needs and requirements of stakeholders, team commitment, honesty, openness and trust, and open and effective communication (ibid). In a rural context, as in this thesis, this
often becomes complicated due to complex relations, as discussed by Scott (2014) in his theory of the three pillars of institutions: regulative, normative and culturalcognitive.

An important factor in enabling local and economic development is honesty, openness and trust, which are all components of social capital. As Iyer et al. (2005) discuss, there is a clear relationship between social capital, economic performance and local development. Social capital, in turn, is part of state-society synergy and is made up of “the institutions, relationships, attitudes and values governing interactions amongst people and contributing to economic and social development” (ibid. p. 1016). The reason why social capital is discussed in this thesis is that it can help to fill the knowledge gap, by explaining how complex relations between the owners of small businesses and municipalities affect local rural development. Cooke et al. (2005 p. 1074) says that “perhaps the key benefit of social capital is how it enhances the pattern of relations between agents, social units and institutions”, but, the effect of social capital on small businesses is greater than its effect on local development. Malecki (2012 p. 1023) argues that “social capital refers to a culture of interaction among people, with productive economic outcomes and this varies in the degree to which people, individually and within their organizations, trust and interact with one another”. Malecki (2012) also suggests that social capital affects development more directly on the local community level, than on the regional or national levels.

With regard to trust, Granovetter (1985 and 2005) refers to the widespread preference for transacting with individuals who are familiar, where a relationship of trust exists, which implies that few people are content to rely on the security provided by municipal interventions. Rousseau et al. (1998 p. 395) state that trust is “a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviours of another person”. In other words, when people trust, it is always at the risk of an economic, social or emotional cost (Svendsen and Svendsen 2009). Furthermore, business development as a tool for creating or destroying business opportunities and developmental efforts, affects the way the role of trust in economic life is viewed, and it also has important implications for the way that the efficiency of municipal regulation is perceived (Knudsen and Swedberg 2009). Scott (2014) explains this by discussing the regulative element of institutions, in which the municipal rules and regulations are to be followed in a local rural community, in the same way as the national laws. The mechanisms that enforce the rules and regulations are coercive, meaning that if they are not followed there will be consequences, such as a fee or a refusal for a building permit, and they are present in society to create order (ibid.). If not followed, the
emotional consequence for offenders may be fear, guilt or an expression of innocence. As Scott (2014 p. 63) says:

“To confront a system of rules backed by the machinery of enforcement is to experience, at one extreme, fear, dread, and guilt, or at the other, relief, innocence and vindication”.

Force, sanctions, and expedient responses are central ingredients of the regulatory pillar, but they are often tempered by the existence of rules that justify the use of force (Scott 2014). When power in the shape of coercive force is both supported and constrained by rules, the realm of authority is entered. Aldridge et al. (2002) discuss that the trust part of social capital can at times have a negative effect, such as fostering behaviour that inhibits rather than improves economic development, and divides rather than unites local societies. Fukuyama (1995 p. 26) defines trust in this way:

“Trust is the expectation that arises within a community of regular, honest and cooperative behaviour, based on commonly shared norms, on the part of other members of that community. Those norms can be about deep “value” questions like the nature of God or justice, but they also encompass secular norms like professional standards and codes of behaviour”.

However, in an institution, such as the rural context in this thesis, there are also norms and values present, described by Scott (2014 p. 64) in the second pillar of institutions, the normative element:

“Values are conceptions of the preferred or the desirable together with the construction of standards to which existing structures or behaviours can be compared and assessed. Norms specify how things should be done; they define legitimate means to pursue valued ends”.

This normative element also indicates goals and objectives (e.g. making a profit or winning a game), and also includes the appropriate ways to pursue them (e.g. knowledge about business practice or rules of the game) (ibid.). An example of this might be the vision of a rural municipality to make the area more attractive for tourists. These values and norms can apply to everyone in a community or to selected groups, such as politicians or municipal officials, which gives rise to roles: “conceptions of appropriate goals and activities for particular individuals or specified social positions” (Scott 2014 p. 64). These norms set the standard for how
certain individuals, depending on their roles, should behave. Previous research associated with the normative element of institutions (see e.g. March and Olsen 1984), says that the central imperative confronting actors is not “What choice is in my own best interests?” but rather, “Given this situation, and my role within it, what is the appropriate behaviour for me to carry out?” The normative element can also give rise to strong emotions on the part of those who challenge the norms and values, but refrain from breaking rules that apply to the regulative element, in that they impose shame or disgrace or at the other extreme give rise to respect and honour (ibid.). Trust is associated with norms and values, and according to Kilkenny et al. (1999) high-trust societies enjoy higher rates of growth. This appears logical, and so, according to Fountain (1998), policymakers should assimilate the central tenets of social capital in their design of policy tools to promote small business development. In most cases this logical statement is true, but it is also based on the fact that trust is the belief that a person holds about others (Hardin 1993). This belief may or may not be correct, depending on the context, such as a rural context and circumstances, such as the influence of wicked problems.

An example of such a contextual issue is how trust operates in different cultural contexts. Fukuyama (1995) suggests that some countries, such as Italy, France and China, are family-centred societies, where the trust ends at the family border. On the contrary, institution-centred societies, such as Sweden, Germany and the USA, have cultures that extend trust beyond the family. These institution-centred countries also have an extensive civil society and strong ties between group members. Trust in individuals and institutions expresses belief in the predictability of actions, such as economic, social actions and leadership efficiency, and especially how efficient the institution is in handling growth issues (ibid.). Societies that can build efficient economic and social organisations, are those with widespread, efficient trust networks between the state and society. Such a network can be a governance network, which involves some form of purposive arrangement between public and private actors and is usually entered into because of the need to exchange resources like money, information, expertise, and political legitimacy to achieve objectives, to influence outcomes, or to avoid becoming dependent on others (Rhoades 2011). Governance networks are forms of ‘horizontal’ governance where actors cooperate and pool resources to reach an agreed-upon objective, but without strict formalisation (Forester 2008). Such an agreed-upon objective can be between business owners to develop their businesses or it could be policy implementation by the municipality to enhance small business development. As such, small business development in rural contexts in connection with wicked problems will be discussed next.
2.3. Small business development and the cognitive-cultural pillar of institution in a rural context

Community-based entrepreneurship is seen as important for local development as it is a multifaceted and complex phenomenon, interrelated with the local rural context as well as with national and even global events (Gawell et al. 2014). Acbs and Malecki (2003) say that rural areas are largely defined by the absence of dense environments of customers and suppliers, knowledge spill overs, urban agglomeration advantages, such as rich labour markets, transportation accessibility, capital, information and intense face-to-face contact. On the other hand, many rural areas have a high level of entrepreneurial culture through small businesses, and this is defined by a social context in which entrepreneurial behaviour is encouraged (ibid.). Shields (2005 p. 49) agrees with this and states that “rural geo-demography affects the marketability of products and services although there is little adversity for small businesses due to constrained resources”. However, owners of small business manage their businesses in accordance with rural socio-cultural values by relying on strong social ties and word of mouth reputation (ibid.), making the relational systems valuable. Scott (2014) explains this through the third pillar of institutions, the cultural-cognitive element, which is based on meaning and social reality. Scott (2014 p. 67) explains this further by saying:

“Action is regarded as social to the extent that the actor attaches meaning to the behaviour. To understand or explain any action, the analyst must take into account not only the objective conditions but the actor’s subjective interpretation of them, thus affecting evaluations, judgments, predictions, and inferences. Internal interpretative processes are shaped by external cultural frameworks.”

Beliefs about culture or of how things should be in a community vary and are frequently contested, especially in times of social disorganisation and structural change (see DiMaggio 1997; Martin 1992). Defined roles gradually develop in local rural contexts as repetitive patterns of action that eventually become objectified and a habit. The situation can be complicated in a way that one person may have many roles, which will be further discussed in this thesis. Scott (2014 p. 70) explains the dimensions of emotion pertaining to the cultural-cognitive pillar:

“The affective dimension of this pillar is expressed in feelings from the positive affect of certitude and confidence on the one hand versus the negative feelings of confusion or disorientation on the other.
Actors who align themselves with prevailing cultural beliefs are likely to feel competent and connected; those who are at odds are regarded as, at best, clueless or, at worst, crazy.”

Furthermore, according to Allen and Dillman (1994), rural business owners appear to maintain an implicitly cooperative strategy of not competing directly with other local businesses, possibly due to the normative and cultural-cognitive factors previously explained, by not duplicating the goods or services that others provide.

2.4. The function of the three pillars in a rural context

The relational systems revealed in the three pillars of institutions, are presented in table 1 below. These systems support the institution (the rural context in this thesis) “through patterned interactions connected to networks of social positions: role systems” (Scott 2014 p. 98). The results in this thesis will be analysed by incorporating them into this table (See table 7), in order to find out how the complex relations (a wicked problem) are part of the rural context (the institution), and how this influences community-based entrepreneurship.

Table 1. The three pillars of institutions by Scott (2014)
Scott (2014) further states that the regulative pillar is supported by relational systems through governance and power; the normative pillar is supported by relational systems through regimes and authority; and the cultural-cognitive pillar is supported through relational systems by structural isomorphism and identities. This thesis shows that in rural communities there is often a certain cluster of people involved who have different roles, which makes relational systems complex. For example, an owner of a small business can be the chairman of the local business association and at the same time be politically active; a municipal official may have a private interest in the local sports club and be involved there as a member of the board; and a municipal politician may also run a small farm that sells produce to the local supermarket. This creates a web of complex relations that constitute a wicked problem, which involves social, cultural and economic issues that all directly and indirectly affect the development of small businesses and local development. Scott (2014) describes how the rural elements discussed above are supported and reproduced through social structures, routines, cultures and also technologies in the local community:
“Social structural supports are characterized by networks of social positions, or role systems. Cultural supports are patterns of meanings and rule systems that may operate at many levels, from belief systems to municipal cultures. These structures may be raised to perform governance. Routines as support reflect the implied knowledge of actors and the habits and procedures that may be based on their understandings. The rural area and its supports operate at several different levels, from municipal subunits, like marketing departments, to global systems.”

According to Scott (2014), each pillar provides a different basis for legitimacy, i.e. conformity to rules (regulative pillar), a moral value basis (normative pillar), or a common identity (cultural-cognitive pillar), which may work together or be in conflict. Thus, each of the three pillars reflects a different viewpoint, which can result in different evaluative assessments of the cases and contexts studied in this thesis.

Furthermore, there can be instability in the three pillars, due to factors such as wicked problems like structural changes and complex relations, which influence the pillars of the institution, the rural context and community-based entrepreneurship. Scott (2014 p. 70) discusses this fragility:

“In an institutional form (such as the rural context in this thesis) not only one single element is at work but varying combinations. In stable systems practices are observed that persist and are reinforced because they are taken for granted, normatively endorsed, and backed by authorized powers. When the pillars are aligned, the strength of their combined forces can be formidable. In some cases one or another pillar will operate virtually alone in supporting the social order; and in many situations, a given pillar will assume primacy. The pillars might even support and motivate differing choices.”

2.5. Wicked problems in rural contexts

Johnstone and Lionais (2004) argue that rural communities, where the regulative, normative and cultural-cognitive pillars of this institution are present, can act as hosts to a unique form of business that combine good business practice with community goals, so called community-based entrepreneurship, as discussed earlier. Many municipalities have this as a goal, as this thesis shows (see Pierre 2017b), but problems and obstacles that cannot be controlled often come in the way
of local development. They become so-called wicked problems. Such wicked problems are a large part of rural development and are sometimes called social messes or untamed problems (Batie 2008). These are dynamically complex, illstructured, public and private problems and the causes and effects are extremely difficult to identify and model (Batie 2008). Wicked problems tend to be intractable and elusive because they are influenced by many dynamic social and political factors and can also be referred to as being complex, unpredictable, or open ended (ibid.). Because of their complex interdependence, wicked problems are never solved (Conklin 2006), but rather they become well or worse (Rittel and Webber 1973). Wicked problems have high uncertainty and a high risk of creating conflict (ibid.). The opposite of wicked problems is ‘tame’ problems, which have low uncertainty and a low risk of creating conflict (ibid.).

Rittel and Webber (1973) used the term ‘wicked problem’ to describe a unique set of problems that do not fit into the definition of a simple or a complex problem and cannot be described as “tame problems”. The difference is the way the problem is defined. A simple problem has a simple solution that is known. A complex problem has a solution that can be found. In the case of wicked problems, it is difficult to find a solution because there is no set definition of the problem itself (ibid.). Therefore, there is a need to relate such problems to their context, for instance rural areas. Such problems are ambiguous, and are social in nature; involve many people and there is seldom consensus on how to solve the problem (ibid.). Rittel and Webber (1973) define wicked problems based on 10 characteristics:

1. There is no definite formulation of a wicked problem
2. Wicked problems have no stopping rule
3. Solutions to wicked problems are not true or false, but rather good or bad
4. There is no ultimate nor immediate test of a solution to a wicked problem
5. Every solution to a wicked problem is a “one-shot operation”; because there is no opportunity to learn by trial and error, every attempt counts significantly
6. Wicked problems do not have an enumerable (or an exhaustively describable) set of potential solutions, nor is there a well-described set of permissible operations that may be incorporated into the plan
7. Every wicked problem is essentially unique
8. Every wicked problem can be considered to be a symptom of another problem 9.
   The existence of a discrepancy representing a wicked problem can be explained in numerous ways. The choice of explanation determines the nature of the problem’s resolution
9. The planner has no right to be wrong
Subsequent research has observed that in the case of wicked problems it is difficult to decide what facts to gather without first discussing values (Batie 2008). Thus interaction is needed between those whose resources and cooperation is indispensable for tackling the problem (ibid.). For example, with respect to rural local development, rural ethicists might focus on the intrinsic value of the rural community; applied economists may focus on the instrumental value of the rural community; and non-academics may bring tacit knowledge gained from practical experiences and personal values associated with the rural community and resources use (adapted from Norton 2005). Examples of factors that become a wicked problem in the context of rural development may include emigration, lack of employment opportunities, poor infrastructure (roads, broadband, basic services etc.), and exploitation of certain areas (e.g. mining, tourism in sensitive areas), also called structural changes.

Political decisions at a national, regional or local level also influence the level of wicked problems (Head and Alford 2015). An important factor is whether political decisions are taken above the heads of local citizens or not, and if they are implemented in a structured manner by municipal officials and then communicated out to the community (ibid.). In other words, as shown in this thesis, wicked problems can be affected by regulative factors being handled properly or not, for instance by municipal officials. This might demand that governance processes be reformed to address wicked problems more effectively and thereby encourage small business development (ibid.). Another perspective on how these processes are perceived by the private and public sectors are the normative and cultural-cognitive elements (see Scott 2014).

According to Head and Alford (2015), there are degrees of “wickedness” that can be understood by reference to multiple dimensions. Firstly, “while conclusive solutions are very rare, it is possible to frame partial, provisional courses of action against wicked problems” (p. 712). Secondly, “structures and processes of public policy and management complicate the task of understanding these problems and of designing responses to them” (p. 712), as seen in this thesis.

Since the first mention and definition of wicked problems by Rittel and Weber (1973), this theory has been applied to a wide range of fields involved in real-world problem solving, and the original definition has been the foundation for these analyses. Some examples of this include McCall and Burge (2015) who discuss new conclusions about how designers should tackle wicked problems and how design rationale can aid them in doing so; the study by Burns et al. (2013 p. 514) “reconceptualises institutional abuse through the lens of wicked problem analysis to illustrate the
multifaceted and recurring characteristics of residential care provision”; Brinkerhoff (2014) discusses state fragility and failure in third world countries through the lens of wicked problems; and Willis (2016 p. 306) explains how “public relations has yet to recognize, let alone engage systematically with the challenges conceptualized as wicked problems”. It appears to be a theory that can be used as a lens to view real-world problems in a wide variety of research fields, in order to explain and better understand local developmental issues. This thesis contributes to the theory of wicked problems by helping to fill the research gap regarding how wicked problems influence community-based entrepreneurship in rural areas and thereby affect the development of small businesses and local development. By especially looking at the wicked problems of structural changes and complex relations, where complex relations can be found in the three pillars of institutions (see Scott 2014).

2.6. Summary of the theoretical framework

The theories described above attempted to give insight and an overview of the content of this thesis and show how the five papers are connected and interrelated. Furthermore, as mentioned earlier, these theories will help in exploring and analyzing the previously mentioned research problems and gaps, through the empirical findings. Figure 2 below presents a visual summary of the relationship between the rural context with its wicked problems, the theoretical areas presented and how the five papers belong in this thesis.

Figure 3. Overview of the focus of the theoretical areas underlying this thesis and how the papers are connected to each other
In summary, this thesis assumes that the rural context is affected by certain so-called wicked problems, namely structural changes and complex relations. It shows that these wicked problems may influence community-based entrepreneurship on a local level, affecting synergetic relations between the municipalities and small businesses in the process of implementing policies to create local development. These problems have been studied through case-studies in order to help in filling the aforementioned research gap. In this way, the thesis contributes to the research field of community-based entrepreneurship in rural contexts.

3. METHOD

This chapter discusses the background and pre-understanding of this thesis, and the chosen scientific approach and methodology that comprise the basis of this thesis. It also describes the approaches adopted in the five studies included in the thesis, and discusses how the results from each study have been interpreted, by presenting an analytical framework to meet the purpose of the thesis.

3.1. Research process

Before I started my research career at the Mid Sweden University, I had an interest in local rural development and the interplay of community, small businesses and the environment. Prior to moving from Göteborg to Jämtland, I had my own business as a consultant, in which I helped nascent entrepreneurs to adopt an ecological focus in their businesses. My experience from this process enabled me to pursue this interest further once I received a position as a PhD student in Östersund in 2010. I first became part of the three-year research project SESPA – Societal Entrepreneurship in Sparsely Populated Areas at the Mid Sweden University, where the aim was to “coordinate and concentrate resources to expand the knowledge of how societal entrepreneurship can contribute to sustainable development in the local community and entrepreneurship in Sweden’s sparsely populated areas” (see SESPA). At that time the field of social and community-based entrepreneurship was fairly unexplored. As the end of the SESPA project approached, I became involved in a project run by the LRF (Swedish Farmers’ Association called “Grön omsorg -
från tanke till handling” (Social farming – from thought to action), and as this was in line with my research focus, the project fitted well with my research intentions. Table 2 below shows the research process, which started with two theoretical studies consisting of in-depth literature reviews in order to get an overview of social- and community-based entrepreneurship, which were fairly novel fields of research and had limited overviews at the time. During these theoretical studies my research interest narrowed further towards a focus on local development and small business development in a rural context, and specifically on the synergy between municipalities and small businesses. Hence, three studies with a case-study approach were conducted.

Table 2. Overview of the studies and their methodological approaches

<table>
<thead>
<tr>
<th>Study</th>
<th>Methodological approach</th>
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</thead>
<tbody>
<tr>
<td>Paper I</td>
<td>Literature review</td>
</tr>
<tr>
<td>Paper II</td>
<td>Literature review</td>
</tr>
<tr>
<td>Paper III</td>
<td>Case-study</td>
</tr>
<tr>
<td>Paper IV</td>
<td>Case-study</td>
</tr>
<tr>
<td>Paper V</td>
<td>Case-study</td>
</tr>
</tbody>
</table>

In the following sections the layout is as follows: firstly, the scientific approach and research strategy is presented. Secondly, the two literature studies are presented, they lay the foundation for the three case-studies. Thirdly, the contexts of the casestudies are presented. Finally, the three case-studies are presented with the help of the table “basic types of designs for case studies” by Yin (2013).

3.2. Research strategy and explorative case-study approach

After the two theoretical studies were conducted, and in order to get good insight and understanding of how wicked problems influence community-based entrepreneurship and the effects on small business and local rural development, the decision was made to adopt an explorative case-study approach. Explorative research describes “what is”, without attempting to analyse cause and effect Patton
It also has the basic purpose of observing and recording behaviour, using case studies and surveys (see Booth et al. 2008). This kind of approach enabled me to explore the attributes and relations of phenomena related to the subject of this thesis, how wicked problems influence community-based entrepreneurship, in the rural context (see Teddlie and Tashakkori 2009). Yin (2013) defines the case-study approach as “an empirical enquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident”, as was noticed in this thesis. This made it possible to gather information about unknown aspects of phenomena occurring in the context, related to the theories chosen. An inductive approach was chosen in which I first made observations and subsequently tried to find a pattern within them (see ibid.), in order to construct the interviews correctly. I adopted this method in my research, since social science research is the study of phenomena in society, in which the researchers seek to increase the understanding of these and try to find solutions to societal problems and challenges (von Friedrichs Grängsjö 2001). Therefore, I used qualitative methods to examine the context (the rural areas) and the influence of the wicked problems of structural changes and meaning for what people do (complex relations). However, it should be noted that in paper I and II, where literature reviews were conducted, the “context” was the fields of social- and community-based entrepreneurship, not specifically rural areas as in papers III-V. These fields needed to be studied in order to better understand the physical context and the people that would be the focus of papers III, IV and V. In this way, I was able to construct reality on the basis of the interpretation of data, with the help of the participants who provided the data in the studies (see Patton 2002, Creswell 2007). Qualitative research is often conducted through interviews and observations (Creswell 2007), which was the method adopted in papers IV and V. The thesis makes use of the so called “hermeneutic circle” (see Creswell 2007), which states that: “constructing the meaning of the whole means making sense of the parts, and grasping the meaning of the parts depended on having some sense of the whole” (Patton 2002 p. 497). It was convenient for me to adopt this approach as I live in one of the municipalities studied, Berg. This enabled me to immerse myself in the context (see s IV and V), while at the same time observing and attaining an understanding of the context and its people. In other words, I had access or the ability to get close to the object of study and to really be able to find out what was happening. In the municipalities of Sorsele, Krokom, and Östersund I spent sufficient time to get the same level of understanding of the context and to perform interviews and observations. In previous research gaining access has been seen as a major problem for researchers, but this was not the case for me in the municipality of Berg (Gummesson 1991). Furthermore, in the context of Berg I had different roles during my research process: at times I was a private individual living my own life, at times
I was in the same context but as a researcher, and sometimes I had dual roles simultaneously. But in my mind, I was constantly observing and analysing, even though I was not “working”. There was a constant flow of data and I had to be disciplined about how and when to identify codes and themes and engage them in the analytical model of Scott’s (2014) theories of the three pillars of institutions. During these studies, an ethnographic method was used, where I became part of the group (the individuals living and working in the rural context) being studied, to a large extent in Berg and to a lesser extent in Krokom, Östersund, and Sorsele (see Gummesson 1991). I observed the behaviour of the group, to get an idea of why and how they acted as they did. The study enabled me to describe different conditions pertaining to the regulative, normative, and cultural-cognitive pillars of the rural context. Ethnography focuses heavily on investigating which mechanisms determine how the group (studied) understands and makes sense of the world, and it is based on the holistic view that different aspects of a phenomenon cannot be understood and analysed independently of one another (Madison 2005 and Patton 2002).

This thesis studies the influence of wicked problems on community-based entrepreneurship in rural areas, and the effects on the development of small businesses and local development, where the rural context is “the institution” and the municipality is “the organisation” within. Both these spheres are made up of people. However, as Dalborg (2014) and Bryman (2002) discuss, people and institutions are different from contextual study. To be able to capture what is special for the people, a different starting point is required. Hence, I conducted three case-studies in order to investigate the influence of wicked problems on community-based entrepreneurship and how this affects the development of small businesses and local development. In the matrix in figure 3 below the basic types of designs for case-studies are presented, my case-studies are explained and placed in the matrix.
The matrix in figure 3 above shows that single- and multiple-case studies reflect different design situations and that within these two variants, there can also be a unitary unit or multiple units of analysis (Yin 2013). A potential vulnerability of the single-case design (paper IV) is that a case may later turn out not to be the case it was thought to be at the outset, and therefore these require careful investigation of the potential case to minimise the chances of misrepresentation and to maximise the access needed to collect evidence (ibid.). Multiple-case design (paper III and V) has both advantages and disadvantages in comparison with single-case design. Overall, multiple-case studies are regarded as being more robust (Herriott and Firestone 1983). To the left in the matrix it is seen that case-studies, both single and multiple can be either holistic (paper III) or embedded (paper IV and V). The case-study approach enabled me to explore a bounded system (a case) or multiple bounded systems (cases) over time, through detailed, in-depth data collection involving multiple sources of information such as interviews, documents, and observations, also known as triangulating data (see Creswell 2007 and Patton 2002). I chose to do

Figure 4. Basic types of designs for case-studies, in Yin (2013). Source: Cosmos Corporation
three case-studies, in order to attain a broad and deep understanding of how wicked problems influence community-based entrepreneurship in rural areas, and what the effects are on the development of small businesses and local development. To only make one case-study would have limited me in perceiving the correct comprehension of the problem stated. The cases were chosen for their context, the rural inland of northern Sweden, since this area is perceived to have specific difficulties in handling today’s problems of structural change: high unemployment, relocation, centralisation and poor infrastructure.

In the table 3 below, an overview of the three empirical papers and where they belong in the matrix is presented. Each of the case-study papers is described in detail in sections 3.5 – 3.7.

Table 3. Overview of where the empirical studies belong in the case-study design matrix

<table>
<thead>
<tr>
<th>Study</th>
<th>Design</th>
<th>Units of analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper III</td>
<td>Multiple cases</td>
<td>Holistic</td>
</tr>
<tr>
<td>Paper IV</td>
<td>Single case</td>
<td>Embedded</td>
</tr>
<tr>
<td>Paper V</td>
<td>Multiple cases</td>
<td>Embedded</td>
</tr>
</tbody>
</table>

3.3. Literature studies – paper I and II

For papers I and II extensive literature reviews were conducted in order to get an indepth overview of the topics of social entrepreneurship and community-based entrepreneurship. SCOPUS was used for both reviews as a tool to identify appropriate research material. SCOPUS is considered to be the largest abstract and citation database of research literature and quality web sources, covering nearly 18,000 titles from more than 5,000 publishers. It contains 41 million records, from quality indexes to acknowledged niche journals (www.scopus.com). As such, the database includes published articles from the ISI database, ABI/Inform database EBSCO and other similar databases. The primary purpose of the literature reviews was to attain an understanding and overview of the whole body of available research on the fairly new topics, and to discover the strengths and weaknesses of studies within that body (see De Los Reyes and Kazdin 2008) by writing paper I and II. By conducting such extensive literature reviews, it was possible to prevent reliance on one research study that may not be in accordance with findings from other studies (see Dunst et al. 2002).
According to Rhoades (2011), comprehensively reviewing aggregate research findings that pertain to a topic is important because such findings can:

- Represent an important scientific contribution
- Strengthen advocacy capacity
- Enhance professional development
- Establish the author as an “expert” on the research question
- Guide researchers into new lines of inquiry, improving methodological insights

Referring to Rhoades (2011) and the points stated above helped me in the process of narrowing my research field. The last point in this list proved to be an important aspect for developing further studies on the topic of interest: rural local development.

For paper I, data was collected by conducting a bibliographical analysis in order to gain insight into research about social entrepreneurship (Pierre et al. 2014a). The literature search was a complete review of what had been published on social entrepreneurship or social entrepreneurs in recognised academic journals, based on the key words social entrepreneurship; social enterprise(s); and social entrepreneur(s). A total of 146 articles from 1994-2010 on the topic were reviewed. It was decided to start from the year 1994, since this was the time when studies started to have a concentrate on social entrepreneurship, where the focus was on core issues for understanding the nature of a new but growing phenomenon in practice (see Pierre 2014a). The material was analysed by conducting a thorough bibliographical analysis of the 146 articles and finding common threads and certain discussions by extracting paragraphs and analysing them further in detail. The manuscripts were selected via their abstracts. The years when the articles were published were categorised and analysed and also the scope of the papers (qualitative, quantitative or conceptual), the academic journals that published articles on social entrepreneurship, citations, and years of citations, h-index of the field, the top-10 contributions in terms of citations and their impact on the field, the extent to which different disciplines have been engaged in publishing articles about social entrepreneurship, prominent themes/discussions in the literature, productive scholars in social entrepreneurship, core universities involved in developing the field, and the popularity of the most prominent themes of research and emerging issues in the field of social entrepreneurship research.

For paper II, data was collected in order to obtain more knowledge about community-based entrepreneurship, and it was decided to conduct a bibliographical analysis that specifically focused upon previous publications on the topic and peer-
review academic journals (Pierre et al. 2014b). A total of 54 articles from 1975-2010 were reviewed based on the key words societal entrepreneurship; societal entrepreneur(s); community-based entrepreneurship; community-based entrepreneur(s) in various combinations. The decision to start as far back as 1975 was because this is when the notion of community-based entrepreneurship started to appear (see Pierre 2014b and Nottingham 1975). SCOPUS database was used for the literature search. The material was analysed by conducting a thorough bibliographical analysis of the 54 articles and finding common threads and certain discussions by extracting paragraphs and further analysing them in detail.

These two literature reviews led to an identification of scarcity of previous research pertaining to small business and local development in rural contexts and the influence of wicked problems. Thus, I decided to apply a qualitative research approach and perform case-studies in the rural inland of northern Sweden in order to gain insight and help filling the research gap. This was decided because it would enable me to immerse myself into the contexts and thereby obtain a deeper understanding of the influence of wicked problems on community-based entrepreneurship and how this affects the development of small businesses and local development.

3.4. The context

The contextual focus of this thesis is the rural north in Sweden, specifically focusing on the counties of Jämtland and Västerbotten. The approximate location of these counties is shown within the red circle on the map in figure 4 below, which gives an overview of the population density in Europe and shows that the context in this thesis is rural areas. The Northern parts of the UK, the Nordic countries (except Denmark) and Russia have regions with the lowest population density in Europe, i.e. below 8 inhabitants per square kilometre (Nordregio 2013). This contrasts sharply to the central parts of the UK, the BeNeLux countries, Western Germany, Switzerland and Italy, where there is a belt of generally very densely populated regions. Other parts of Europe with a dense population are the capital areas, the Mediterranean coastal regions of Spain and France, parts of Central Europe and the Istanbul region in Turkey (ibid.).
The counties of Västerbotten and Jämtland, which are located within the red circle on the map in figure 4 above, consist of vast sparsely populated areas: Jämtland, which covers 49,443 square kilometres with 2.6 inhabitants/square kilometre (see jamtland.se) and Västerbotten, which covers 55,186 square kilometres with 4.81 inhabitants/square kilometre (see visitvasterbotten.se). Even if these areas are in general sparsely populated, they also contain sizable cities such as Östersund in Jämtland with almost 60,000 inhabitants and Umeå in Västerbotten with 84,761 inhabitants. The map in figure 5 below shows the location of the counties studied in Sweden and the cities of Östersund in Jämtland and Umeå in Västerbotten.

Figure 5. Map of population density in Europe 2013 and location of the contextual area studied (Source: Nordregio)
The rural areas in these two counties have faced challenges such as declining population and difficulties in maintaining levels of services for the population, such as retaining the postal- and bank offices, schools, day cares, local healthcare centres, and local grocery stores, to mention a few. However, this does not mean that there is a lack of prosperity in general. The city of Östersund is the home of public authorities and a university as well as industrial enterprises, and Umeå is a growing city with a well-known university, a prominent hospital and a growing population. In the west of Jämtland, one of the most popular alpine areas in Sweden, Åre, attracts tourists and commerce and many of the rural areas in both counties have high levels of entrepreneurial activity (see Pierre 2017b).

The contexts in paper III and IV are the municipalities of Berg, Krokom and Östersund in the county of Jämtland, these were chosen because this enabled me to perform both multiple and single case-studies with a holistic and embedded view as seen in figure 3. By doing so I was able to study various perspectives in similar contexts and thereby widen and deepen my research. In paper V, the contexts are Berg in the county of Jämtland and Sorsele in the county of Västerbotten. The reason why these two municipalities were chosen was because it enabled me to perform case-studies with multiple cases with an embedded view. As can be seen on the map in figure 6 below, Sorsele is located further north than the other municipalities. I decided to study this area, together with Berg in paper V, in order to see if it would
be possible to generalise the results from Berg and Sorsele, being in the same kind of context (rural inland) and having similar demographic attributes (population, number of small businesses), and facing similar challenges, but at the same time being located far apart. The four municipalities that are part of this thesis are indicated with circles on the map in figure 6 below.

Figure 7. Map of northern Sweden, indicating the municipalities studied (source: ivo.se)

3.4.1. The municipality of Berg, Jämtland

The municipality of Berg is located in mid-Sweden. It is a part of the county of Jämtland, which comprises a total of eight municipalities (Berg, Ragunda, Bräcke, Strömsund, Åre, Krokom, Östersund and Härjedalen). In the municipality of Berg a total of 7,100 inhabitants share the vast space of 6,145 square kilometres, which gives a population density of 1.25 inhabitants per square kilometre. It is the municipality
in Sweden with the lowest degree of urbanisation: 30 % compared to the national level of 85 % (Berg 2015). The municipal centre is Svenstavik, with a population of approximately 1,000 people. In Berg there are about 1,200 companies and 14.3 % of the adult population are self-employed, compared to the national level of 6.5 %, indicating a high level of entrepreneurship. The main sectors are agriculture, forestry, manufacturing, the private service sector and tourism. There are 125 villages that are inhabited, and these are scattered throughout the municipality (Berg 2015).

3.4.2. The municipality of Krokom, Jämtland

The municipality of Krokom in the County of Jämtland covers an area of 6,812 square kilometres and has a population of 14,864 inhabitants, which gives a population density of 2.42 inhabitants per square kilometre. 1,953 inhabitants live in the municipal town of Krokom. The business community in the municipality of Krokom consists of approximately 1,000 active companies, with 10.7% of the adult population being self-employed (Krokom 2017), also indicating a high level of entrepreneurship. The majority have small companies with fewer than ten employees (Krokom 2017). The largest industries include metal industry, carpentry and food production and activities in the natural resource-based industries, and tourism, engineering and service companies are an important part of the business structure (ibid.).
3.4.3. The municipality of Östersund, Jämtland

The municipality of Östersund in the County of Jämtland covers an area of 2,501 square kilometres and has a population of 62,151 inhabitants, with a population density of 28.85 inhabitants per square kilometre (Östersund 2017). The municipal town is Östersund, which is considered to be an urban area with 50,397 inhabitants. In contrast to the other municipalities in this thesis, Östersund has experienced an increase in population since the 1950s. Like the rest of the county of Jämtland, Östersund is dominated by small businesses. There are 3,839 businesses with a percentage of self-employed of 5.6%, compared to the national level of 6.5%, indicating a slightly lower level of entrepreneurship in comparison to the other municipalities in this thesis. Commerce is a major industry, in which the town of Östersund is the regional commercial centre with about 300 stores. Other sectors represented in Östersund municipality include agriculture, tourism, medical care, services and academia. Jämtland’s county hospital, the county administration offices, the municipal administration and the university are located in the town of Östersund.
3.4.4. The municipality of Sorsele, Västerbotten

Sorsele is a municipality in the County of Västerbotten in the province of Lapland in Sweden. The municipal centre is Sorsele with 1,175 inhabitants. The municipality covers an area of 7,957 square kilometres, and is the eleventh largest in Sweden by size, but has the second smallest population with only 2,546 people. This gives a population density of 0.34 inhabitants per square kilometre. The business community is small but broad and includes companies ranging from prospecting to high technology (Sorsele 2015). Sorsele has 339 businesses, which gives a percentage of self-employed of 12.6%, compared to the national level of 6.5%, also here indicating a high level of entrepreneurship (ibid.). The proportion of young entrepreneurs and particularly women entrepreneurs is high (ibid.). In the reindeer industry, which is based on the Sami villages Ran and Gran, there are a number of companies that have established themselves in tourism and that produce and process their own products, such as crafts and meat.

The nature reserve of Vindelfjällen in Sorsele (Photo: Archive of Ammarnäs)

In figure 7 below, the demographics of the rural areas Berg, Sorsele and Krokom are shown in comparison to Östersund, which entails an urban area. As can be seen, the rural areas have experienced a decline in population whereas Östersund has seen an increase since the 1950s. However, Krokom is experiencing a slight increase in population, which could be explained by its proximity to the town of Östersund.
Figure 9. Demographical development in the three rural areas in comparison to the urban area studied in this thesis (source: scb.se)

3.5. Multiple-case study – paper III

Paper III has a multiple-case study design with a holistic view as seen in figure 3. The focus of the study was on community-based entrepreneurship, in which various researchers have studied community-based entrepreneurship in different contexts. A common denominator for the context here is the rural aspect. However, the researchers examined community-based entrepreneurship from one of the following three perspectives: ‘local challenges and local responses’, how organisations ‘multiplied their missions’ as a response to what people perceive as needs in society, or as ‘collective solutions’ to what seemed to be diverse goals. For the duration of the SESPA project (Societal Entrepreneurship in Sparsely Populated Areas), which lasted from 2010 to 2013, several empirical case-studies on community-based entrepreneurship were conducted by various researchers and combined into an anthology. This enabled a deep and comprehensive description (see Patton 2002), which contributed to the foundation of the theoretical research field, community-based entrepreneurship. The project enabled a more systematic examination of community-based entrepreneurship as a force for local and regional development. The different perspectives, theoretical frameworks, and empirical studies made possible an analysis beyond a single sector in society and beyond a single level of analysis. The studies were conducted by researchers from different
disciplines and thus represent a variety of approaches. They were first and foremost case studies with a focus on specific ventures, specific villages, or a region as such. In all the studies, both private and public actors were included, even though the focus on these different types of actors varies. All the studies part of the SESPAP project but three adopted an interactive research approach. The analysis in this paper was based on an interpretative approach with the aim to critically reflect and analyse societal entrepreneurship related to (local and regional) development. Furthermore, the cases served to explore and illustrate the complexity of the field of community-based (societal) entrepreneurship as it appeared in various contexts and at different levels of society. Firstly, this paper discussed the concepts and practices of community-based (societal) entrepreneurship. Secondly, the regional and local contexts were presented. Thirdly, after a methodological account, the empirically based illustrations were presented. The reason for choosing to do a multiple-case study for this paper was to offer robust analytical conclusions and to strengthen construct validity (see Yin 2013).


Paper IV had a single-case study design with an embedded unit of analysis, as seen in figure 3. The reason why this case-study approach was chosen was because this would enable an overview of the rural context, while at the same time having the perspective of embeddedness for a deeper analysis of the issues studied (see Yin 2013). It was a study within the project “Social farming - from thought to action” (in Swedish: “Grön omsorg - från tanke till handling”), which was conducted 2012-2015 and owned by LRF (Swedish Farmers’ Association). The actors involved were officials and politicians from three municipalities in the county of Jämtland, Sweden (Berg, Krokom and Östersund), together with three farm owners and one user of the social services provided. These samples were chosen on the basis to fit the best within the project. The farm owners were chosen, since they had an interest in developing social farming as a business on their farms. The municipal officials and politicians were chosen on the basis of having a possibility to take part in the development of social farming in respective municipality. The user of social services was chosen because this individual had been a part of social farming for a long time and would give a fair insight. The study was conducted using participatory action research (see Booth et al. 2008 and Whyte 1991) with the aim of overcoming the challenges of reorganising the social service of social farming through public-private partnership, and establishing working prerequisites for each sector. Participatory action research enabled the actors involved (farm owners, politicians, municipal officials and the users of the services of social farming) to become part of the process of change by engaging them in the case-study of the project. This was achieved by
letting them be an active part of studying and engaging in the problem and together with the principal actors (researcher and LRF) find solutions to overcome the challenges of reorganising the social service of social farming, and thereby identify the entrepreneurial outcomes of the public-private partnership in this case. Data collection took place by conducting a total of 23 interviews with the actors involved at various times during the study, and multiple times with the same actor. The presentation of the respondents, dates of interviews and length of interviews is shown in Table 4 below.

Table 4. Presentation of respondents, date of interview, and length of interview for paper IV

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Date</th>
<th>Length of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmer 1 (Berg)</td>
<td>November 2012, February 2013, September 2013, March 2014</td>
<td>Approximately 2 hours each</td>
</tr>
<tr>
<td>Farmer 2 (Krokom)</td>
<td>November 2012, February 2013, September 2013, March 2014</td>
<td>Approximately 2 hours each</td>
</tr>
<tr>
<td>Farmer 3 (Östersund)</td>
<td>November 2012, February 2013, September 2013, March 2014</td>
<td>Approximately 2 hours each</td>
</tr>
<tr>
<td>Politician 1 (Berg)</td>
<td>November 2012, September 2013</td>
<td>Approximately 2 hours each</td>
</tr>
<tr>
<td>Politician 2 (Krokom)</td>
<td>November 2012, September 2013</td>
<td>Approximately 2 hours each</td>
</tr>
<tr>
<td>Politician 3 (Östersund)</td>
<td>November 2012, September 2013</td>
<td>Approximately 2 hours each</td>
</tr>
<tr>
<td>Politician 4 (Krokom)</td>
<td>March 2014</td>
<td>Approximately 2 hours each</td>
</tr>
<tr>
<td>Politician 5 (Berg)</td>
<td>March 2014</td>
<td>Approximately 2 hours each</td>
</tr>
<tr>
<td>User of services (Krokom)</td>
<td>February 2013</td>
<td>Approximately 2 hours each</td>
</tr>
</tbody>
</table>

Depending on where in the study process the research project was, the interviews conducted ranged from informal conversational interviews, to the general interview guide approach to standardised open-ended interviews (see Patton 2002). Three farmers were interviewed at four different times each (total 12 interviews); three politicians were interviewed at two different times each (total 6 interviews); two politicians were interviewed 1 time each (total 2 interviews); and one user of social farming services was interviewed 3 times. Themes covered during these interviews dealt with the prerequisites for social farming; challenges experienced when reorganising and running social farming; how social farming is organised and how this is experienced in reality; and finally how social farming is and should be
financed by the private and public sectors respectively, in order to enable profitability for farm owners and the public sector. Notes were taken during the meetings and observations made during visits to the farms. This was all done in order to attain convergent evidence, which in return helped to strengthen the construct validity of the study by triangulating the data on the same research purpose (Yin 2013). In order to facilitate the analysis process, the organisational theories by Scott (2014); relational, contextual and cultural, were used as a tool. By “playing” with the data, various patterns, insights, and concepts were found and hence it was possible to use an inductive approach (Yin 2013).

3.7. Multiple-case study – paper V

Paper V has a multiple-case study design with an embedded unit of analysis as seen in figure 3. This study has a qualitative approach in which interviews, observations and studying of documents were conducted. Sequential data gathering was applied (see Patton 2002), which, in this case, meant that the qualitative data was gathered first in one municipality (Berg), followed by a visit to Sorsele and at a later date telephone interviews with participants in Sorsele.

The themes of the interviews were about trust between societal and state actors, business support, establishing and running a business, financing, business climate, municipal engagement and development (business, local and municipal), and standard demographical questions. The data collection in Berg took place in the field during the spring of 2012, winter of 2013 and spring of 2016, where 12 standardised open-ended interviews were made; 3 with municipal politicians/officials and 9 with business owners. The data collection in the municipality of Sorsele took place in August and September 2016 by performing telephone interviews with 10 owners of small businesses, 2 municipal officials and one municipal politician. Observations and viewing of documents was a continuing process in Berg and Sorsele. A total of 39 interviews (26 in Berg and 13 in Sorsele) with the actors involved were conducted at various times during the study, and multiple times with the same actor. The samples were chosen among business owners who were members of the business associations in the respective municipalities and from the web-sites of the respective municipalities. Municipal politicians and officials were contacted directly through the respective municipal web-sites. A summary of respondents, date of interview and length of interview can be seen in table 5 below.

2 Please see Appendix I for interview guide
3 Please see Appendix II for interview guide
Businesses in both municipalities have between 1 and 40 employees; however, the majority are at a micro-company level (1-9 employees). The branches represented are tourism, retailers, auto-motive technology, mining, agriculture, primary production of raw materials, restaurants, handicrafts and small industries. Additional participants were chosen through snowball sampling (see Patton 2002). The analysis was made by transcribing the interviews and then categorising the material accordingly, derived by the method of social constructivism where knowledge is constructed about reality. Patton (2002 p. 96) describes this method by saying that “constructionists commonly assume that humans do not have direct access to a singular, stable and fully knowable external reality but all of our understandings are contextually embedded, interpersonally forged and necessarily limited”. Due to the rural contextual importance, the material was also analysed from an embedded perspective (see Creswell 2007; Patton 2012). (See figure 3 on p. 30). This meant that a specific aspect of the case was studied, namely the synergy between small businesses and the municipality in rural areas of northern Sweden,
by exploring whether the degree of social capital and trust influences local small business development. Categories derived from the data material were: trust between private and public actors; business support; establishing and running a business; financing; business climate; municipal involvement and development (business, local and municipal), and standard demographical categories. The design chosen for the interviews was the so called ‘emergent design flexibility’, which means there is an openness to changes in situation that enabled me as a researcher to pursue new paths of discovery as they emerged (see Patton, 2002). The interview method used was standardised open-ended, which minimised variation in the questions posed, since each respondent was asked the same questions (ibid). However, these questions, depending on the answers received, opened for interesting discussions and even deeper insights. The interviews lasted 1-2 hours each. When performing this study I kept in mind that when making a detailed description of the cases and their settings, an analysis was also being made at the same time (see Teddlie and Tashakori 2009). A common problem in qualitative research, and especially field studies, is the ability of the researcher to gain access to individuals, sites, and organisations. There are often issues of building trust, credibility and getting people to respond (see Creswell 2007). For this paper, the contrary was true in the municipality of Berg, since here the respondents opened up for participatory action research and enabled me to be fully involved (see Whyte 1991). During the research process, I was able to reconnect the findings through meetings with participants such as the municipal business council and the local business association. This immersion into the setting did not only take place during interviews and observation, but also throughout the research process, since I was involved in various voluntary commitments, such as being the president of the local business association, member of the board of the local tourism association, member of the board of the municipal business council and member of the board of the local farmers’ association. To compensate for a lesser immersion in Sorsele, a visit to Sorsele and the viewing of documents and videos was made, and through the interviews that took place.

3.8. Critical evaluation

Validation has not been dismissed completely in the formation of the thesis and the writing of the five papers, but it has been placed in a broader perspective (see Creswell 2007). This was done by identifying critical elements and creating plausible interpretations from them (ibid.). In other words, the focus for me has been trying to understand instead of trying to convince. Wolcott (1990 p. 146) expressed this in a good way:
“Validation distracts me from understanding what is really going on. I claim that the term validation does not capture the essence of what is sought after, and I add that someone might coin a term appropriate for this naturalistic paradigm”.

Angen (2000 p. 387) further argues that within explorative and interpretative research, as has been done in this thesis, validation is “a judgement of the trustworthiness or goodness of a piece of research”. I agree with her when she says that research should provide practical answers to the questions. In combination with the theoretical contributions of this thesis to the field of community-based entrepreneurship, my research in this thesis can suggest new possibilities, open up new questions and stimulate new dialogue, which is a kind of validation, also according to Angen (2000).

In terms of ethical considerations, although the main goal of a study is to find credible answers to the research questions, the findings are only acceptable if they also ensure the well-being of the participants in the study (Teddlie and Tashakkori 2009). Criteria that were taken into consideration prior to and during the interviews and observations at meetings were the anonymity of the participants; and in view of this I developed case studies of individuals that represent a composite picture rather than an individual picture (see Creswell 2007). Furthermore, there are certain issues that I faced as a researcher. Booth et al. (2008) describe six such issues, which are crucial to keep in mind as a researcher, in order to conduct ethically correct and valid research:

1. Ethical researchers do not plagiarise or claim credit for the results of others.
2. Data is not submitted whose accuracy is not trusted.
3. A researcher does not misreport sources, invent data, or fake results.
4. Objections that cannot be rebutted are not concealed.
5. Opposing views are not distorted.
6. Data or sources are not destroyed or concealed.

The quality of data is highly dependent on how the participants in the research context view me as a researcher and the legitimacy of my research study (see Teddlie and Tashakkori 2009). This is often referred to as “gaining entry in the field” (ibid.). For my part it was a great advantage that I live in one of the municipalities studied, which is Berg. However, Bogdan and Biklen (2003) listed five common questions that participants might have about research studies in which they take part, which I was careful to keep in mind at each interview opportunity:
1. **What are you going to do?** Here it is important to be honest, but not too lengthy in the answer.

2. **Will you be disruptive?** It is important to ensure that the study is non-disruptive.

3. **What are you going to do with the findings?** Make sure to inform participants that your research will not lead to negative publicity.

4. **Why us?** People are often interested in why they are selected for a research study.

5. **What will we get out of this?** Participants often ask for reciprocity. Usually the researcher can offer to publicise their findings.

I found that having discussions regarding these five points with the respondents before asking the questions eased any tension present and made the interview smoother and more interesting. The main focus of the thesis is how wicked problems influence community-based entrepreneurship in rural areas, and how this affects the development of small businesses and local development. To address this issue it has been imperative to form this doctoral thesis with the methodological methods described in this section as, if normal scientific methods, such as only theorizing and observing, are used to address wicked problems, it often results in controversy and gridlock (see Pielke 2007; Sarewitz 2004). Furthermore, the decision of whose values count is made in the political world, not in the world of science (Bromley 1997). Therefore, much of the data collection and project involvement during the research process has taken place in the field, in an attempt to capture the true local rural dilemmas in community-based entrepreneurship and get input from the political arena in order to try to bridge science and small business development, from a methodological standpoint. It should be mentioned that there was no participatory action research performed in the municipality of Sorsele, since it was not possible to spend any longer period of time there. This in itself is a limitation in terms of the possibility of generalisation between the municipalities of Berg and Sorsele, but as previously mentioned, an attempt to compensate for this was made by reading documents and watching videos of Sorsele, in order to get as close as possible to the correct perception of Sorsele contextually and socially.

Throughout the process as a researcher and as a theoretically connected concept in paper V, the perspective of “trust” has been present, in three dimensions. The first dimension is what is referred to as ethos and pertains to me as a researcher. This has to do with earning the confidence of the readers of my research by going through the process of “thickening” my argument (see Booth et al. 2008). In other words, the ethos one projects in individual arguments becomes one’s reputation as a researcher. Do I only stick to my own beliefs or am I able to acknowledge the validation of my findings through previous research and views? I have hence, in order to meet this dilemma, throughout my own research process looked at alternative methods,
solutions, goals and objectives in order to thicken my own arguments in this thesis and create ethos for myself. Ethos also has to do with the trustworthiness of my qualitative research. Lincoln and Guba (1985) introduced four criteria that together indicate the quality of the data from a qualitative inquiry: credibility, transferability, dependability and confirmability. This is also part of the second dimension, which is to create trust towards me as a researcher among the participants in my empirical studies and data gathering. These four criteria, according to Teddlie and Tashakkori (2009) can be met if the following strategies are followed, which I attempted to do throughout the research process:

1. Prolonged engagement, it is important that researchers spend adequate amount of time in the field to build trust, learn the culture and test for misinformation either from informants or their own biases.
2. Persistent observation, where the purpose is to provide depth for myself as a researcher by properly identifying the characteristics of the context in question.
3. The use of triangulation techniques, where the triangulation of sources (e.g. interviews, the reading of documents and observations), and methods is being conducted.
4. Member checks, involve asking members of the context to verify the researcher’s representations of events, behaviour, or phenomena.
5. Comprehensive descriptions, which provide for the transferability of interpretations and conclusions from the qualitative research.

The final and third dimension is the meaning of the word “trust” itself and how it is used in research. Depending on in what context a study takes place, the interpretation of “trust” can vary (Mayer et al. 1995). Scholars in various disciplines have considered the causes, nature, and effects of trust, including characteristics of the trustor, the trustee, and the role of risk (ibid.). For myself as a researcher it was necessary to be sure of my own standpoint and understanding of the word “trust” in order to be able to interpret my findings correctly.

3.9. Interpretation and analysis

To meet the purpose of the thesis, three research questions were formulated in order to lead the research forward. Scott’s (2014) theories on the three pillars of institutions – regulative, normative and cultural-cognitive has hence been used with the purpose of analysing and discussing the results of the case-studies. This was done by incorporating the results in this table (see table 1 on p. 21), and analyzing them based on the results from the data gathering. Scott (2014) claims that there is a connection
between institutions, in this thesis the rural context, and the structure and behaviour of organisations, in this thesis the municipalities.

To clarify Scott’s theories, chosen as an analytical model in this thesis, the ‘institution’ referred to is the rural context with its wicked problems and structural changes and where the owners of small businesses are a part. The ‘organisation’ is the municipality as an entity within the context. From here on, ‘institution’ is replaced by ‘rural area/context’ and ‘organisation’ is replaced by ‘municipality’, in order to follow the logic of the studies in the thesis.

Examining the general problem stated earlier in this thesis in the perspective of Scott’s (2014) theories, it is possible to analyse the results of the studies, in order to better understand wicked problems, structural changes and complex relations, and how they influence community-based entrepreneurship, and the attempts by municipalities to create small business and local development. When analysing this problem it is necessary to look at each one of the three pillars of institutions, in order to explore how structured social arrangements vary in complicated ways depending on how the rural community and municipal authorities experience the relationship between the regulative, normative and cultural-cognitive elements. In this thesis Scott’s (2014) theories are used to (1) show how community-based entrepreneurship research has developed to enhance the understanding of entrepreneurship as part of local rural development, (2) show how wicked problems influence community-based entrepreneurship in rural areas in Sweden, and what the effects are on the development of small businesses and local development, and (3) show how stable the three institutional pillars (regulative, normative and cultural-cognitive) are in the rural contexts studied, and in what way this can affect community-based entrepreneurship and local rural development.

3.10. Summary of the papers

Paper I and II were conducted by performing literature reviews; paper III-V were conducted by performing multiple- and single case-studies (see figure 3). By combining the knowledge gained in these five papers, summarized in table 6 below, the composition of the thesis is to analyse the empirical findings and theories in the analytical framework, in order to fulfil the purpose and thereby contribute to the research gap of how wicked problems influence community-based entrepreneurship in rural areas, and answer the three research questions. In table 6 below the name of each paper (publication) can be seen, the theoretical frameworks pertaining to each paper, the research purposes of each paper, how data collection and analysis were
performed, theoretical conclusions for each paper, and finally empirical conclusions pertaining to each paper.

Table 6. List and summary of papers included in the thesis

<table>
<thead>
<tr>
<th>Name of publication</th>
<th>Theoretical framework</th>
<th>Research purpose</th>
<th>Data collection and analysis</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. A review of social entrepreneurship research.</td>
<td>Social entrepreneurship</td>
<td>To review the state of the research field, and explore possible research gaps</td>
<td>146 articles from SCOPUS database Bibliographic analysis</td>
<td>Multidisciplinary area of scientific research Defined in diverse ways More solid, qualitative empirical work is needed</td>
</tr>
<tr>
<td>II. Entrepreneurship in society A review and definition of community-based entrepreneurship research.</td>
<td>Community-based entrepreneur-ship</td>
<td>To review the state of the research field, and explore possible research gaps</td>
<td>54 articles from SCOPUS database Bibliographic analysis</td>
<td>Need for further focused research Community-based entrepreneurship has its own influential factors on theory and practice Need for knowledgebuilding</td>
</tr>
<tr>
<td>III. Societal entrepreneurship - a crossboundary force for regional and local development cherished for multiple reasons.</td>
<td>Societal entrepreneurship -ship in sparsely populated areas</td>
<td>To further the understanding of societal entrepreneurship from a perspective of a rural and regional context</td>
<td>Multiple casestudy Analysis is based on an interpretative approach</td>
<td>Societal entrepreneurship can be understood as local responses to local challenges as well as collective solutions to diverse goals</td>
</tr>
<tr>
<td>IV. The entrepreneurial outcomes of public-private partnership in the reorganization process of social farming – a Swedish rural perspective</td>
<td>Public-private partnership Organization Entrepreneurial outcomes</td>
<td>Public-private partnership in the reorganization process of social farming in northern rural Sweden and the entrepreneurial outcomes</td>
<td>Single casestudy Categorization of interviews, observations, documents</td>
<td>Identified problems that need to be addressed in order to ease the reorganization process. Entrepreneurial outcomes are social and economic. External and internal factors influence the public-private organisation</td>
</tr>
<tr>
<td>V. Development Local small business development in two Swedish northern rural areas – A matter of synergy, social capital and trust?</td>
<td>Small business development - State-society synergy - Social capital and trust</td>
<td>To examine the synergy between small businesses and the municipality in rural areas in northern Sweden</td>
<td>Multiple-casestudy approach Categorization of interviews, observations, documents</td>
<td>Local social capital is crucial when trust towards state is lacking. A tension is present between sectors due to external and internal problems</td>
</tr>
</tbody>
</table>

4. PAPER REVIEWS

In this chapter, the papers part of this thesis will be presented and are based on the studies (literature reviews and case-studies), which have been conducted for the purpose of this thesis.

My empirical research process began by conducting a literature review on the topic ‘social entrepreneurship’, in order to get an overview of the state of the research field and see where there might be research gaps, resulting in paper I. At the time, in 2011, this field was fairly novel and little had been done so far. In this review it was seen that the research field of ‘community-based entrepreneurship’ was also a field little explored at that time. It was therefore decided to perform another literature review on this topic, resulting in paper II. Here I developed an interest in small business development in rural areas. Paper III therefore looks deeper into the phenomenon of community-based entrepreneurship and rural local development. These three articles led up to the research focus, which deals with the synergy between small businesses and municipalities in rural areas in the attempt to create small business and local development and overcome structural challenges and complex relations (so called ‘wicked problems’), hence resulting in papers IV and V.
4.1. Paper I

A review of social entrepreneurship research

The first paper highlighted the significant importance of social entrepreneurship. It attempted to highlight and analyse the extent to which research had devoted significant attention to social entrepreneurship and what individual researchers have published about social entrepreneurship topics and how they have engaged in areas of discussion and made contributions. In a response to the stated lack of research communication and incremental knowledge-building, this study further mapped the contents of prominent issues discussed in the social entrepreneurship literature and outlined some possible emergent research dialogues. It was published in the international anthology “Social Entrepreneurship – Leveraging Economic, Political and Cultural Dimensions”, with co-authors Yvonne von Friedrichs and Joakim Wincent.

The purpose of this paper was to report a state-of-the-art review and a bibliographic analysis of the field social entrepreneurship. Overall, it was noticed that the concept is used in diverse ways in the literature and that a lot of research had been invested in understanding how to define social entrepreneurship and the characteristics of the social entrepreneur, but also specific dialogues in areas such as the marketisation of NPOs, social innovation frameworks, community development and how to solve social challenges. The systematic literature review of 146 articles derived from the data-base SCOPUS, also indicated a set of emerging discussions that warrant future attention.

This literature review analysed and counted topics and cross citations across authors in order to identify emerging discussions and themes in the literature. Through this method it was possible to locate common areas of discussion, which covered different problems and approached social entrepreneurship from different angles. Thirteen areas of discussion were found in the literature, pertaining to social entrepreneurship. These were a critical need to build sustainable organisations, entailing economic, social and environmental factors; local social enterprise and clashes in communities; poverty alleviation through micro financing; social innovation frameworks; type of start-up processes present in social entrepreneurship organisations and businesses; clarification of social entrepreneurship; definition of social value creation and commercialisation; community development; social capital mobilisation;

4 I reviewed the 146 articles, performed the analysis and wrote the discussion
marketization of non-profit organisations; characteristics and motivators in social entrepreneurs; organisations of social enterprises; and how to solve social challenges.

The study showed that there are certain common threads found in the subject of social entrepreneurship. By identifying and analysing the areas of discussion, the study opened up for further incremental research and exploration within the subject of social entrepreneurship. It was anticipated that future research would expand upon these areas and that they could be helpful in incremental knowledge-building and the recognition of key contributions. In addition to identifying areas for future unique contributions, the hope was that this bibliographic study would help scholars who are interested in contributing to this growing field of academic research by reducing ambiguity in how to develop incremental contributions that tie into, and build upon, previous research.

4.2. Paper II
Entrepreneurship in society – a review and definition of community-based entrepreneurship research

The second paper focused on what impact previous research in the field of community-based entrepreneurship has had on today’s research, how research was distributed in the field in terms of conceptual and empirical articles and also discussed what data collection methods have been used and what key research contributions there were. It was also discussed why and how community-based entrepreneurship was unique and what made it distinct as in regards to definition and execution. The paper was published in the international anthology “Social Entrepreneurship – Leveraging Economic, Political and Cultural Dimensions”, with coauthors Yvonne von Friedrichs and Joakim Wincent.

The purpose of the paper was to review the status of the existing literature and to comment upon the different views of the concept of community-based entrepreneurship to provide a useful definition for future use. A bibliographical analysis was conducted that focused specifically on previous publications on the topic and peer-review academic journals. The data-base SCOPUS was used for the literature search, where 54 relevant articles were found. These were reviewed, comments made upon the developments, and a definition of the concept was formulated and some directions and future opportunities for enhancing the accumulation of more specialised knowledge were outlined.

5 I reviewed the 54 articles, performed the analysis and outlined the themes part of the discussion.
Although of undisputed importance for practice and regional policy, previous literature that focused on community-based entrepreneurship has been developed slowly over almost forty years. The emerging themes found in this literature study on community-based entrepreneurship were the implementation of innovative ideas; creating social benefits for communities; creating and sustaining cooperative and collaborative relationships on community levels; development of certain processes through which new enterprises were created in existing social structures; the ability to create more and better jobs; implementation of prevention programs in rural areas; collaboration between public and private sectors; and the efforts to use networks, and also larger networks, in order to create, build and sustain strong communities.

The paper concludes that research on community-based entrepreneurship has had an important relationship to the development of social entrepreneurship research. It was suggested that social entrepreneurship is a more general concept than community-based entrepreneurship, which has a more specific focus on alternative processes. It was believed that clarifying a definition and the historical origins of community-based entrepreneurship would assist the development of an academic identity and inspire further research. The conclusion that community-based entrepreneurship has its own influential factors and its own consequences, meant that such a clarification is needed.

After the two literature reviews, in order to fill the research gap on the complexity of community-based entrepreneurship in rural contexts, further empirical research was conducted, which is presented below in paper III-V.

4.3. Paper III

Societal entrepreneurship – a cross-boundary force for regional and local development, cherished for multiple reasons

The third paper highlighted how different contextual aspects as well as different perspectives enhanced the understanding of why societal entrepreneurship was important for regional and local surroundings and development. The paper was published in 2014 in the *Scandinavian Journal of Public Administration*, with co-authors Malin Gawell and Yvonne von Friedrichs.

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*6 I took part in writing the method, analysis, and discussion.*
The purpose of this paper was to further the understanding of societal entrepreneurship from a perspective of a local and regional context as a primary setting. This paper was a multiple case-study, based on results from the findings in the cross-disciplinary project on societal entrepreneurship in sparsely populated areas (SESPA). With the broad base and open purpose of the paper as a point of departure, exploration as well as a more systematic examination of societal entrepreneurship as a force for local and regional development was facilitated. The different perspectives, theoretical frameworks, as well as empirical studies have facilitated analysis beyond a single sector in society and beyond a single level of analysis. The studies have been conducted by researchers from different disciplines, including business administration, pedagogy, psychology, political science, quality technology, and sociology and thus relayed a variety of approaches and empirical settings.

The analysis of the studies within the SESPA project revealed societal entrepreneurship as a multifaceted and complex phenomenon interrelated with the local context as well as with national and even global development. It was defined as a cross-boundary force for local and regional development. The sub-studies emphasised different aspects in which societal entrepreneurship can be understood as a local response to local challenges, the way in which it can stimulate the municipality to meet further needs in the community, as well as a collective solution to diverse goals.

In conclusion, the paper emphasised an intertextual vision of a ‘positive development’ in which societal entrepreneurship combined an entrepreneurial drive with societal aims. Furthermore, different, even multiple, reasons why societal entrepreneurship is cherished by different actors engaged in or related to the development were discussed – in this case of a sparsely populated region.

4.4. Paper IV

The entrepreneurial outcomes of public-private partnership in the reorganisation process of social farming – a Swedish rural perspective

In the fourth paper it was argued that the social value outcomes in entrepreneurship are just as important as the economic value outcomes for the two sectors in public-private partnerships in regards to social farming. However, this was not yet fully understood by the sectors and hence affects the entrepreneurial outcomes. The paper is in review at The Journal of Entrepreneurship and Regional Development with no coauthors.
The purpose of this article was to examine public-private partnership in the reorganisation process of social farming in northern rural Sweden and explore what the entrepreneurial outcomes are. This paper was a single case-study and presents the case-study project “Social farming – from thought to action” and discusses the challenges in the reorganisation process and the entrepreneurial outcomes. The methodology used was a qualitative case-study approach employing participatory action research.

The study explored how to achieve well-functioning public-private partnerships and to better understand social as well as economic entrepreneurial outcomes and how this affected the development of social farming, in particular in a welfare society, such as Sweden, in which structural changes have taken place in rural areas. Due to these changes a reorganisation of social farming, which previously was a public social service only, proved necessary. Findings showed that there are several challenges to reorganising social farming in a welfare state such as Sweden; risk, collaboration, contractual and mutual understanding of the sectors, which also led to tensions between the private and public sectors. Furthermore, external and internal factors influenced the public-private organization process, such as political and economic. In conclusion, not only did social farming generate positive economic outcomes for the farmers through an added means of income and saved money for the municipalities through preventive measures that social farming brought, but, social farming also generated social value, especially for the users, but also for the entrepreneurs.

**4.5 Paper V**

**Local small business development in two Swedish northern rural areas – A matter of synergy, social capital and trust?**

The fifth paper examined local small business development and state-society synergy in rural areas with a focus on social capital and trust. This paper was accepted for the special issue of Communities and New Development Paths in the Sparsely Populated North in the *Journal of Rural and Community Development* with no co-authors.

The purpose of this exploratory paper was to examine the synergy between small businesses and the municipality in rural areas in northern Sweden, by exploring whether the degree of social capital and trust influenced local small business development. Previous research showed that municipal policy tools, initiatives, and state-society synergy were crucial for local small business development in rural areas. This study challenged popular assumptions about how state-society synergy
is imperative for local small business development by saying that a lack of vertical trust has encouraged the entrepreneurial force and increased small business development in the rural areas studied.

A multiple case-study method was used including interviews, observations and the studying of documents. Results showed, by using the indicator ‘extent of trust in the municipality’ as measurement, that when there is strong horizontal social capital, it may in fact inhibit the possibility of creating strong vertical social capital, and the extent of trust towards the municipality is insignificant in promoting small business development in a rural area if the horizontal social capital is strong. A reason for this could be that the resources needed to build strong vertical social capital are embedded so much in the community that it makes it hard for public officials to reach and utilise them. Despite theoretical and empirical evidence that state-society synergy matters in local development, this study showed that this is not always the case. Three major points were concluded: weak vertical social capital (lack of trust towards municipal officials and leaders) can open up for and enhance horizontal social capital; not all links in a rural municipality need to be strong to enable small business development, but it can be enough that links on the community level, so called horizontal social capital are strong; and the extent of trust towards the municipality is insignificant in promoting small business development in a rural area, if the horizontal social capital is strong. This led to that there was a tension created between the private and public sectors due to external and internal problems relating to lack of trust towards the municipality from the owners of small businesses.

In the following chapter the results of the five papers presented above will be synthesised, by using the results to answer the three research questions, and presenting a discussion of the research problem: how wicked problems influence community-based entrepreneurship in rural areas, and how this affects the development of small businesses and local development.
5. RESULTS AND DISCUSSION

In this chapter, results that originate from paper I-V are synthesised in an analysis and discussion by answering the three research questions. All five papers form the basis for attaining the purpose of the thesis, which is to explore how wicked problems influence community-based entrepreneurship in rural areas in Sweden. Papers I and II are literature reviews and are to be understood as the foundation of understanding community-based entrepreneurship and how this concept is connected to local rural development. Papers III-V are case-studies and are analysed by using the theories of the three pillars of institutions (regulative, normative, and cultural-cognitive) by Scott (2014).

5.1. Main results

1. How has community-based entrepreneurship research developed to enhance the understanding of entrepreneurship as part of local rural development?

This thesis shows that the concept of community-based entrepreneurship has been defined in diverse ways and a great deal of effort has been put into understanding the nature of entrepreneurship and how social and community-based entrepreneurship are a part of this wider spectrum for the past 4 decades, as also indicated by the research of Bull and Willard (1993). The thesis also defines the boundaries of these concepts while trying to distinguish them from traditional and business entrepreneurship. Many empirical studies have been carried out, but the majority of them have been oriented towards summarising experiences and opinions related to this area, or addressing conceptual issues in order to establish some core ideas in this particular field of academic research. It is clear in this thesis that although research on community-based entrepreneurship has focused greatly on the differences from traditional definitions of entrepreneurship, there is a belief that the field is ready to move beyond this to alternative issues with a more explicit focus, in order to capture the essential role it plays in local rural development. Previous research by Shane and Venkataraman (2000) argues that entrepreneurship as a concept is concerned with the discovery and exploitation of profitable opportunities, while at the same time research mainly focuses on who the entrepreneur is and what he or she does. This is an issue when the contextual aspects are often of importance, in order to get a correct perspective of processes such as local rural development. This opens up for research that presents a better understanding of entrepreneurship as part of local rural development, as this thesis also indicates.

This thesis further shows that although there is a potential for interesting debates and research questions within community-based entrepreneurship, this topic
encompasses a wide variety of questions and stretches across the traditional disciplines, which can restrict the development of the establishment of stable theoretical models. One such theoretical model is how wicked problems influence community-based entrepreneurship in a rural context, which is studied in this thesis. One previous study, made by Wigren (2003), shows community-based entrepreneurship as being a key factor in enabling individual entrepreneurs to pursue opportunities that create social benefits for a community and to solve many of the problems that communities face due to the effects of structural change. This is an example of research establishing a model that encompasses contextual and individual factors. This thesis indicates that community-based entrepreneurship involves many dimensions; contextual, individual, influential, relational, developmental, to mention just a few. Or as Heilbrunn (2005) says: entrepreneurship is a dynamic process involving opportunities, individuals, organisational contexts, risks, innovation and resources. Although cross-disciplinary research in the field can achieve legitimate results, this thesis contributes to research by saying that there should be a focus on the need to develop theoretical models in order to enhance the understanding of entrepreneurship as a part of local rural development.

At the start of research into community-based entrepreneurship, Nottingham (1975) focused on implementation issues when initiating a rural development programme. The results of this thesis show that instead of focusing on defining the field, more specific areas are now being explored from different perspectives. The trend observed is that there is now a greater focus on discussing specific cases, social enterprising, how community-based entrepreneurship is impacting and affecting communities, how to build and sustain social entrepreneurship/social enterprises, value creation through social capital and social enterprising, and also if community-based entrepreneurship is a positive phenomenon. Results show that this field of research is concerned with contextual influences and many conclusions may only be true in certain contexts, hence limiting the possibilities for generalisation. Examples of this trend, as this thesis shows through the conducted literature reviews, include studies of indigenous tourism operators and economic recovery in rural island tourism destinations (Cadow and Wiltshier 2010); community-based entrepreneurship as a mechanism for renewal and experimentation (Lundqvist et al. 2010); and the collective power of ethnic entrepreneurship in rural areas (Kraybill et al. 2010). These studies are adding to the indications that community-based entrepreneurship research is in fact developing towards enabling a better understanding of how entrepreneurship is a part of local rural development.

Furthermore, results in this thesis show, as previous research has also hinted, that research in community-based entrepreneurship is part of the shift towards
collective, sustainable development that looks to the future, since structural changes are occurring more often, especially in rural areas, and affecting small businesses and local development (see Johannisson and Lindholm Dahlstrand 2009). Hence, through research, community-based entrepreneurship has developed towards being defined as a process of creating value by combining resources in new ways, intended primarily to explore and exploit opportunities to create social value by stimulating social change or meeting social needs (Mair and Martí 2006), as was also discovered while conducting the case-studies part of this thesis. The research stresses key issues such as social problems, social value, and solutions that create financial, organisational, social, and environmental sustainability. However, other results in this thesis show that there seems to be a vision of community-based entrepreneurship as a force for positive development, such as the development of small businesses and local development in rural areas, and that this development in research is increasing in importance largely due to global changes in finances, environment, business and local development. But, the question still remains how wicked problems influence this development.

Results show that when community-based entrepreneurship is faced by challenges such as wicked problems it tends to focus on alternative processes. In spite of past and current efforts by municipalities to improve conditions for people in rural and sparsely populated areas, there is currently a trend of depopulation and a decline in public services in these regions (see Pierre 2017b). Previous research indicates that a demand for higher education and access to a more diverse labour market, combined with cut backs in public services, are some of the factors that can explain this development (Trägårdh 2007). Results in this thesis indicate that there are hopes that community-based entrepreneurship can be a force to counteract this development. Eikenberry and Kluver (2004) also discuss this in their research by saying that community-based entrepreneurship plays a vital role in local rural development.

Furthermore, community-based entrepreneurship is a multifaceted and complex phenomenon, as the results of this thesis show, and it is interrelated with the local rural context, where the public and private sectors are a part, as well as with national and even global developments, which affect entrepreneurship and create wicked problems, such as structural changes and complex relations. As a study by Berglund et al. (2012) shows: “the understanding of community-based entrepreneurship research signals that the shape it takes is sensitively dependent upon context”. The same results are shown by Welter (2011): “context matters”. In agreement with the findings of Welter (2011), this thesis shows that community-based entrepreneurship is embedded in different contexts, and both structural and geographical embeddedness affect the processes of local rural development (see Pierre 2017a and
Pierre 2017b). However, as the results in this thesis indicate, although a general understanding seems to exist when it comes to potential definitional properties, no research has exactly defined what community-based entrepreneurship is and how it is related to and distinctive from traditional entrepreneurship (Pierre et al. 2014b). This could put a spoke in the wheel in the attempts to increase the understanding of entrepreneurship as part of local rural development. Therefore, in view of the previous research in the field, the results in this thesis contribute to the definition by defining community-based entrepreneurship as a locally grounded phenomenon, which encompasses for-profit and non-profit organisations, local businesses, individuals, local community-oriented projects and networks that together or separately strive to create a sustainable and flourishing community by working with the community in solving problems and improving and developing social and economic value and benefits (ibid.). This implies that important properties of community-based entrepreneurship include locality, sustainability, social- and economic value, community development, networking, collectivism and enthusiastic individual entrepreneurs. By taking part in defining community-based entrepreneurship, this thesis contributes to theoretically clarifying its relationship to entrepreneurship, especially entrepreneurship as a part of local rural development.

The field of community-based research has developed a great deal in recent years, presenting research on aspects such as poverty alleviation, sustainability, microfinancing, and community development (Pierre et al. 2014b). This development has increased the possibility of gaining greater understanding of the processes of entrepreneurship in local rural contexts. However, the results stemming from the literature reviews in this thesis show that research concerning this has shortcomings when it comes to exploring the influence of wicked problems (structural changes and complex relations) on community-based entrepreneurship (see Pierre et al. 2014b). Therefore, the discussion continues by asking the second research question, seen below.

2. How do wicked problems influence community-based entrepreneurship in rural areas in Sweden, and what are the effects on the development of small businesses and local development?

The focus of this thesis, as previously discussed, is on the wicked problems of structural changes and complex relations. In the case of structural changes, political decisions are taken in order to overcome these changes and adapt to them. However, one major problem is that the decisions are usually taken with the urban norm in mind, leaving the rural areas struggling with issues such as centralisation, lack of or decreased public services, difficulty in commuting, and increased unemployment...
(see e.g. Walser and Anderlik 2004; Wiggins and Proctor 2002). According to Eliasson and Westlund (2013 p. 479) “policies aiming at promoting small business development are in general formed on national levels, without any consideration of differences between urban and rural areas”. Thus, results in this thesis show that policies for community-based entrepreneurship can be less effective when they are implemented in rural areas with certain contextual circumstances, and few policies are being adapted to meet the different needs of different areas.

Previous research shows that wicked problems in a rural context are often ambiguous at the municipal level and may be associated with strong moral, political and professional issues, and are strongly stakeholder-related (see Head and Alford 2015; Scott 2014). Hence, as the results show, the attempts of the municipality to stimulate small business development often lead to endless discussions about what the problem actually is, before they even come to the question of how to solve it. This thesis shows that the municipal politicians decide on certain policies and the execution is conducted by the municipal officials, in the belief that this will solve the problem or change the state of the problem. The decisions and their implementation are not preceded by a deep analysis of the context, its stakeholders (the people in the rural context), or what kind of problem they are dealing with. This in return creates irritation and aggravation among public and private stakeholders, which probably influences community-based entrepreneurship. This can be an indication of the lack of state-society synergy.

The results of this thesis complement previous research by showing that the attempt by municipalities to create a favourable environment for the development of small businesses and local development, indirectly and directly together with small businesses in rural areas, is a complex goal to achieve (see Allen and Dillman 1994). The complexity is due to the presence of wicked problems in the shape of structural change, such as uncontrollable events locally, nationally and globally, (see Head and Alford 2015; Batie 2008; Rittel and Weber 1973) and complex relations within the rural context (Scott 2014). The national government decides on linear models of how to solve rural problems without always having a clear insight into the reality of the rural context or even considering these areas to be of importance (see Walser and Anderlik 2004; Persson 1990). Results in this thesis show that the demand for change and betterment increase and put pressure on the relationship between the municipality and the local community, which influences community-based entrepreneurship and local development. Despite this, results indicate that the entrepreneurial force is still strong among the owners of small businesses, and they continue to establish and develop their businesses in spite of these difficulties.
Regarding the wicked problem of complex relations, results indicate that in rural areas one person might have many different roles. Scott (2014) says that particular individuals or specified social positions are associated with conceptions of appropriate goals and activities. These roles can be part of individuals’ work-life as well as private life, creating complex relational structures that influence the efforts made by the public and private sectors to establish community-based entrepreneurship and local development in rural contexts, as shown in previous research studies (see Willis 2016; Westlund et al. 2014). These complex roles were observed in all of the case-studies in this thesis. For example, one person works in the business development office of the municipality. This person is involved in various local developmental efforts and therefore meets local business owners, politicians and other actors on a regular basis on a professional level. The children of this individual attend the local school, which only has 100 pupils. In this setting he/she interacts with other parents, many of whom are business owners, co-workers or politicians at the municipality. The individual’s children play in the local soccer team, where he/she is one of the volunteers supporting the local sports club. He/she is also involved in local development questions and has an interest in the community’s future. Therefore, he/she has been elected as the president of the local business association and has regular contact with regional politicians regarding certain local issues. In order to be able to partake in the democratic process in the municipality as well as the region, this person is a member of a political party and has a part-time seat on the municipal council.

As can be seen, this person has many different roles depending on in what setting he/she is acting. As previous research indicates, this is not uncommon in rural settings, where there are a limited number of inhabitants to fill all the roles. For example, as Acs and Malecki (2003) say, rural areas are largely defined by the absence of dense environments of customers and suppliers and knowledge spillovers. This creates a delicate balance for the municipality and the community in creating a socially understanding environment, as Scott (2014) also mentions. This person’s involvement and actions in various ways are present in all the three pillars of the rural context: regulative (municipal involvement), normative (involvement in associations) and cultural-cognitive (private involvement in e.g. soccer team or school), as described by Scott (2014).

This thesis shows that the issue of trust often arises in policy development and policy implementation, when in cases like this an individual is employed in the public sector, and at the same time is active and involved in several ways in the private sector. Results show that the private stakeholders need to believe that the public stakeholders have sufficient knowledge and understanding of the context and social
structures in which policies are to be developed and implemented, which is also discussed by Westlund et al. (2014), Malecki (2012), Cooke et al. (2005), and Iyer et al. (2005).

To tie together the discussion of how wicked problems influence community-based entrepreneurship in rural areas, a more critical view will be adopted. This thesis shows an intertextual vision of ‘a good development’ which indicates that a problematisation of the role of community-based entrepreneurship and the consequences for the people involved in or targeted by the different initiatives, are not adopted automatically. Community-based entrepreneurship is revealed as a force that interplays with the rural context, but that crosses different types of boundaries. The rural contextualisation in this thesis shows community-based entrepreneurship as a response to structural changes, such as increased competition, decreased population as well as the changing role of the public sector. It would be of interest to be able to confirm whether or to what extent community-based entrepreneurship initiatives in general are responses to wicked problems, or if they are actually driving forces behind wicked problems. This is primarily related to Schumpeter’s (1934) approach to entrepreneurship, discussed at the beginning of the thesis.

The structural changes that are interrelated with community-based entrepreneurship are, in spite of increased research interest, not necessarily positive for local rural development, or for groups of people or individuals. Results indicate, at the one extreme, that community-based entrepreneurship might even be used as a hostage by municipal politicians in favour of decreased public involvement, or other actors in favour of market solutions. This means that there is a wish for community-based entrepreneurship to be a panacea for coping with wicked problems in sparsely populated areas (Churchman 1967, Rittel and Webber 1973). However, results show that community-based entrepreneurship initiatives cannot by themselves provide solutions, but they can play an important role in creating collaboration between sectors to stimulate local development, especially in rural areas.

3. How stable are the three pillars of institutions (regulative, normative and culturalcognitive) in the rural context, and in what way does this affect local rural development?
The rural context can be viewed as an institution that rests on the three pillars of institutions. The local inhabitants constitute a part of this context. This thesis views the municipality as the organisation within the rural context. Inhabitants living in the rural context can also be a part of the municipal organisation, and people employed by the municipality are often a part of the rural context and are sometimes also involved in activities outside of the organisation. This thesis shows that the phenomenon of having various roles is common in rural areas, which can create complex relations. This can, as Evans (1997) discusses, create difficulties in attempts to bridge the “great divide” between state and society, where often social capital and trust play important roles. In table 7 below, the empirical results from the casestudies have been incorporated into the model by Scott (2014), *the three pillars of institution*. This has been done in order to find out how stable or unstable the institutional rural context is, based on the three case-studies performed.
<table>
<thead>
<tr>
<th>Basis of compliance</th>
<th>Regulative</th>
<th>Normative</th>
<th>Cultural-cognitive</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Rules are followed on a “must” basis by SBOs Rules and laws are imposed by the municipality</td>
<td>Norms are adhered to, at times broken by SBOs The municipality follows the norm of the organization</td>
<td>The rural context shapes SBOs to be “survivors” Municipality adhere to the culture within the organization</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Basis of order</th>
<th>Regulative rules</th>
<th>Binding expectations</th>
<th>Constitutive schema</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mechanisms</td>
<td>Rules and regulations are followed when needed Municipalities must adhere to rules and their mechanisms</td>
<td>Norms are most often followed, however the creativity of people and distrust in municipality creates SBs Municipality do listen, but most often keep to their own agenda</td>
<td>The strong entrepreneurial force is contagious The cultural-cognitive mechanisms within the municipality are to some extent affected by cultural-cognitive aspects among SBOs</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Logic</th>
<th>Instrumentality</th>
<th>Appropriateness</th>
<th>Orthodoxy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicators</td>
<td>Rules, laws and sanctions are followed accordingly, by SBOs and municipal officials and politicians</td>
<td>Certification Accreditation</td>
<td>Common beliefs – Both express common beliefs about SBD - Shared logics of action - there is a gap in understanding each other Isomorphism – SBOs have little interest in reproducing the actions of the municipality</td>
</tr>
</tbody>
</table>
In summary of table 7 above, this thesis shows that, regarding the regulative pillar of institutions, the owners of small businesses and municipal politicians and officials follow the rules and regulations as they ought to. This is common in a welfare state such as Sweden, where people are taught to abide by rules and laws, as Gawell and Westlund (2014) also indicate. However, the results also show that at times the owners of small businesses distrust the municipal officials in their ability to implement the rules and laws in a correct and timely manner.

This thesis further shows that the normative pillar is somewhat complex, where the set norm among small business owners is to have a high entrepreneurial drive. However, the municipal officials and politicians work to meet normative goals, but are often caught in between rules/laws and being entrepreneurial and creative. There is a lack of daring to bend the norms to increase the development of small businesses and local development. Some municipal officials and politicians are also themselves owners of small businesses, and this fact at times creates difficulties, as they have dual roles. Results indicate that this can be a confusing state to handle for the municipal officials and politicians, if they do not separate their two roles, indirectly affecting the development of small businesses and local development.

The cultural-cognitive pillar in the rural context with its wicked problems, structural changes and complex relations, shapes the owners of small businesses to be “survivors” and makes them take an active role in creating their own circumstances. Municipal officials and politicians adhere to the culture within the organisation, but sometimes endeavour to properly understand the rural context and the circumstances of the owners of small businesses, believing strongly that the policies of the municipality can stimulate the development of small businesses and local development. The strong entrepreneurial force is positively contagious in the local
community, especially within various networks. The cultural-cognitive mechanisms within the municipality are to some extent (however not enough to build trust) affected by cultural-cognitive aspects among the owners of small businesses. The owners of small businesses and municipal officials and politicians express common beliefs about small business development, but a synergy in working together in creating this is lacking, creating a gap in understanding each other. The result of this is that the owners of small businesses have little interest in responding to the actions of the municipality. Results indicate that the owners of small businesses have to a large extent lost trust in the abilities of the municipalities to create small business development, but are certain of their own entrepreneurial efforts and abilities, while municipal officials and politicians work with their set agenda of policies, being certain of their positive impact on small business development, but lacking synergy with the owners of small businesses.

When incorporating the results into the table three pillars of institutions by Scott (2014), it can be seen that the municipalities that are part of this thesis, Berg, Soråle, Krokom and Östersund, are characterised by a regulating institutional basis. The small businesses are characterised by cultural-cognitive and/or normative values. That the municipalities work on the basis of regulative norms is obvious, since they are part of the public sector and have to adhere to laws and regulations set by the government. However, the role the owner of a small business has besides his or her firm, influences whether he/she is characterised by cultural-cognitive values, or normative values or a combination of both. Results show that in order for statesociety synergy to function, the municipalities first have to agree and take decisions in the municipal board, which then have to be implemented by the municipal officials and then implemented in the local community and the relevant area, while at the same time having a mutual understanding for each other’s context. Just as Cheung et al (2012) argue, important factors for state-society synergy to function are commitment and responsibility on the part of the public and private sectors, a strong and good private consortium of entrepreneurs, and appropriate risk allocation and risk sharing.

This thesis shows that complex relations are formed and connected to and intertwined with the local community and small business development, as they are a natural part of society. Communities unconsciously create cultural-cognitive structures among their inhabitants and there are regulative and normative systems that through policies and traditions “guide” a society in the wanted direction, through instruments such as cultures, social structures and routines. Results show that this is especially true in rural areas where there are relatively few people operating and interacting closely in various constellations, both in working life and privately.
By analysing the findings using the theories and model of Scott (2014), this thesis suggests that if the complex relations are recognised, adhered to and correctly understood by the owners of small businesses, municipal officials and politicians, then the process and attempts to stimulate the development of small businesses and local development would be easier. However, as Irani and Elliman (2008) argue, and which this thesis also shows, the public sector is often considered synonymous with inefficiency and lack of motivation to be innovative, and runs the risk of hindering the development of small businesses and local development.

Complex relations between the owners of small businesses and municipalities in a rural context affect small business and local development in either negative or positive ways. A negative way seen in this thesis is that the relations can be so complex that they pose an obstacle to the development of small businesses and local development. Results indicate that this is because trust between the actors is lacking or, that one person or a group of people have multiple roles which can affect how they are viewed and understood, thus affecting the outcomes of efforts to stimulate small businesses and local development. This confirms the argument proposed by Johannisson (2007): that in order to create positive change and improvements, it is important for these individuals to be active on a community level, in the rural context.

Scott (2014) suggests that the influence of various regulatory and normative bodies within the municipality varies, depending on the cultural-cognitive logics dominant within the wider rural context. Rittel and Weber (1973) argue that: “this is the most complex adaptive systems that we know of; wicked problems are about people as stakeholders, competing and cooperating, vying for position, willing to reflect, and to change their positions on the basis of this self-reflection”. Hence, as results of this thesis show, the problems and changes encountered on a local level in rural areas are about people and the community, and are therefore subjective.

To answer the research question how the relationship between the three pillars of institutions (regulative, normative and cultural-cognitive) is in the rural contexts studied in this thesis, in all four municipalities of Berg, Krokom, Sorsele and Österund, and how this affects community-based entrepreneurship and local rural development, it can be said that there is not a completely stable relationship between the three pillars. This is because the synergy between the state and the community (state-society synergy) is not present enough and at times there is a lack of trust from the owners of small businesses towards the municipality. On the one hand, the owners of small businesses represent a strong entrepreneurial force, abiding to the
rules and regulations, but they are not entirely content with the municipality and their norms. On the other hand, the municipality works hard to create and implement policies in order to stimulate small businesses and local development, but they do not really have a true understanding of the rural context and no synergy with the owners of small businesses. The three pillars of institutions can be compared to what Tillmar (2006) calls “the rules of the game”, when she discusses cooperation and trust. Tillmar (2006 p. 102) further says that:

“The rules of the game can be regarded as the soil out of which the tree of trust, and hence co-operation, grows. In some areas, the soil is more fertile than in others. However, the soil also receives its nutrients from different sources in different contexts”.

When applying these thoughts to this thesis and its results, the three pillars of institutions represent the “rules of the game” in the rural context, which is the soil where the tree of trust grows. Trust that is necessary for coherent local development to occur. This soil in the rural contexts studied is not as fertile as it should be in order for the tree to grow as it should. Lack of trust towards the municipality in their development efforts makes the soil less fertile and hence the tree doesn’t grow properly.

5.2. Discussion

This thesis shows that community-based entrepreneurship is not a single solution as the problems related to development call for multifaceted collaboration beyond the scope of individual initiatives (see Gawell et al. 2014). It cannot replace the responsibility of public actors in relation to citizens and small businesses. Furthermore, the results show that rural communities need to develop and create growth through local rural development in order not to ‘die out’, and that is best achieved by coming together in networking groups and governmental support groups, creating trust, and sharing their knowledge within the community at large in order to coordinate actions. Shane and Venkataraman (2000) say that community-based entrepreneurship involves sources of opportunities; the processes of discovery, evaluation, and exploitation of opportunities; and the set of individuals who discover, evaluate, and exploit them. Complex roles occur when one person acts from positions in more than one sector, also validated by Tillmar (2012), when actors from both sectors join in common activities; and organisational interlacing can also occur if there is a mediator between the sectors. Furthermore, the thesis shows that contextual processes can occur if there is a common wish to create common values; and institutional processes occur in the municipalities when actors from the
public sector apply institutional logics from both the public and private sectors, as also supported by Hallström (2015). The various actors are thereby able to understand each other and the organisation and context in which they are active. Actors arrive with “ideas and templates derived from their previous experience, and when applying them to new situations often join them together with local structures and ideas to form new combinations” (Scott 2014 p. 173). This is true also for this thesis. However, this process in the rural contexts studied takes place only between the owners of small businesses, not in synergy with the municipalities.

As previously mentioned, Sweden is a country where synergy is easily fostered, since it is characterised by egalitarian social structures and robust, coherent state bureaucracies (Westlund 2011), but on the contrary, this thesis shows that synergy between the owners of small businesses and the municipalities is lacking, and the tools available are not being efficiently utilised in order to create coherent local rural development (see Pierre 2017a and b). The cogs in the wheel of state-society synergy (see figure 3) are not all connected and some cogs are damaged by the influence of wicked problems. The distrust in the municipality from the business owners’ perspective has most likely damaged one of the cogs. Tillmar (2009 p. 6) discusses that “if municipalities do not adhere to formal regulations and good governance principles of transparency, predictability and accountability, public trust in government would decrease even more”. This thesis shows that the municipalities studied do adhere to formal regulations (pertaining to the regulative pillar of institution), but fall short when it comes to transparency, predictability and accountability (pertaining to the normative and cultural-cognitive pillars of institution). This further indicates that the rural contexts studied are semi-stable institutions.

The above discussion shows that the stimulation of small businesses and local development is far off and complicated to attain by the municipalities, although they put a great deal of effort into it (see Pierre 2017b). The community follows the routines, social structures and cultures that are embedded there (see Scott 2014), and find innovative solutions to structural changes by engaging in community-based entrepreneurship (see e.g. Austin et al. 2006; de Leeuw 1999; Fandel et al. 2012; Ruuska and Teigland 2009; Spilling 2011). This in itself results in the development of small businesses and local development, but, as paper IV and V show, this does not occur in synergy with the municipality and is therefore fragile and not as sustainable as if synergy would be present.

The prerequisite for an organisation such as a municipality properly understanding the rural context and its stakeholders, (see Cavicchi et al. 2013; Fink et al. 2012;
Freshwater 2012; Allen and Dillman 1994) includes having knowledge of institutional and organisational theory and the variables that act within the rural context. This includes state-society synergy, community-based entrepreneurship and wicked problems (see Gawell and Westlund 2014; Montgomery et al. 2012; Ratten and Welpe 2011). This thesis shows that such knowledge is not always present, affecting policies aiming at developing small businesses and local development. When considering the possible solutions to wicked problems, it is necessary to have a circular mind-set, not a linear one. If a linear mind-set is used, the stakeholders involved and many of the existing value systems that make up the pillars of institutions might get lost in the planning process and an institutional imbalance occurs, as happened in the case studies of this thesis (see Gawell et al. 2014, Pierre 2017a and b). As this thesis further shows, when the understanding by business owners and municipal politicians and officials of one or more of the pillars of institutions is lacking, the correct understanding of the rural context is missing and thereby an incomplete or incorrect policy is most likely to be created and implemented (Johannisson 2008, Johannisson 2007, Johnstone and Lionais 2004, Feiock and Kim 2000). This too indicates that the rural contexts studied are semistable institutions, having a difficult time creating coherent local development.

In the following chapter 6, the results from this thesis are synthesised into a concluding flow-chart model, showing how wicked problems influence community-based entrepreneurship in a rural context, and in what way this affects local rural development.
6. CONCLUSIONS AND CONTRIBUTIONS

First, general conclusions will be presented, followed by implications, limitations and suggestions for future research.

6.1. General conclusions and implications for theory and practice

The research aim of this thesis has been to explore how wicked problems, structural changes and complex relations influence community-based entrepreneurship and in what way this affects the development of small businesses and local development in a rural context. In figure 10 below, a flow chart model has been created based on the results of this thesis, in order to show how wicked problems influence community-based entrepreneurship and ultimately the development of small businesses and local development.
Figure 10. Flowchart of wicked problems (Created by A.T. Pierre 2017) (Nottingham 1975); interest by entrepreneurs to pursue community-based entrepreneurship (Baron 1998); how local characteristics can affect rural programmes (Bierman et al. 1997); and the community entry process (Morrison et al. 2005). However, there is a lack of studies with the focus of exploring how wicked problems influence community-based entrepreneurship in rural contexts, and in what way this affects local rural development. This thesis contributes to enhance the understanding of this problem for, amongst others, policy makers and small business owners. Hence, the practical contributions of this thesis concerns research on the influence of wicked problems on community-based entrepreneurship. It concludes that wicked problems, in the shape of structural changes and complex relations, are present in the rural contexts studied. These wicked problems influence community-based entrepreneurship by being disruptive factors, affecting policy creation and implementation by the municipality. The influence of wicked problems on community-based entrepreneurship pose for three possible outcomes on the three pillars of institutions combined: stable institution, semi-stable institution, or unstable institution. The results in this thesis conclude that these outcomes depend to a large extent on whether there is a synergy between the owners of small businesses (private sector/society) and the municipalities (public sector/state) or not. In other words, if there is trust between these two sectors. In conclusion it can be said that there is an overall lack of trust from the business owners towards the municipalities, due to the complex relations showing themselves through the different roles many people have within the context and how structural changes are handled and adhered to by the municipal politicians and officials. This indicates that the studied rural contexts are semi-stable institutions, thereby giving incoherent local rural development. However, in contrast to much of what previous research has said, there is a high entrepreneurial force in the rural areas studied, through among others networks and trust between business owners, showing itself through the business density being higher than the national average in Sweden.

The interplay of the municipality (public sector) and the owners of small businesses in the private sector comprises a complex and vulnerable relational system where many parts need to be coherent and balanced in order to function, and also to give the actors a possibility to reach their goals of developing small businesses and hence creating local development. The influence of wicked problems on community-based entrepreneurship represents a challenge that municipalities and the owners of small businesses have to face in their attempts to stimulate small businesses and local development. Wicked problems in the shape of structural change and complex relations in rural areas influence state-society synergy, the development of small businesses and local development. This is hard to influence, but with the right
knowledge and understanding of the problem, by owners of small businesses and municipalities, it can decide whether the outcome will be better or worse.

This thesis concludes that municipalities and the owners of small businesses have insufficient understanding of wicked problems and the effects of policies and actions are not sufficient to enhance development. Instead the municipalities work on creating a positive business climate, but do this to a large extent detached from the rural context and the owners of small businesses. The owners of small businesses in the municipalities studied often have a strong entrepreneurial drive, establishing and developing their businesses in spite of having no or very little synergy with the municipality. They simply do not feel the need to have municipal support in their business endeavours, except for when they need to apply for permits.

The rural contexts studied are semi-stable institutions, also indicating that it is imperative for the municipality to understand if this instability is due to wicked problems or to a problem that can be solved. An imbalance can make it even more difficult to attain the goals that the municipality has set for small business development. There might be well-established regulative measures that could work effectively, if there is also an understanding of and balance between the normative and cultural-cognitive elements. If not, an imbalance is present, as discussed in this thesis, which gives the municipality a further issue to struggle with. However, if a municipality is well in tune with the regulative, normative and cultural-cognitive values that make up the pillars of institutions in their rural area, and if they are properly understood and dealt with, then this model might even be an aid and tool in overcoming the struggles with the wicked problems discussed in this thesis. This stability would give the municipality an advantage in small business development.

The theoretical contributions of this thesis pertain to entrepreneurship in rural contexts, community-based entrepreneurship, and wicked problems. Previous research on entrepreneurship has focused much on economic development (Schumpeter 1934) and management (Jones and Wadhwani 2006). This thesis contributes to the theories of entrepreneurship by exploring how entrepreneurship functions in a rural context, by examining how community-based entrepreneurship has developed over the past four decades (see Pierre et al. 2014a, Pierre et al. 2014b, Gawell et al. 2014). This development has led to that it has been recognised in Sweden as being a part of a dynamic interplay in which established systems and processes compete with new influences (see Gawell and Westlund 2014). Such dynamic interplays between sectors and new influences have been found in research conducted on social farming, where public services also become private business ventures (see Pierre 2017a), and in research on local small business development.
where state-society synergy and trust are important factors (see Pierre 2017b). These two studies add to research that show how community-based entrepreneurship in rural contexts is a mechanism for renewal and experimentation (Lundqvist et al. 2012). However, a relatively unexplored theory, which in practice poses an obstacle and influences such interplays, mechanisms and renewals that community-based entrepreneurship opens up for, is wicked problems (see Head and Alford 2015, McCall and Burge 2015). Previous research on wicked problems has had a focus on defining the concept (Rittel and Weber 1973); how to improve the state of a wicked problem (Batie 2008); entrepreneurship in relation to wicked problems (Dorado and Ventresca 2013, Gerding and Vealey 2017, Peterson 2009); and wicked problems and sustainability in urban development (Klein Woolthuis et al. 2013). However, there is a lack of studies exploring wicked problems in rural contexts and the influences it has on local development. This thesis contributes to the understanding of how wicked problems influence community-based entrepreneurship in rural contexts and in what way this affects local rural development, by exploring how the wicked problems of structural changes and complex relations are an influence (see Gawell et al. 2014, Pierre 2017a, Pierre 2017b).

Scott (2014) has previously discussed the fragility of the three pillars of institutions (regulative, normative, and cultural-cognitive), but there is a lack of research connecting his theories to wicked problems in rural contexts. This thesis contributes to the institutional theories by Scott (2014) by, through the lens of these theories, exploring and analysing how the influence of wicked problems on community-based entrepreneurship in rural contexts (see figure 10) has created various outcomes on the three pillars of institutions and in what way this has affected local rural development (see Pierre 2017a, Pierre 2017b, and Gawell et al. 2014).

6.2. Limitations and future research

This thesis is conducted in a specific rural context, which opens up for a discussion whether the results derived can be generalised to other rural contexts. The question also arises of the results in this thesis pertain only to welfare states, such as Sweden, or if different results would be reached in other welfare states, such as for example the USA or Germany. Limitations are hence contextual and related to the country where the study takes place is a welfare state or a developing country. It would therefore be interesting to conduct qualitative studies in other rural contexts in welfare states, but also in other rural contexts in developing countries to see if the results are generalizable. The possibility would further be to perform a larger quantitative study, also to see if results would turn out the same. To take future research even further, it would be interesting to see if the same problem formulation
in an urban context would generate similar results. As for future research on community-based entrepreneurship, the development of small businesses and local development and wicked problems in rural contexts, more studies on this combination are needed in order to find out if results are contextual or depend on other factors. There have been many international studies of rural areas and small business development, but rarely has one with this specific purpose and approach been found.
SAMMANFATTNING PÅ SVENSKA (SWEDISH SUMMARY)

Entreprenörsforskning har sedan 1930-talet främst fokuserat på så kallat traditionellt entreprenörskap och studier har till stor del diskuterat förvaltningsprocesser. Under de senaste 40 åren har social och samhällsbaserad entreprenörskap forskning och reaktioner uppstått som ett svar på samhällsförändringar på grund av globala, regionala och lokala händelser som påverkar lokal utveckling. Sådana förändringar påverkar ofta landsbygdsområden mest och kan vara avfolkning, vilket ofta leder till en minskning av småföretagens utveckling, en minskning av sociala tjänster som sjukvård, skolor, banker och vägunderhåll och en minskning av lokal och regional ekonomisk hälsa. Dessa strukturella förändringar beror vanligtvis på politiska beslut som fattas på statlig nivå, som sänker sig genom samhället och påverkar lokal ekonomisk utveckling och indirekt småföretagsutveckling. Lokala entusiaster, grupper och speciellt entreprenörer försöker ofta möta dessa strukturella förändringar genom att använda samhällsentreprenörskap, vilket innefattar processer genom vilka nya företag skapas och kan fungera i en gemensam befintlig social struktur. Det finns emellertid faktorer som påverkar samhällsbaserat företagande och därmed småföretag och lokal utveckling. Sådana aspekter som onda problem, i denna avhandling och i en rural kontext, hänvisar dessa till strukturella förändringar och komplexa relationer. Komplexa relationer finns i sociala system som involverar regulativa, normativa och kulturella kognitiva aspekter, där samma person kan ha många olika roller och därmed påverka lokal landsbygdsutveckling.


**Nyckelord:** Socialt entreprenörskap, samhällsentreprenörskap, onda problem, utveckling av småföretag, lokal utveckling av landsbygden, samhällssynergi.

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Appendix I
Interview guide for paper IV

Questions to business owners who want to offer social farming on their farms

It's good if you (the family) think through and discuss these questions before we meet, so that we use the meeting time as efficiently as possible.

Nothing is carved in stone and can of course change in the dialogue with LRF and potential customers. Nevertheless, I would like you to think about how you would like to conduct social farming on your farm, in the best of worlds, based on your wishes and conditions. Please write down your own questions if wanted.

• Which target audience / groups are you most interested in receiving at the farm?

• To what extent (number of hours / day / week) do you want to have the opportunity to offer social farming?

• What do you regard as your role in an enterprise with social care? (Rent out the farm environment, activity manager, total contract or other). And what role do you see towards a collaboration with the municipality?

• What investments / changes do you think you must do in the farm in order to offer social farming to the extent and direction you see in front of you?

• What activities can / would you like to offer the target group?

• Can you think of another type of activity on the farm in the environment intended for social farming? What can you imagine in that case?

• Do you have a current business plan for social farming on your farm?

x How do you set up a cooperation with the municipality regarding the establishment of social farming and what do you think the outcomes will be for your business?

x What is unique with your farm?

Questions to municipal officials and politicians in Berg, Krokom, and Östersund

x What audience / target groups do you think can maximize the benefits of social farming in your municipality? Think broad, free and not on a need basis.
What audience / target groups is most relevant in the current situation on the basis of the municipality's need / desire to be able to offer meaningful employment.

Think about what kind of meaningful employment you wish from the municipality that the farm owner should offer?

What alternative is most relevant for your municipality:
- Farm in the municipality can offer full service
  - The municipality rents the "environment" and brings its own personnel and the farm owner is the guide
  - Farm somewhere else in the county can offer full service where the farm owner has some kind of expertise

To what extent can you imagine buying social farming services from the farm?

What needs do you see within social farming in the coming five years from your municipality’s perspective?

How do you set up a cooperation with the farms regarding the establishment of social farming and what do you think the outcomes will be for your municipality?
## Interview guide for paper V

<table>
<thead>
<tr>
<th>Questions to Small Business Owners</th>
<th>Questions to Municipal Officials and Politicians</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is there a collaboration with the municipality today?</td>
<td>Is there a collaboration with small business owners today in order to enhance small business development and local development?</td>
</tr>
<tr>
<td>What does this possible collaboration look like?</td>
<td>What does a possible collaboration between small business owners and the municipality look like today?</td>
</tr>
<tr>
<td>What problems in this possible collaboration are encountered?</td>
<td>What problems in this possible collaboration are encountered?</td>
</tr>
<tr>
<td>How have these problems been solved?</td>
<td>What do these possible problems depend on?</td>
</tr>
<tr>
<td>Do you trust the municipality in their policy performance and implementation?</td>
<td>How have these possible problems been solved?</td>
</tr>
<tr>
<td></td>
<td>Do you think the small business owners trust the municipality in its policy performance and implementation?</td>
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</tbody>
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