CHANGING FOCUS OR CHANGING ROLE? THE SWEDISH NONPROFIT SECTOR IN THE 1990S

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Abstract

Some observers speculate whether there exists a nonprofit sector at all in Sweden, others conclude that the Swedish nonprofit sector must be very small - in terms of the welfare services it produces. This is the stereotypical and somewhat biased picture of Sweden that has too long prevailed internationally. Data from a major Swedish research project, within the framwork of the Johns Hopkins Comparative Nonprofit Sector Project,(1) is used in the following article to give a better picture of the Swedish nonprofit sector, and to highlight some of its main characteristics.

Sweden is considered to be a social-democratic welfare state regime, and in the paper the importance of the popular movements, the membership and volunteering, and the general negligence of nonprofit activities in the mainstream welfare state literature are highlighted and discussed. The paper concludes that in its economic size the Swedish nonprofit sector is similar to the sectors in the other countries included in the Johns Hopkins Project, but that it is financed to a lesser degree with governmental money. This is an effect of the special structure of the Swedish sector. While the sectors in most of the other countries in the study are dominated by nonprofits active in the core domains of the welfare state *– social services, education, health care – the major Swedish nonprofit actors are to be found in the field of culture and recreation, and in interest mobilization. Nonprofit activities within the core domains of the welfare state are massively financed with public money - in Sweden as in most other countries. Since these*

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core domains only represent a minor part of the total Swedish sector, the Swedish sector is less financed with public money than the sectors in most of the other countries included in the Johns Hopkins survey.

Finally, the relations between the Swedish nonprofit sector and the government are described and analyzed, and the current development towards a contract culture *is briefly discussed in the light of this development and the traditional role of the sector in Sweden.*

Changing Focus or Changing Role? The Swedish Nonprofit Sector in the 1990s.

In earlier research and international understanding, a Swedish nonprofit sector has been understood as being relatively small and highly dependent upon the Swedish government (e.g., Boli, 1991; 1992; James, 1989).

In this article, data from a major Swedish research project, conducted within the framework of the Johns Hopkins Comparative Nonprofit Sector Project, is used to give us a better picture of the Swedish nonprofit sector"s size and structure, and highlight some of its main characteristics (see, e.g., Lundström and Wijkström, 1997; Lundström, 1996; Wijkström, 1997).

The article also discusses the more recent development in Sweden during the late 1990s (spurred, for example, by the social economy debate) and raises the question whether the changes we can detect today, bear sign only of a slight change of focus in the operations of the Swedish nonprofit and voluntary organizations, or if they indeed are indicators of a more fundamental shift in the basic understanding of the role or function of the nonprofit sector in Sweden.

But, before entering into the more recent research conducted and the lessons we have learned from this, let us first highlight some general characteristics of Sweden, that should have an impact on any discussion of a Swedish nonprofit sector. Let us also, for the sake of clarity, briefly recapitulate the organizations or phenomena we are in fact dealing with.

Sweden – a Social-democratic Welfare-state Regime

The Swedish nonprofit sector has a different lesson to teach us than many of the nonprofit sectors in other industrialized countries. One way to understand the development of a nonprofit sector in Sweden is to recognize the „trust-based mutual dependency“ that has evolved between the sector and the welfare state in Scandinavia (Klausen and Selle, 1996).

Sweden, alongside the other Scandinavian countries, has been considered to be an archetypical example of a „social-democratic“ welfare-state regime, as argued for example by Gøsta Esping-Andersen (1990) in his now already classic analysis. The main difference of this regime, as compared to the „liberal“ welfare state regimes (e.g., in the US, Australia, and Canada) or the „corporatist“ welfare state regimes (e.g., in Germany, Austria, and France) is that principles of universalism and de-commodification of social rights, through general and standardized welfare programs - run by the Swedish government - were extended not only to the working class, but also to the new middle classes. The welfare state would thus promote an equality in terms of highest standards, not an equality in terms of minimal needs. In Esping-Andersen“s own words, this „implied, first, that services and benefits be upgraded to levels commensurate with even the most discriminating tastes of the new middle classes; and, second, that equality be furnished by guaranteeing workers full participation in the quality of rights enjoyed by the better-off“ (ibid., p. 27).

Division of Labour

This „trust-based mutual dependency“ between sector and state, lead to a consensus relationship in Sweden in the mid-19th century, which seems to differ from the conflict or competitive relationship between sector and state, that are to be found in many other countries. This consensus relationship was also an important part of the „silent social contract“ between the different sectors in Swedish society, a contract which lead up to a situation of very strict „division

of labour“ in society. Business life and our large industrial corporations were understood to cater for export and import, as well as for forprofit commercial arrangements, while the state, through central and local government, was supposed to take care of such areas as military defence, health care, social services, and primary and university education.

The role and responsibilities assigned to the popular movements and different interest organizations in this arrangement was on the one hand to function as a mediator of interests and basic values between citizens and the state or other interests, and on the other hand to cater for the arrangement of leisure or recreational activities for - and through - the population. Furthermore the role as „schools for democracy“ was often associated with the voluntary associations. Also adult education - outside primary education and the traditional university system – was mostly in the hands of educational associations and folk high schools, run by, or associated with the major popular movements.

The Concept of Charity and a Popular Movement Tradition

Historically, the concept of charity has had a very negative ring in Sweden and in the Swedish social policy debate. This negative attitude can be understood to have originated from two different conditions. The first one is that historically the early charity arrangements and organizations were part of the poor-law system. The labour movement and associated organizations - such as the highly influential handicap movement - revolted against this system as being inhumane. Accordingly, it was replaced by a welfare-state system based on social or civil rights, as described above. The other major source of irritation and suspicion towards the idea of charity is associated with power and the right of distinct interest groups to formulate and put on the social and political agenda the issues of their concern. Charity arrangements were often understood as instruments of the more fortunate classes, used for covering up social inequalities rather than achieving equal rights and values for poor people, and thus preserving the existing power structures (Sjöberg and Vammen, 1995).

In contrast to the American practice, the Swedish use of the charity concept (*välgörenhet*) exclusively refers to the field of social services, and it does not embrace arts, culture, education, health care, and other activities which, while contributing to public welfare, do not necessarily target the poor. This is not only true with reference to historical conditions, as shown in Lundström and Wijkström (1997, pp. 17-21). In 1996 it was decided that nonprofit organizations within the field of social services in Stockholm should receive more economic support from local government. In a comment to this, Lars Forsell, a Social Democrat and member of the social welfare board, stated that:

> I, and others with me, will fight to expand the [voluntary] sector. We will promote this growth, and it will grow ... But the responsibilities of society [i.e., the state] should never come into question, and it is important that the word „charity" is counteracted. (Olsson, 1996, author"s translation)

Instead of charity and philanthropy becoming the main pillars of the nonprofit sector in Sweden, a particular „popular movement tradition" has emerged (Lundström and Wijkström, 1997). The key words of this tradition are open and active membership, transparency in operations and administration; a high degree of formal internal democracy and justice, and a generous access to public policy making. This has been coupled with economic support from government in the form of general, almost non-restricted subsidies. These subsidies are calculated on the basis of the number of active members and the number of times they meet to do whatever the organization is supposed to do, e.g., scouting, reading lyrics, sporting, helping, etc.

Popular Movements, Neo-cooperatives and Foundations(2)

The popular movements (*folkrörelserna*) are the most important nonprofit organizations in Sweden today, and they can be understood as having emerged – in a rough approximation - in three major waves.

Before these more open and popular social movements entered the scene, there existed a number of more exclusive societies called *sällskap* or *associationer*. These were active in very much the same fields as their successors – for example social welfare, culture or education – but they were run and controlled almost exclusively by small groups of persons from the middle and upper classes. They had often been created for the benefit of less fortunate individuals in the lower classes, and they were mostly dominated by men (Jansson, 1986; Sjöberg and Vammen, 1995).

The first of the major popular movement waves can be traced back to the 1870s, and it consisted of the temperance movement, the labour movement and the earlier Protestant free-churches (Johansson, 1980; Lundqvist, 1977). (Some social researchers include also the traditional cooperative – consumers and farmers – movements.) The groups of the first wave are often referred to as the classical popular movements in Sweden, and their specific way of organization and taking part in societal affairs has more or less functioned as the dominant role model for civil society activities in Sweden during the 20th century. These organizations are still powerful and wealthy actors in today"s Swedish society but their most expansive period ended in the 1950s or 1960s. Some of them are today experiencing difficulties in addressing issues that seem to engage their existing membership, as well as attract new members.

In the 1930s and 1940s, a second wave of organizations emerged, their members being active in two areas mainly: leisure activities and more specific interest mobilization. Among the leisure or recreation organizations in Sweden the sports movement is the most prominent in size with its approximately 3.5 million members - but large segments of the population are active also in the fields of culture (i.e. choirs and theater groups) and outdoor recreation. The special interest organizations appearing and expanding at the same time were, for example, the labour unions, the handicapped organizations and the tenents movement. These organizations seem to have had their peaks in the 1960s and 1970s, but we can also witness a new generation of special interest organizations in the 1990s - often smaller in size and addressing issues related to more focused and committed groups of people.

About the 1960s, a third wave of popular movement organizations emerged – often called in the literature „the new social movements“. They consist of people organizing themselves to solve or address problems experienced in the environment, in the uneven power balance between women and men, or associated with our propensity to make war. Compared to the other two waves, this third one seems to have developed very much in concord with, and under the influence of, similar international developments. The issues addressed are not really new, but via these organizations the questions reached a much larger segment of the population than earlier on. These organizations expanded during the 1970s and 1980s and for the 1990s we can trace a more action-oriented approach, when it comes to disarmament actions, ecologically motivated sabotage or animal rights.

Neo-cooperatives and Foundations

„Neo-cooperatives“ designates a joint concept for a variety of often small, mixed service cooperatives, or cooperative-like organizations, to be found in the field of welfare service provision. Neo-cooperatives can be Kindergartens run by parent cooperatives, or a group of former drug abusers starting a rehabilitation center based on self-help and joint ownership. They have been among the most expansive groups in the Swedish nonprofit sector during the 1990s and must be considered at the heart of any analysis of a social economy or third sector. Although our basic knowledge and information of neo-cooperatives is limited, and despite the fact that many of these initiatives are young and small-scale, they are often presented as an important answer to society“s growing inability to deal with a number of crucial welfare problems (Hansson and Wijkström, 1998; Lindkvist, 1995; Pestoff, 1998; Stryjan, 1995).

Foundations, finally, form another large part of the Swedish nonprofit sector, but they have remained surprisingly invisible during the major part of the 20th century. In 1992, the annual operating expenditures in Swedish foundations represented 12 % of the total operating expenditures in the nonprofit sector (Lundström and Wijkström, 1997), and they are estimated to have employed 15,000 persons in 1997. There are estimates ranging from 30,000-50,000 Swedish foundations, and the aggregated wealth of the 17,000 largest ones of these foundations amounts to nearly SEK 170 billion (appr.

DM 35,000). Of these foundations, 2,400 are operating foundations while 9,000 are mainly grant-making (Stockholm County Council). The main fields of these grant-making foundations are scientific research and higher education. The rest of the foundations are connected to the labour market, for example as pension foundations (Wijkström, forthcoming).

Membership and Volunteering

A distinct feature of the third or nonprofit sector in Sweden is a high degree of association memberships, both in absolute numbers and in comparison to other industrial nations (e.g., Curtis, Grabb and Baer 1992). The most important basis for the existence (and legitimacy) of a popular movement organization in Sweden today is in fact the existence of internal democracy based on active, voluntary and unremunerated membership with equal participation opportunities for all members. Less than one out of ten Swedes is completely without formal memberships (Häll 1994, Petersson, Westholm and Blomberg 1989), and Swedish associations are estimated to have 31-32 million members (SOU 1987, Lundström and Wijkström, 1997). Membership is thus a central concept for understanding the Swedish nonprofit sector.

This high rate of member engagement is very important not only for the internal identity and legitimacy of the associations in society but also because of the positive external effects they have had on democracy and welfare at large. There are to be mentioned for example the „schools for democracy“ and the „voice for disadvantaged“ groups (e.g., Lundkvist 1977, Johansson 1980, Ambjörnsson 1991). Internal democracy and external transparency in the popular movement organisations are thus very important arguments in the public debate. „People“s engagement in associations is a fundamental part of the Swedish democracy. This engagement plays an important role in the renewal of Swedish welfare“ (SOU 1987, p. 14, translation by the author of the article). This is also repeated and supported by a number of public reports on the topic (e.g., SOU 1987; SOU 1988; SOU 1992). Nonprofit organisations are thus considered to be central also to the overall democracy and welfare in Sweden.

These basic principles of internal democracy and transparancy in Swedish popular movements, as well as a strong link to overall democracy in society, seem to contradict the emergence of a nonprofit sector in, for example, the United States. According to Salamon, the US nonprofit sector was instead part of a larger ideological project at the beginning of the 20th century; a project intended to separate out a private sector „sharply differentiated from the public sector and *free of its democratic constraints*" (Salamon, 1997, p. 286, italics added). In the same spirit public agencies can, according to the American economist Rose-Ackerman, very well provide a „gurantee to donors that their funds are not syphoned off as profits ... but independent nonprofits, *less constrained by majoritarian claims*, can better reflect the desires of donors" (Rose-Ackerman, 1996, p. 724, italics added).

Volunteering

An important dimension of the membership in Sweden is the „active" member; volunteering without any payment for his/her organization. In Sweden, volunteering is traditionally viewed as a dimension (almost a duty) associated with the formal membership in an association, not primarily as a form of unremunerated employee. Volunteers in Swedish associations can thus be found among the formal members to a much higher extent than in many other European countries. As many as 86 % of all persons volunteering in Sweden in 1994 were also members of the organisation they voluntered for (Table 1).

Table 1:
Share of „member volunteers" in eight European countries.

Country	Share of „member volunteers"
Sweden	86 %
Germany	68 %
Republic of Ireland	60 %
Belgium (French-speaking)	58 %
Slovakia	58 %
Netherlands	57 %
Great Britain	47 %

Bulgaria	40 %
Average (unweighted)	**60 %**

(Gaskin and Smith, 1995, p. 33)

Volunteering in Sweden is among the highest in Europe (Jeppsson Grassman and Svedberg, 1995), and an overwhelming 89 % of the Swedish volunteering is carried out under the auspices of nonprofit organisations, considerably higher than in the other European countries included in the analysis (Gaskin and Smith, 1995, pp. 32-33). Volunteering in Sweden is usually not traditional charity volunteering in social services or health care. Most Swedish volunteers are active in sports and recreation organisations, while only as few as 26 % of the total number of volunteers are active in the fields in health care, social services, and education (the core domains of the welfare state). Correspondingly volunteer figures in the core domains of the welfare state in, for example, Great Britain amount to 62 %, 58 % in Germany and 42 % in the Netherlands (ibid. p. 35).

Swedish nonprofit organizations reported that nearly 480 million volunteer hours were contributed in 1992. Comparing this to the total of hours worked by all persons in the labour force (5,304 million hours), we find that the unpaid work hours were equivalent to nine % of all the paid work hours in Sweden. This is especially interesting in the light of the fact that less than 3 % of the regular paid work force in Sweden are employed in nonprofit organisations (Wijkström 1994).

The relatively high share of unpaid volunteer time in Sweden is striking, nearly 75 % of all the labour provided in the Swedish nonprofit sector was provided by volunteers. We can also compare the total amount of work – unpaid as well as paid – carried out within the Swedish sector with the situation in other countries. After some adjustments, the voluntary work in Sweden was estimated at approximately 421 million hours, which equalled 228,800 FTE (full-time-equivalent) jobs. Taken together with 100,000 salaried employees in the Swedish sector (representing 82,500 FTE jobs) the total amount of work (unpaid as well as paid) roughly equalled 311,000 FTE jobs. A comparison of total time (paid employees as well as unpaid volunteers) in four European countries, where similar data have been collected, is presented in Table 2. The amount of work (in FTE per 1,000 capita) in the Swedish sector seems to be quite extensive,

although data for the other countries were collected in 1990 (Wijkström, 1997, p. 648).

Table 2:
Amount of work in the sectors of four European countries (FTE).

Country	Employ-ees	Volun-teers	Total	FTE per 1,000 capita
France	802,619	586,576	1,389,195	25
Germany	1,017,945	679,341	1,697,286	21
Italy	418,129	272,861	690,990	12
Sweden	82,558	228,804	311,362	36

Wijkström, 1997, p. 648

The Economics of the Swedish Nonprofit Sector

Is the Swedish sector smaller and weaker than the nonprofit sectors in other comparable countries? Until very recently, this seems to have been general international understanding. To verify whether this picture of the Swedish sector is accurate or not, this section will focus on the economics of the sector. In 1992, the nonprofit organisations in Sweden had an annual turn-over of approximately 60 billion SEK (about US$ 10 billion) which - after adjustments made for religion and politics in line with the other countries - amounts to about SEK 58.3 billion (Lundström and Wijkström, 1997, p. 138).

To the surprise of many, the economic importance of the Swedish nonprofit sector compared to the Gross Domestic Product (GDP) is well in line with the situation in other industrialized countries. In 1992, the Swedish GDP was 1,437 billion SEK, and the sector"s total operating expenditures (SEK 58.3 billion) thus equalled 4.1 % of GDP. In comparable countries, e.g. Germany and the United Kingdom, operating expenditures of the sector equal 3.6 % and 4.8 % of their GDP in 1990, respectively. In France, the nonprofit sector"s operating expenditures for 1990 represented 3.3 % of GDP; in Japan 3.2 %, and in the US, 6.3 % (Salamon and Anheier, 1996, p. 38).

In what different types of activity do Swedish nonprofits engage? One way to present the structure of the Swedish sector is to map the share of operating expenditures for each ICNPO field. In Table 3, we can study the distribution of annual operating expenditures among different ICNPO (International Classification of Nonprofit Organizations) fields in Sweden.

Table 3:
Operating expenditures of the Swedish sector by ICNPO field.

Field	Share (%)
Culture & Recreation	22.8 %
Labour & Business	21.0 %
Education & Research	13.3 %
Development & Housing	8.8 %
Law, Advocacy & Politics	7.7 %
Social Services	7.4 %
International Activities	5.8 %
Religion	4.2 %
Health Care	2.7 %
Philanthropy	2.5 %
N.E.C.	2.1 %
Environment	1.7 %
TOTAL	**60 billion SEK**

(Lundström and Wijkström, 1997, p. 140)

The Core Domains of the Welfare State

At the core of the institutional welfare state are the systems and principles for the production of services within the fields of education, health care and social services, and the question of how access and rights to (or in other words: the distribution of) these services are assigned to the citizens. While nonprofit sectors in other industrialized countries are dominated (in economic terms) by organisations active in the „core domains of the welfare state“, the sector in Sweden (and the other Scandinavian countries) is dominated by organizations active in the field of culture and recreation, or in the mobilization of various interests, e.g. the trade unions and the employers associations.

Table 4:
Operating expenditures for organizations active in the core domains of the welfare state of the sector in eight countries.

Country	Welfare State Core Domains
Sweden	27 %
Hungary	30 %
United Kingdom	57 %
Italy	62 %
France	68 %
Germany	70 %
Japan	81 %
United States	85 %

(Lundström and Wijkström, 1997, p. 144)

Compared to the sector in other industrialized countries, nonprofit activities in the traditional core domains of the welfare state in Sweden – education and research, health care and social services – only generate 27 % of operating expenditures in the sector, even if the extensive work carried out by the popular movements educational associations and residential folk high-schools is included. In comparable countries, the economic size of these three fields taken together is two or three times larger, as compared to total operating expenditures of the sector (Table 4).

Independence – Sources of Revenue

The independence of the nonprofit sector is often debated. In fact, many definitions of this sector count its independence from other sectors in society as a distinctive feature. As stated earlier, the previous general understanding was that the Swedish sector was more dependent upon the public sector than the nonprofit sectors in other countries (Boli 1991, James 1989).

One way of viewing the question of independence (or dependence) is to study the composition of different sources of revenue. After adjustments, about 29 % of the sector"s income can be traced back to governmental sources in Sweden, while only 9% of the total income is received through private donations, like gifts and corporate

sponsoring, and 62 % have been generated by the organisations themselves in different activities, like, for example, second-hand sales or entrance fees to their events. On the average, nearly half of the self-generated income consists of membership dues or fees, thus representing a major source of income for many organisations. Many organisations call this „supportive membership fees", and it is similar to regular gifts from members to support the organisation, and not meant to ensure the members access to premises or membership benefits.

Table 5:
The revenue sources of the nonprofit sector in eight countries.

Country	Gov"t sources	Earned income	Donative sources
Germany	68 %	28 %	4 %
France	59 %	33 %	7 %
Italy	43 %	53 %	4 %
United Kingdom	40 %	48 %	12 %
Japan	38 %	60 %	1 %
United States	30 %	52 %	19 %
Sweden	29 %	62 %	9 %
Hungary	23 %	57 %	20 %
Average	**41 %**	**49 %**	**10 %**

(Lundström and Wijkström, 1997, p. 148)

The nonprofit sector in Sweden is, in fact, one of the sectors least dependent on governmental revenue sources (Table 5). What is the explanation for the low degree of public financing of the sector in Sweden? In Table 5 only aggregated figures were presented. Of more interest is the distribution between various revenue sources for organisations in different fields. In Table 6, this total revenue distribution picture is presented, field by field, and it reveals considerable differences between the organzations in different ICNPO fields.[3]

Table 6:
Revenue sources of the Swedish nonprofit sector by ICNPO field.

ICNPO Field	Gov"t	Earned	Donative
Health Care	87.1 %	11.6 %	1.3 %
Social Services	70.7 %	19.8 %	9.5 %
Education & Research	53.7 %	42.1 %	4.2 %
International Activities	49.1 %	14.1 %	36.8 %
Law, Advocacy & Politics	30.9 %	46.7 %	22.4 %
Culture & Recreation	25.3 %	62.7 %	12.0 %
Religion	18.4 %	18.4 %	63.2 %
Philanthropy	14.7 %	81.5 %	3.8 %
Environment	13.9 %	61.2 %	24.9 %
N.E.C.	12.4 %	80.4 %	7.2 %
Development & Housing	10.8 %	88.9 %	0.3 %
Labour & Business	5.3 %	91.5 %	3.2 %
Average	**28.8 %**	**11.5 %**	**59.7 %**

(Lundström and Wijkström, 1997, p. 147)

Swedish nonprofit activities within the core domains of the welfare state are to a very high extent financed with government money, and the situation is the same in most of the other countries. Thus, the explanation for a lower degree of public financing of the Swedish sector in comparison to other countries, is not that Swedish organisations in general are more successful in their own income-generating activities. Neither is the explanation that Swedes are more generous or altruistic, but rather that the fields most heavily financed with public money (the core domains of the welfare state) are among the smallest of all the fields of the Swedish sector, which distinguishes it from many other countries.

Summary and Discussion of Empirical Findings

Volunteers and volunteering in Sweden is closely associated with the role of formal members, rather than viewed as work provided by unpaid employees. Swedes seem to be at least as active as members and volunteers in the nonprofit sector as people in many other countries, and it is indicated that the total amount of time pro-

vided jointly by volunteers and employees in the Swedish sector on a per capita basis, is higher than what is found in at least three other European countries. However, although the data for the four European countries is collected within the same framework, caution is called upon when conducting international comparisons in such a virgin field of study, especially since the data have been collected in different years.

Contradicting the general perception that the Swedish nonprofit sector is small and weak, the material instead shows that the sector in Sweden in fact seems to be as extensive as the sector in other developed countries. The earlier mis-perception is probably best exemplified by the research conducted by James in the late 1970s (e.g., James and Rose-Ackerman 1986, James 1987, 1989), but the same basic understanding is also evident in the work of Salamon and Anheier (1998).

Unfortunately, the way of operationalizing the size of the sector in this latter work - assuming it to be equal to the sector"s share of *paid employment* in a country - completely leaves out of the analysis the amount of unpaid voluntary work (Salamon and Anheier, 1998). As shown before, this gives us a severely biased understanding of the size, structure and operations of the Swedish sector; paid employees only provide 27 % of the total amount of labour, the rest is provided by volunteers.

There has also been a perception that the sector in Sweden is heavily dependent upon government funding (Boli 1991; 1992; James 1989). From an international perspective, the nonprofit sector in Sweden instead appears to have a relatively high degree of self-financing, and the share of public sector revenue in the Swedish nonprofit sector is in fact less than half what James (1989) estimated to be the case in the late 1970s. This fact does not address the question of independence in the same way as Boli (1991; 1992) does, but financial freedom is certainly one important factor when judging the overall independence of the sector.

Conclusion:

The size of the Swedish sector is similar and not inferior to the sector in comparable countries, both in a purely economic sense and when it comes to members and volunteering. 90-95 % of the population are members in at least one association, and the amount of volunteer work provided (mainly by members) represents as much as 75 % of the total work carried out in the sector. But the sector deviates considerably from most of the other European sectors when the degree of direct economic public support is considered. An important explanation for this deviation is that the structure of the sector in Sweden differs extremely from that of other countries. The dominant fields of the Swedish sector (culture and recreation, labour and business association) are less dependent upon direct public subsidies and contracts than the dominant fields (education, health care, social services) in most of the other developed countries.

From Cooperation Via Conflict to Contracts (1850-2000)

In the developed welfare state models, civil society organizations seem to have had a much more important function to fulfil, at least in Sweden, than we have previously understood, as is obvious in the negligence of these organizations in most of the earlier general welfare state literature (see, e.g., Esping-Andersen, 1990; 1996; Esping-Andersen and Korpi, 1987, and Cochrane and Clarke, 1993). What impact this previous negligence has had on our models of society, and thus on our ability to understand and predict changes in this field today, is of course difficult to say. But even a very sketchy historical overview over the relations between the nonprofit sector and government in Sweden indicates an important (two-way) impact.

Table 7
Tentative: different stages in nonprofit-government relations.

1850	cooperation	societies and charities
1890	conflict	popular movements
1940	consensus	popular movements
1970	corporatism	popular movements
1990	contracts	neo-cooperatives etc

Focusing on the major institutional forms in the Swedish nonprofit sector in each period, five major relational cultures between state/government and the nonprofit sector can be identified over the last 150 years. The process started in the mid-1800s with a *cooperative relationship* between state, municipal agencies, the benevolent societies, and other charitable institutions. This cooperation originated in a common acceptance of a shared responsibility between the civil servants in the municipality and the people from the middle and upper classes populating associations, societies and other charities (Jansson, 1985; Lundström, 1996; Sjöberg and Vammen, 1995).

This cooperative relationship remained undisturbed until the mid-19th century, it shifted though with the emergence of a new class of nonprofit organizations - the popular movements - at the end of that century. Today, central actors in the Swedish nonprofit sector stem from a *culture of conflict*. These conflicts emerged between large segments of the population on the one side and government and other institutions of the „establishment" on the other side. The labour and trade union movement, for example, can be seen as reactions against a growing capitalist and bourgeoise class following the industrialization of the country, the free-church movement can be understood in the light of a single dominant Swedish state church, and the temperance movement organizations can be perceived as a popular critique against an, in their opinion, too liberal national policy towards alcohol at the time.

These organized popular interests were successful, and they were able to make themselves heard. Slowly, the organizations in the major movements came to have influence on national government policy as well as on legislation. Between the major popular movements and state institutions, e.g. government or municipal agencies, a certain *consensus relationship* developed during the growth of the Swedish welfare state and its institutions. This culture of consensus eventually lead to a high degree of division of labour between the various actors, as already discussed, and often the organizations were instrumental in the advocacy for, and implementation of, government policy in their respective fields of interest.

This consensus relationship had in the been so firmly established1970s that it must be interpreted as a new phase – a *culture of corporatism*. The two sectors and their actors were understood to have come too close to each other, and public policy-making was becoming more difficult since the organized interests were, so to say, allowed to interfere to much with the policy-making process (Ruin, 1982). Lewin (1992) and Rothstein (1992) show in their analyses that the borderline between the interests and opinions of the public sector and those the nonprofit sector had become blurred and the two realms were no longer easily distinguished. Another effect of this corporatism was the possibility, for the established actors on the scene, to block or close the door for new comers.

The latest phase in the story is the development of a *contract culture*. During the mid-1980s and the 1990s, local as well as national government has been engaged in a growing contracting-out project in their relations to the nonprofit sector. Traditional welfare services, like child care and education, one of the real core fields of the institutional welfare state, have been opened for private nonprofit or cooperative actors, officially in a first round under the battle cry: „complement not substitute“ as it was launched by the non-socialist government in the early 1990s. This is still the official policy, but it is becoming increasingly difficult to judge whether a certain activity or operation is a complement or a substitute, especially if the long run is taken into consideration.

Although the contract culture is now firmely established in the nonprofit–government relations in Sweden, we have not yet seen the emergence of, and complications following, an increased competition between forprofits and nonprofits, as for example Salamon (1999) reports them from the US scene regarding hospitals, and as Ryan (1999) is discusses them for social services in the *Harvard Business Review*. This might be resulting from the fact that traditional welfare services in Sweden still are de-commodified and have not (yet?) been commercialized on the market.

Current Trends and the Debate on Social Economy

In the 1990s, two important trends affecting the nonprofit sector in Sweden have been noted. The first has been called „from subsidies to contracts“, and the second „from voice to service“. We will treat this development in more detail below, but the first idea is that Swedish government (local as well as national) during the 1990s, seems to have been shifting the economic support to the nonprofit sector, the earlier practice of general, unrestricted grants and subsidies to the organizations being replaced by today“s contracts and entrepreneurial solutions (Bergmark, 1994). In several cases, it also looks as if the responsibility for the relations with these organizations has been shifted „downwards“ from national government to the municipalities.

The other important trend is a shift in the focus of activity from the *provision of voice* to a *production of services*. Former voice or advocacy organizations seem to be moving into the field of service production, and many of the new organizations entering the arena are almost entirely focused on delivering welfare services (Lundström and Wijkström, 1995).

Social Economy

A third important change in this field in Sweden in the late 1990s is the introduction of the EU concept of *social economy*. In the definition of social economy, as it was proposed by a recent interdepartemental working group appointed by the Swedish government, it is described as consisting of activities with primarily public aims, based on democratic values and as being organizationally separate from the public or government sector. The activities in question are mainly carried out by associations, cooperatives, foundations and similar organizations with public or member benefit - not private profit - as the main driving force.

1. The public debate on social economy in Europe so far is turning around four major themes:
2. alternative welfare delivery systems (e.g., 6 and Vidal, 1994),
3. the creation of new jobs (e.g., Borzaga and Santuari, 1998)
4. the inclusion of marginalized groups, in society at large as well as on the labour market in particular (e.g., Defourny, Favreau and Laville, 1998), and finally

5. the enhancement and development of democracy and civil society, for example in their role as schools for democracy (e.g., Ds 1998:48).

Shifting Relations – Government vs. Nonprofit Sector

What is even more interesting – and maybe also alarming – from a Swedish perspective, is that with the debate on social economy emerging in the European Union in the 1990s, there seems to follow an almost taken-for-granted *reversed order of dialogue* between government and public sector institutions on the one hand and the organizations in the third sector on the other hand. Instead of the organizations being seen as mediators between state or government and the citizens and their values, interests and ideologies, the Swedish organizations today increasingly seem to be treated – and also act themselves – as if they are becoming tools for government or public sector institutions.

Instead of advocacy, agenda setting, or policy formulation, the new trade of the organizations seems to be to implement new public policies or carry out main stream welfare services as operators of governmental contracts, as is already the situation in the United States, the United Kingdom or Germany, to name only three. That means, we seem to experience a renegotiation in the 1990s in which the earlier silent social contract in society - where the role of Swedish nonprofits and voluntary organizations were stipulated to be the voice of the citizens (or maybe the organizers of people"s leisure time) - is being reformulated.

In the mid-1980s, a large governmental committee on Swedish popular movements was set up, and its work resulted in three volumes (SOU 1987:33-35). The way the issue was dealt with indicated no major differences from the way it was treated in the 1960s or the 1970s. Even the name of the committee was „The more we are together", and of course an allusion to the extension of the song „... the happier we are". The reports also reflect the very positive, „sacred-cow" way in which these organizations have been understood and treated during the second half of the 20th century.

At the same time as this committee was launched a short and modest little document with the name: „Voluntary associations – an alternative to the public sector?“ was published by the ministry of finance (Ds Fi 1985:5). In all its simplicity, this latter report seems to herald the emergence of an alternative approach in the public debate concerning the relations between government and the popular movements and Swedish nonprofit organizations (Wijkström, 1999).

We are able to discern two main tracks in this new approach, as I have argued elsewhere (Wijkström, 1999). First of all we can detect a slightly tougher economic review and accounting practice for the evaluation of subsidies and different forms of economic support from government to nonprofit organizations. A harsher economic climate or situation for associations and popular movements in the 1990s is signalled through public reports with titles such as: „Aims and results – new principles for [national] government support to the associations“, „Win or lose – the popular movements“ lotteries and gambling in the future“, „Sports for all – mapping and analysis of the support for sports“, or „Governmental subsidies to associations – a mapping“ (SOU 1989:39; SOU 1992:130; Ds 1993:58; Statskontoret (1991:6)).

At the same time, various ministries and other public entities have been financing and publishing reports and surveys such as: „Voluntary social work – mapping and research overview“, „Associations as entrepreneurs – possibilities, limitations and risks“, „What happened to the private alternatives?“, „In the interest of society? An economic study of the nonprofit sector“, „Compassion for hire? Eight researchers on nonprofit activities“, or „Welfare in cooperation: on the municipalities and the voluntary sector“ (SOU 1992:82; Ds 1994:94; Ds 1995:25; Statskontoret (1995:7); Amnå (1995); Bring (1999)). These studies, on their part, bear message of an increased interest from the side of national government as well as municipalities in popular movements and other nonprofit organizations - but now in their potential role as providers of traditional welfare services.

Thus the reversed order of dialogue, more or less implicit within the social economy debate imported from the wider European

scene in the 1990s, seems to interact with a similar national development, emerging in Sweden since the mid-1980s.

Discussion

The major question confronting us today, is whether the Swedish nonprofit sector and its organizations are shifting focus only, i.e. from voice to service provision, or if the entire nature or role of these civil society organizations – unintentionally –is being renegotiated. Are these organizations – as for example the strong Swedish popular movements – becoming sub-contractors to government, in line with the models that have been developed in other western industrialized countries during the last couple of decades instead of striving to set the agenda in the social and political debate? Have the previous major agents of change lost their drive once and for all, and in that case: what is to come next? what is to fill their place as vehicles for social and political development in Swedish society?

Are they willing/able to re-capture their formal role as major amplifiers of the diversity of voices in the population – or are they turning into silent service providers under governmental contracts - or will they be able to combine the two, to function as an avant-garde, setting or changing the political and social agenda *through* new and challenging ways to deliver traditional welfare services, or by entering into new areas with needs previously not recognized?

Notes:

1. The project is led by Professors Lester M. Salamon, Johns Hopkins University, and Helmut K. Anheier, London School of Economics. The author is grateful for relevant comments and support from both of these scholars, during the span of the project.

2. Sweden has a strong cooperative sphere. In my model of a third sector is three main groups of organizations included: cooperatives, foundations and *ideell* (or nonprofit) associations. In this text, I will focus on *ideell* associations; the major form in the popular movements, and foundations, but also in-

clude a subgroup of cooperatives, called neo-cooperatives. What is left out of the analysis are traditional consumers“ and producers“ cooperatives.

3. Also the revenue distribution for political parties (in Law, Advocacy & Politics) as well as Religion, is added in Table 7, but does not affect the figures in Table 6. Government support figures are monetary subsidies only, thus not including the important value represented by access to large and investment-heavy facilities like arenas or sports centres, serviced and run by the public sector, most often on municipal level. Nor is the value of beneficial tax treatment calculated.

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