**The “F” word in Swedish agriculture: Some causes, consequences, and policy implications of entrepreneurial failure.**

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The agricultural sector is undergoing a protracted state of structural change and rationalization where farms are decreasing in number and becoming larger1\*. This follows a long-term decline in the number of agricultural holdings worldwide where millions of non-competitive farms have disappeared2. In response, many promote entrepreneurship (including related activities such as innovation and value creation) as a pathway to increased agricultural competitiveness and farm survival3.

Entrepreneurship plays an important role in economic development, job creation, and innovation4,5. However, it can be risky, especially for small and new organizations6. Many end up as financial failures7,8,9 and the individuals involved may also experience social-psychological problems such as stigma, depression, loss of identity and social network, and in extreme cases suicide10.

Failure becomes problematic when the associated financial, social or psychological costs create an environment that dissuades Swedish farmers from pursuing entrepreneurship and others from re-entering the entrepreneurial process (after failure). Previous research suggests that these costs are higher11, and tolerance lower towards failure in Sweden than in other countries12.

Given the important role entrepreneurship has in fostering a competitive agricultural sector, the value Sweden places on food security and a livable countryside, society has an interest in minimizing and mitigating the costs of failure through intervention13,14,15,16. Arguably, a system where failure-risks are reduced and individuals are aided in learning from failure promotes recovery and re-entry as well as more skilled entrepreneurs17,18.

Surprisingly, Sweden has spent billions of SEK in the last decade on innovation, business start-up and training in rural areas19, yet very little on “after failure” intervention. In part, this is because discussing failure is taboo, it is under-researched, and the causes and consequences not well understood. Recognition of the problem is therefore low as is the ability to design evidence based (policy) interventions. Consequently, understanding the causes, consequences, and steps we can take to promote recovery and re-entry are important for fostering entrepreneurship and competitiveness in Swedish agriculture.

In this Docent lecture, I present preliminary findings from a three year, Kamprad Family Foundation funded project. I discuss some of the causes behind entrepreneurial failure in Swedish agriculture and follow this up by presenting evidence of how individuals are affected, what they (mis)learn from their failures, and why some but not others recover and re-enter the entrepreneurial process. Based on this, I offer policy implications for fostering entrepreneurship and suggestions for continued failure research.

[[1]](#footnote-1)

1. \* Full list of references available upon request. [↑](#footnote-ref-1)