

Circus days

The 1990s as an iconic period of time for Swedish Internet entrepreneurs

Lisa Wiklund

has a PhD in ethnology and works as a researcher and lecturer at University of Gothenburg. This article is a part of her ongoing three-year Post Doc project on Swedish Internet entrepreneurs. Main research interests are creativity, national identification, and globalizing and cosmopolitan processes.

Abstract

The article is based on ethnographic fieldwork carried out on behalf of a research project about the Swedish startup / internet community and suggests that the 1990s can be seen as an iconic period of time for the Swedish Internet scene. It is argued that mental associations and imaginations associated with the 1990s are still relevant for the intellectual construction of the present-day internet-scene through providing a framework for the making of a *space* in Michel de Certeau's sense of the word. The article presents reoccurring themes from the interviews with the informants, highlighted as examples of important stories about the 1990s that are active in constructing the framework for the organization of later experiences.

Keywords: #internet bubble, #1990s, #entrepreneurs, #startup, #Sweden

Early spring 2013, in Soho, New York City. At a coffee shop, down the stairs from his brand new New York-office, I meet a young man dressed in what he tells me is his usual attire; head to toe in blue and yellow, the colors of the Swedish flag. Born in the second half

of the eighties, and already running a successful Internet based company that focuses on personal web shops (at the time for the interview, they have raised about 10 million dollars from American, British, German and Swedish investors) he has discovered the advantages of branding himself as a Swede in his line of work. Even though he was only a child in the 1990s, he still relates to this decade when he talks about what has become known as the “Swedish Internet wonder”. In his opinion “senior players”, meaning Swedish entrepreneurs that made money and gained experiences from “a couple of heavy gigs” back then, has been crucial for today’s big Swedish successes, internet related companies such as for example Skype, Spotify and Klarna.

The idea that the 1990s are relevant also for the present-day internet-scene is reoccurring in material collected for this research project, set out to investigate Swedish Internet entrepreneurs. This is not only because money made then has been reinvested in new companies, but also in a more symbolic sense. This article explores how the 1990s are talked about and made into something that still carry meaning for the entrepreneurs that are active today, and thereby holds a status as an iconic and emblematic era for the scene today.

Background, research aim and theoretical starting point

This article sets out to investigate the significance of the period of the Internet boom/bubble in the late 1990s, before the NASDAQ-crash in 2000. It is explored how the so called second wave of Swedish internet companies in the latest years position themselves in relation to this period, and the article suggests that this era in Sweden in the 1990s can be understood as a period of cultural iconicity that holds a symbolic status for people within the internet/startup-community. The examination of the cultural iconicity of this entire era, is partly comparable to how for example Paul Heyer has investigated the era of Titanic as a cultural icon, where the final tragedy – much like the NASDAQ-crash - is the defining moment for in what way Titanic is talked about today (Heyer 2012).

The epoch has been glorified as well as accused of representing a built-up hype of overvalued, overspending companies. How does the Internet bubble affect the self-image of today’s startups/internet companies and how does this period of time still create meaning today?¹ Sweden was in the late 1990s in the frontiers of the

development to a digital society, something that has later been examined by then active entrepreneurs, as well as researchers and writers (Elmbrandt 2005; Lindstedt 2001; Malmsten, Portanger & Drazin 2001; Willim 2002) Three particular reasons can be identified as especially contributing to the fact that Sweden had a head start when it came to Internet and the web. The first reason is the government's substantial and early investment in broadband infrastructure that made Internet access and penetration very good throughout the nation at a relatively early stage. The second factor is the so-called "home PC reform" (*hem-pc-reformen*) that the Swedish social democratic government launched in 1998. The reform gave everyone that was employed in Sweden the chance to borrow a computer to keep at their home and then later, if they wished, buy it, to a very favorable price. The third important factor usually pointed out as a reason for Sweden's early entrance on the digital arena is simply the fact that Sweden is a relatively rich country, with good welfare and free education for all.

The understanding of a cultural icon as something that is open to "a wide range of interpretive responses that in turn reflect prior interpellations of class, race gender and other social classifications determining individual subjectivity" as well as something that do not necessarily carry stable or fixed meanings over time (Hariman & Lucaites 2007, 28) is possible to link to Michel de Certeau's concept of space. De Certeau understands space as both a physical place and the mental image of the same place made up by the individuals that are using it, space is thus defined as a "practiced place" (1988, 117). One advantage with this definition is that it makes space into something both concrete and abstract. What create space are people's everyday routines, and their practices of places in everyday life, which also includes all sorts of stories and mental associations connected with these places. Michel de Certeau has expressed it as "everyday stories [...] are treatments of space" (1988: 122). Everyday stories thus tell us what we can do with the different places, and they are used to continuously help to create spaces so that they carry different kinds meaning to us. These stories can certainly be changed or challenged by new stories, but the new ones insert themselves in the old established ones, for the particular space; "the accepted framework" (de Certeau 1988:107). Consequently, this can lead to differences being understated at the expense

of the more familiar, which may explain how spaces become “mythical”, well-known for one thing or one specific feeling – when contradictory and/or individual depictions are fitted into the larger framework that holds the main story about the particular space.

The place is here is defined as the specific physical locations and manifestations of the Swedish Internet scene and stories and associations connected with this physical place thus make this into to a space. A space is defined in the moment that it is created, and I suggest that the particular era of the 1990s still holds relevance in the creation of this space today. The article will show how the informants choose their preferred stories and artifacts and how these are being activated in the making of this space. Although this space is now stretched into a longer period of time, what the informants communicate about the scene today still relates back to what happened in the 1990s – and the new stories impose themselves into this given framework, which I propose can be seen as a sign of the iconicity of this specific period of time. In some ways this is done by the enforcement of the established stories and in some ways by opposing them, the article will give examples of both.

Empirical material and disposition

The article is based on the material collected for a research project about individuals that are now active Swedish Internet entrepreneurs or active in the start-up scene. Many of them have experience from the 1990s while some of them are too young to have been a part of the professional scene of that time period themselves. All of them, however, in some way relates to this era, that has at least been touched upon, but in most of the cases more thoroughly discussed in all of the interviews. The material consists of ethnographical fieldwork based on interviews and participant observation (e.g., Kaijser & Öhlander 1999). The fieldwork has been carried out between 2013 and 2014 in Berlin, New York City, San Francisco and Stockholm and consists of qualitative interviews with informants born in the 1970s, 80s and early 90s and participant observation. All interviews were carried out in Swedish and have been translated into English, original quotes in Swedish can be found in the endnotes.²

The article is structured around three reoccurring themes that are highlighted and are examples of stories about the 1990s, that I argue are active in constructing the framework for the organization of

later experiences. These themes are related to each other and therefore not entirely separable. Firstly, there is a tendency to talk about the period of the 1990s as being first and foremost about *exploring* and the experiences made primarily as a result of being part of something new and unheard of. Secondly, the era is in different ways described as *extreme* because of the raised expectations of the companies that made the evolvment very fast. The third theme is how the period is perceived as extremely *extravagant* and decadent when it came to spending money. I will now further go into detail on each one of these themes and after that sum up the article with a recapitulation of the most relevant conclusions and how the empirical material is possible to comprehend in relation to de Certeau's concept of space.

Exploring something new

The description of a feeling of being part of something exciting, inspiring and also rather immature is reoccurring in the interviews when it is discussed what it was like to work in the Internet-scene of Stockholm in the 1990s. One informant born in the beginning of the 1980s describes it like this:

When people started writing about these Internet companies and stuff like that I was maybe 16 years old. So of course that was extremely inspiring. It led to my first job as a programmer that I got when I was 18. [...] It was a job at this trendy web agency in Stockholm. So I moved there and started working. I had no training in it; I did not even know what I was doing.³

The general narrative about the era is that everything was done for the first time and that everybody was more or less amateurs, which naturally offered opportunities for the young, even if they had little or no experience. It was a chance to gain knowledge and learn how to do something on your own. It is emphasized how the emergent scene made experts out of everyone that had the slightest idea on how to program. The websites were "amazingly [...] boring experiences" at a start and everyone was looking for someone that could make them more interesting, one entrepreneur born in the early seventies states. He got to play an important role at one of the leading

web agencies in Sweden at the time and describes how the company instantly recruited him, although he did not regard himself as particularly qualified for the job:

I remember I had some friend who was involved and then I went to a meeting and that was it... I had learned some HTML and that was enough to get a job. [...] I was considered an expert [*laughs*]. But it was amazing, it was an incredible experience. Lot of young people who believed in themselves and above all leadership that believed in all the people they had hired.⁴

The unprofessional atmosphere and the newness of it all is emphasized by all of the informants that were involved in the scene. It is very much connected with the specific era and repeatedly turned into something that is considered actually quite favorable, because it is experienced as a creative and explorative time. One problem highlighted in the interviews, however, is the skepticism against the scene from the older generation, often represented by non-understanding parents, in doubt that the "Internet business" could ever lead to a meaningful career for their children. One of the informants tells a rather emotional story on how he tried to convince his parents and their friends of the bright future of computers and Internet:

And I remember that my parents had some dinner party and I guess I was 17 or something and I sat and talked with some of my dad's friends, and then I said something that I had read in some computer magazine, that one year in the computer industry is like ten years in the car industry. And everyone thought it was *soo* funny, like they just could not stop laughing. But obviously they were wrong. So when I got my first job without having any training and my starting salary was higher than the salary my mom had, who had worked for thirty years at the Institute of Education, then I think they realized kind of like "hell, maybe there's a future here"⁵

The era's special status is clearly articulated in the interviews and the chance of being a part of it is seen as something extraordinary

that only became reality for a few chosen ones. The younger entrepreneurs of the study who were not personally involved talk about this period of time with the same enthusiasm and also easily relate it to their own businesses today.

At the same time the era is thus described in terms of “amateurs’ night” and similar accounts of the alleged non-professionalism that characterized the period, but also as “a great era” and “an incredible journey”, that it was a privilege to experience, especially as an opportunity for young people, that got the chance to be a part of something that became historical. The “underdog” stories of how for example parents were in doubt are also turned in to stories about accomplishment, in the light of later success.

Extreme expectations

It is clearly described how the high expectations of the young companies made the era very fast and since the whole situation was so hyped; there was not always time to think things through. There are several accounts in the interviews of how the informants worked around the clock because it was so much fun, and also of an ideal where making quick decisions was preferred over making the right ones, since everything was done at a very quick paced speed. Some of the entrepreneurs are in this sense skeptical about the period and stress for example that their amateurism led them to make the wrong choices. However, even though the 1990s ended in the NASDAQ-crash, the crash is not really remembered as something traumatic or as something that had a particularly harsh impact, but rather as a good experience. One informant that owned a company that went bankrupt has a typical way of describing his feelings about the situation:

I felt mostly like it had whetted my appetite, like this was fun, to *do* something. I mean, sure, the company didn’t do very well, but I got inspired to keep on.⁶

The interviews are laden with spectacular stories about the recklessness of the era; for example one of the entrepreneurs describes how he at one point even hired his mother, until then a landscape architect, who had a personal interest in websites and was skilled enough to give them a “super cool website, with spinning things

and stuff like that". When the company went bankrupt his mother lost her job. Even though this seems like a rather stressful situation, being 20 years old and together with his partner, a friend the same age, being the reason that his mother was suddenly unemployed, it is still a story that places itself well into the framework of the foolish playfulness of the era, rather than as a story about something hard or painful. This is just one example of many of the same kind of "bad" stories that can be found in the interviews, but that are all imposed in the overlying story with the message that all incidents that took place during this period, good or bad, are still seen as good experiences, if nothing else at least as humbling and educating. The creation of this space as a bit extreme in this way primarily carries the message that the person telling the story is competent and has been able to navigate in this extraordinary environment.

Economic extravagance

The high valuation of companies in the 1990s generated sizeable investments in them. One of the informants that started working after he finished school in 1999 describes that year, the end of the first dotcom-boom as "still pretty much a circus"

It was pretty unrealistic how companies were valued and the business plans were quite unrealistic and sometimes non-existent. But at the time it was enough to just say "the Internet blah blah the Internet blah blah" and then you got like piles of money flying in.⁷

There are a lot of descriptions from the informants of a reckless attitude in the companies that made it acceptable with wasteful and extravagant spending that stands as a backdrop to how many of the entrepreneurs now highlights a new economic moral. The crash has of course formed the view of this era as irrational and over the top while it is now regarded as status to be able to bootstrap a company and not take in that much investments, or to at least be in much more control of the investors and the money that comes in – to have money "flying in" is not at all an ideal or even acceptable. The informants empathize how the goal is not to make an exit but rather to work on building a sustainable business. Even the younger entrepreneurs that were not active then often put this in contrast to the

1990s. There are also reflections on the possibility that there might be a new Internet bubble, however the entrepreneurs tend to talk of themselves and their companies as more mature and not really at risk, although others might be. For example the scene in Berlin is by many considered especially immature and tend to be accused of accommodating “lifestyle entrepreneurs” that are “mingling instead of working”⁸ and taking in (relatively) small amounts of cash from investors that they spend over a year without ever becoming profitable. The importance of bringing in the “right” money, meaning the right investors with a genuine interest in the company, not just speculation is expressed as an important lesson learned from the 1990s. Although regarded as important, the ideal is not just to grow to be able to create value for investors, what is really being emphasized is being able to build something lasting, but also to be able to “change” or “have an impact” on the world, or on peoples daily lives. A strive to “make things better” is reoccurring in the interviews:

So the drive has never been like “it would be nice to have a tech startup and earn a lot of money”. It’s that too, but I mean that’s not it, that’s not where it begins [...] I mean there’s no shortage of things that can be improved in society by using technology you know! [...] You feel kind of like: do we really need another photo sharing-app, you know? [...] Sometimes I feel that people are watching other tech services too much, when they want to start a tech service – instead of looking at society.⁹

The ability to change through the actual service provided is not the only thing emphasized. The New York-based entrepreneur described in the beginning for example states that he would like to contribute to developing economic structures for entrepreneurship in poor countries for example through providing microloans or investing in infrastructure for shipping.

These are examples of how a new story, that of social responsibility, is lifted. However, it is also clear how it imposes itself in the established framework, which the 1990s have played a significant part in creating. The main story still concerns business and entrepreneurship per se, which is obvious when the young entrepreneur is asked follow up questions about his engagement:

I also think it's about ... well like this ... it's somehow also superficial. Like how... how big can it get? [...] It feels like an exciting challenge [*laughs*] like being able to act on such a global playing field [...] I guess it's a lot about the challenge of getting there. The correct answer I guess would be like "Yeah I really care about the difference we can make"; I *will* be very proud of the difference if we would get there, but what really drives me is more the challenge than the impact.¹⁰

According to de Certeau space is created in part through "crack[s] in the system" that allows for different stories, and this is what makes spaces habitable (1988, 105). This last example, as well as some of the earlier, illustrates how this is done without the core story being totally challenged, which will now be further discussed in the final conclusions of the article.

Conclusions

As the examples have shown, the memories, imaginations and stories relating to the 1990s continue to effect how the informants talk about their work, and the Internet scene is still affected by the understanding of this decade as a very significant era. I argue that it is possible to see the 1990s as a temporal unit that is very important in creating the main framework for what in de Certeau's meaning can be defined as the space being the Swedish Internet scene as a whole and as a period that holds an iconic status (cf. Heyer 2012). The article has given several examples of how contrary elements fill the established form of the story, when new components are being inserted into "the accepted framework" (de Certeau 1988, 107). One example is how the 1990s are described as a phase characterized by amateurism and exploring the new, which becomes the framework for later success stories about catching opportunities and gaining individual competence. Another is how the scene at a more collective level is described as extreme and relatively chaotic, but how bad incidents and occurrences are later understood mainly as good learning experiences. Further, the notion of extravagant spending as typical for the scene before the NASDAQ-crash has now become the framework for a new contrasting economic morale where control over money and better, or even philanthropic values, are new

opposing stories that impose themselves in the established framework. Both the past and the present can be put to practice in the making of space - which experiences and stories are being highlighted depends on the circumstances relevant for the very moment space is created (de Certeau 1988, 117). This is why both bad experiences from the 1990s and later, better, experiences together make up the stories that create a space characterized by the stories of success and professionalism rather than failure. This is also possible to understand through the idea that the creation of a space is often tactical (de Certeau 1988, xix). The core stories are however functioning as a backdrop and the associations related to the 1990s still have a big influencing. Some of the stories are being held on to, for example there is a slight tendency to glorify the foolish and sometimes reckless atmosphere surrounding the iconic era and even though new stories of corporate responsibility are arising, there is still frankness about the fact that entrepreneurship and corporate success is really what comes first. The stories formulated out of associations, mental images and fantasies related to the 1990s are, although challenged, still very active in forming the space of the Swedish Internet scene today.

Notes

- 1 For the project as a whole, questions concerning national identification in a global context have been the main focus for research. This article more exclusively sets out to portray the starting point for when a professional national identity was established in this particular context.
- 2 The interviews with the 23 informants are about one hour long and have been recorded and then transcribed. The participant observation consists of visiting the informants at work participating in meetings, but also visiting the informants at home and meeting them off hours on their free time. All informants are anonymized.
- 3 "När folk började skriva om de här internetbolagen och sådär då var jag kanske 16 år gammal. Så det är klart det var ju jätteinspirerande. Det ledde ju till mitt första jobb också som programmerare som jag fick när jag var 18. [...] Det var ett jobb på en såhär trendig webbyrå i Stockholm. Dit jag flyttade då och så började jag jobba där. Jag hade ju ingen utbildning i det, jag visste ju inte ens vad jag höll på med." Interview with informant 1.

- 4 "Då hade jag nån kompis som var involverad då gick jag på ett möte. Jag hade ju lärt mig att knacka lite HTML och det räckte ju för att få ett jobb liksom. [...] Man var ju en expert [*skrattar*] men det var fantastiskt det var ju en otrolig erfarenhet. Massa unga människor som trodde på sig själva och framförallt ledarskap som trodde på alla människor de hade anställt." Interview with informant 2.
- 5 "Och jag kommer ihåg att mina föräldrar hade nån middag nån gång och jag var väl 17 år eller nåt och så satt jag och snackade med några av min pappas kompisar och då så sa jag nåt citat som jag hade läst då i nån datortidning såhär att ett år i datorbranschen det är ungefär som tio år i bilbranschen. Och alla tyckte det var såå kul de bara garvade de kunde inte sluta skratta såhär. Tji fick dem. Så att sen när jag fick mitt första jobb utan att ha nån utbildning och min ingångslön var högre än min mammas som hade jobbat i trettio år i lärarhögskolan, då tror jag att de insåg lite såhär bara 'fan, det kanske finns en framtid här'." Interview with informant 1.
- 6 "Jag kände mest såhär blodad tand att det här var kul, att göra nånting. Visst att bolaget inte gick så bra, men man blev inspirerad att göra nånting, fortsätta." Interview with informant 3.
- 7 "Det var ju ganska orealistiska företagsvärderingar och det var ganska orealistiska och ibland obefintliga affärsplaner. Men just då så räckte det ju med att säga internet "blabla internet bla bla" och sen så kom det liksom högar med pengar flygandes." Interview with informant 4.
- 8 Interview with informant 3.
- 9 "Så drivkraften har ju inte varit "det vore nice att ha en tech-startup och tjäna massa pengar" såhär. Det är det också, men jag menar det är inte det, det är inte där det börjar [...] jag menar det är ju ingen brist på saker som kan bli bättre i samhället med hjälp av teknik liksom! [...] Man känner såhär behövs man ytterligare en photosharingapp liksom så? [...]Ibland kan jag känna att folk tittar för mycket på andra techtjänster när de ska starta en techtjänst istället för att titta på samhället." Interview with informant 5.
- 10 "Jag tror också det handlar om... alltså såhär... det är väl också på något sätt ytligt. Alltså hur... hur stort kan det bli? [...] Det känns som en spännande utmaning [*skrattar*] liksom att kunna agera på en så global spelplan. [...] Det är väl mycket såhär utmaningen att komma dit. Det rätta svaret är väl såhär "jo men jag brinner så mycket för den skillnaden vi kan göra"; jag *kommer* vara jättestolt över den skillnaden om vi nu skulle komma dit, men det som driver mig är mer utmaningen än impacten." Interview with informant 6.

References

- de Certeau, Michel. 1988. *The practice of everyday life*. Berkeley: University of California Press
- Hariman, Robert & Lucaites, John Louis. 2007. *No caption needed: iconic photographs, public culture, and liberal democracy*. Chicago: University of Chicago Press
- Heyer, Paul. 2012. *Titanic century : media, myth, and the making of a cultural icon*. Santa Barbara: ABC-CLIO, LLC
- Kaijser, Lars & Öhlander, Magnus (red.). 1999. *Etnologiskt fältarbete*. Lund: Studentlitteratur
- Lindstedt, Gunnar. 2001. *Boo.com och IT-bubblan som sprack*. Stockholm: Bokförlaget DN
- Malmsten, Ernst, Portanger, Erik & Drazin, Charles. 2001. *Boo hoo: a dot.com story from concept to catastrophe*. London: Random House Business Books
- Willim, Robert. 2002. *Framtid.nu: flyt och friktion i ett snabbt företag*. Diss. Lund University.

Unpublished

Interviews with 23 informants carried out between 2013 and 2014 in Berlin, New York City, San Francisco and Stockholm. All transcripts and recordings are in possession of the researcher.

Research notes from field work in Berlin, New York City, San Francisco and Stockholm between 2013 and 2014.