

Mapping of social enterprises and their eco-systems in Europe

1. What are the main barriers that you perceive when thinking about developing an eco-system for social enterprises in the UK?

Please only include a maximum of 3.

- i) Lack of a clear legal definition of the characteristics of a social enterprise. This seems to be calming down locally but where networks are new or grants available an inordinate amount of time is spent on definition and it will change depending on who is defining it. I believe Italy has an ex lege definition, which means you are or you are not.
- ii) Fragmented specialist business support with mainstream support being 'sector blind' and therefore not addressing social enterprise needs. We asked the question who supports social enterprises and received 128 responses from organisations that said they did. In reality people can wander all around and find they don't fit the profile of someone eligible for support, due to geography or stage of development or their ability to tick an output for a funders box.
- iii) Sustainable network models are few and far between. Fortunately, many social entrepreneurs are happy to share knowledge and give time, which reflects the value that those seeking support place on peer experience. Small investment in social enterprise networks could give disproportionate benefits.

2. What main factors would you say are enabling the development of social enterprise in the UK? Give a maximum of 3.

- i) A growing awareness, especially with young people, of the opportunity to include social impact into the world of commercial trading and a desire to promote the value of compassion rather than greed. Clearly, SEUK 'Places' initiative is helping to highlight hot-beds of social enterprise.
- ii) New models of social finance that include blended (grant:loan) products to encourage development and growth. Although other products are also needed.
- iii) Increasing the critical mass of social enterprise so that networks and peer support are possible (but still need much more investment and co-ordination of infrastructure) in some places; and examples of what can be done inspire others.

3. What do you think are the two most likely scenarios for development of social enterprises in UK?

- i) Slow growth building on areas of strength where social enterprises have been actively encouraged by key stakeholders e.g. public authorities that prefer outsourcing that generates social impact rather than to commercial companies that drain the local pound.
- ii) Exponential growth as social enterprise asserts itself as a significant sector... with the Social Economy becoming an understood, accepted and valuable alternative to the commercial sector.

4. Are there any trends that you think are promising/threatening for the development of social enterprise in the UK?

Before the contribution of social enterprise is understood and accepted as part of the landscape they will be vulnerable to negative influences. The commercial and public sectors have outriders offering support to social enterprise as a way to evidence Corporate Social Responsibility or responding to the Social Value Act. Should the post Brexit world increase austerity the commitment to CSR and/or ability to commission any public services would squeeze that commitment. Equally, any increase in public spending may increase in-house services rather than outsourcing. There will still be a place for social enterprises that trade with individuals or organisations that are not reliant on public funding, which has been the focus of our growth investment.

5. What are the trends in public awareness of social enterprises (of different types) in the UK?

I think that is easier to answer if you are not wrapped up in the world of social enterprise. I suspect a very small percentage of GM residents would be able to talk knowledgeably about social enterprise... but we are early in the journey in creating a profile... the GM Mayor launched the 'vision' for a Social Enterprise Strategy, which is part of the GM Strategy 'Our People, Our Place', GMCA Procurement Team have embraced social value clauses and several commercial companies are eager to utilise social enterprises in their supply chain and have asked for a local, well-maintained directory.

A legal definition of 'a social enterprise' would enable enterprises to wear a meaningful 'social enterprise' badge. Currently, enterprises that can afford it or can be bothered may apply for the Social Enterprise Mark but you have to buy into their definition, which has changed.

6. How do you think the history and socio-political context of the UK have affected the development of social enterprise?

Here in GM we are the home of the Rochdale Pioneers that built the Co-op. Whilst it wasn't the first it has been credited with kick-starting a movement and spreading the co-operative model. Paradoxically, GM is not awash with co-operatives and mutuals. It is as if we looked at the Co-op and said we've done our bit.

Businesses whose owners have a social conscience have been around for a long time. An alternative driver to profit has become more structured in recent years. Known as a nation of traders the UK has experienced globalisation, the homogenising of the high street, professional regeneration programmes that replaced local, independent shops with low skill, low pay jobs in supermarkets to the detriment of the local economy and the loss of a local supply chain. Add to that an influential generation that survived the 'greed is good' mantra of Thatcherism to witness corporate capitalism (in the shape of banks) being bailed out by the public purse (our taxes) and you have the conditions for doing things differently. Capitalism isn't dead but neither can it be argued, in polite society, to be the answer to everything.

Caring appears to have culturally supplemented greed. The nation goes crazy every Comic Relief Day, most London Marathon runners do so to raise money for charity not to compare personal best times and the endowment held by Community Foundations has increased by over 220% in the last seven years. Again, paradoxically the UK votes for a manifesto based on austerity and public service cuts (or more accurately slash and burn), which means we are becoming more aware of how to generate social impact and who, outside of the public purse, is contributing. Cue more discussion regarding the role of the social economy and need to grow social enterprise.

7. What do you think will be the potential impacts of different forms of Brexit on social enterprise in the UK?

It is interesting that the government is declaring austerity to be over. We see no evidence of this. The immediate effect of Brexit is likely to be tighter financial constraint so perhaps there will be a new term for it? Any forward planning also needs to consider the potential outcome(s) of the next general election and the different responses on offer.

Trading will continue so trading social enterprises may continue to grow but who has disposable income will shape the market. The ideological shrinking of public service provision may continue under the blanket of post Brexit transition but that may require legislation to shift the statutory service goalposts to shrink demand. The likelihood is further decommissioning of services, which may lead to unmet needs but not necessarily demand for paid for services.

Alternatively, everything the 'Leave' campaign said may be true. The NHS will get an additional £350m a week so a good time to consider providing health and social care support?

8. Any additional comments?

As practitioners trying to strengthen the social economy and social enterprise ecosystems we would be interested to learn from other regions and replicable practice from across Europe.

Unfortunately, I don't think we can justify time to explore the potential implications of Brexit. Certainly not until we know the terms and timetable... even then? I think we take the view that growing the social enterprise movement has positive benefits so we will do it with whatever resources we can gather and in whatever peaceful or turbulent environment we are about to enter.