

SOCIAL ENTERPRISE IN THE VOLUNTARY AND COMMUNITY SECTORS: Challenges for Policy and Practice

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1. Introduction

Contemporary UK government policy enthusiasms for social and economic regeneration have strongly embraced the terms ‘social economy’ and ‘social enterprise’, without a strong evidence base. Indeed, since the arrival of the ‘New Labour’ government in mid-1997, the same terms have also been associated with a cluster of other emerging policy concepts. For example, sustainable development (Social Investment Task Force, 2000), the regeneration of local neighbourhoods (DETR, 1998), whole urban areas (KPMG, 1998) as well as the inclusion of different categories of excluded and marginalised groups (poor, unemployed, ethnic minorities, refugees) (Home Office, 2001).

Illustrations of these policy enthusiasms were available through the first half of 2002, with a ‘Social Economy Week’, the launch of a ‘Coalition for Social Enterprise’, and a much publicised conference (‘Social Enterprise: Building London’s Social Economy’). The associated documentation for the latter ambitiously linked aspirations for social enterprise to a wide range of key regeneration goals i.e.

- tackling disadvantaged areas
- bringing entrepreneurship to the public sector
- supporting the needs of diverse communities
- developing/supporting entrepreneurialism in the voluntary sector
- extending consumer choice in service provision
- contributing to competitiveness

*Sections of this paper have emerged during numerous exchanges with Simon Teasdale, doctoral student at Manchester University; his continuing, critical contributions are much appreciated.

Finally, in July 2002, the Department of Trade and Industry launched a major strategy document 'Social Enterprise: A Strategy for Success' (DTI 2002).

At the level of practice, it appears that the breadth of ambition is being duplicated. For example, an advertisement for ten new posts in a 'Cooperative Development Agency' identified administrative, financial, business, community development, local Exchange Trading Systems, Credit Union Development and Child Care roles. ('Creating sustainable enterprises, community wealth and people focused financial services'. Guardian 9/01/02). It comes of something as a surprise to find that nearly all these posts were to last little more than two years.

The non-profit distributing or Third sector has also seen an increase in similar terms and concepts, as perceptions of the limits of government or philanthropic funding have led to a search for new solutions. One important strand of thinking involves attempts to link philanthropic dependence with individual initiative in such a way as to create complementarities; the voluntary or community group may still obtain grant aid, but is now being urged to seek creative ways of generating income from its activities and services.

Although precise definition of 'social economy' and 'social enterprise' may be premature, it is important to identify in outline their main boundaries and core characteristics. A minimal definition of social enterprise emphasises the centrality of a search for relative financial self-sufficiency, whereas voluntary organisations are more reliant on a mix of grants, donations and volunteer labour. (Simon Clark Associates, 2002, 4). The term 'social', where it applies to goods and services, the use of cross-subsidisation (e.g. Charity Shops) and inclusive or cooperative working, may be a less useful 'boundary-marker' between agencies, because social enterprises and voluntary organisations share many of the same social characteristics. Finally, 'social economy' is used either as a synonym for social enterprise, or as an umbrella term for the whole field of social enterprise and voluntary organisation activity.

When these definitions are applied, it is soon apparent that:

"Many of the best-known examples of social enterprise, such as intermediate labour markets or development trusts, are often not self-sufficient and have sometimes quite high degrees of grant income."

(Westall, 2002, 12)

In addition, it is also likely that the proposed extension of social enterprise policies to the voluntary and community sector (in a move to encourage greater financial self-sufficiency) will need to be much more discriminatory than is currently the case. Blanket solutions and over-simplified definitions will eventually founder unless the conditions for social enterprise development are identified and encouraged.

From a search of the literature, and discussions with key policy and practice gatekeepers in the field, we concluded that the veritable explosion of new social enterprise policy initiatives appears to be founded on a diffuse and de-contextualised understanding of the organisational complexities associated with harnessing ‘social’ and ‘enterprise’. Therefore, we designed our research to cover the following issues and questions:

- i Enthusiasms – what are the policy drivers, at different levels in society and from different welfare sectors (i.e. Statutory, For-profit, Third sector)?
- ii Concepts and Explanations – how are social enterprises characterised, described and explained? To what extent are the different value orientations (of social enterprise and voluntary organisation) incorporated in policy or practice commentaries.
- iii Policies and practices – What are the most effective roles for social enterprises? Flagships of policy rhetoric, vehicles for organisational innovation, catalysts of sustainable funding, mechanisms for social inclusion? How far and in what ways are social enterprises shaped by their different economic, political and social contexts?

The Research Department of the Charities Aid Foundation UK (CAF), and the Centre for Applied Social Research (in the Department of Sociology at Manchester University UK), initiated a two year project to explore these issues and questions. The central data collection approach involves a small number of case-studies of contrasting social enterprise organisations, primarily embedded in the voluntary and community sectors. Most of the studies are of organisations, often complex and dynamic; one case-study is directed at the ecology of support mechanisms concerned with the provision of information, promotion, finance, training and development of social enterprise. Central to the research task is the establishment of sufficient trust to enable the researchers to obtain detailed data ‘beneath’ the familiar organisational rhetoric. Preliminary findings indicate degrees of confusion about the meaning of social enterprise, and uncertainty about the appropriate balance between ‘social’ and ‘enterprise’. Over time (up to 12 months in each of 5 locations) it is hoped to be able

to identify the different growth patterns of organisational units as well as the changing shape and effectiveness of the support ecologies. (N.B. It is tempting to use terms such as ‘network’ or ‘partnership’ to describe the relations between social enterprise support agencies, but we suspect that both terms suggest greater degrees of formality than exist. Ecology refers to the possibility of organisational interactions not necessarily founded on social relations).

Ultimately, we will try to identify those developmental strategies and organisational responses which appear to be most effective in fostering and sustaining social enterprise, with particular reference to local voluntary and community sector agencies. Within these processes, we expect to find incorporative and controlling elements (the ‘dark side’ of social enterprise?) as well as socially inclusive and liberatory ones. (Brown, 2001; McCulloch, 2000).

2. Enthusiasms

In the UK the notion of a social enterprise is linked with ‘trading for a social purpose’, although empirical examples of social enterprise organisations may reveal a looser link (between trading and purpose). In this case ‘trading with a social purpose’ may be a more accurate description; indicating how social goals can be relatively marginal. In commenting on these tensions, some (continental European) writers argue that social enterprises need to be seen as a relatively new phenomenon (Borzaga and Defouray, 2001), but with some exceptions all the main types (see Section 3) have a much longer history. Indeed, if social enterprise is considered within the somewhat broader concept of ‘social economy’, then its organisational components – co-operatives, mutuals and associations – have been present since the early days of European capitalism in the late 18th Century. On the other hand, the recent flurry of social enterprise-rhetoric appears to have emerged discontinuously in the last decade. Towards the end of the 1990’s, European Union policy directives on the need to create inclusive employment mechanisms, coincided with the so-called ‘New Labour project’ in the UK i.e. the development of policies which embrace a ‘welcomed’ Third Sector in a caring capitalism.

Early New Labour government initiatives, such as the inclusion of the Third Sector as a partner in the delivery of its ‘New Deal for Employment’ programme (which was aimed at providing subsidised workplace training and support to help the long-term unemployed back into work), are said to constitute a ‘Third Way’ between state and capitalism. These initiatives have been accompanied by the continuing development

of a voluntary code to govern the way in which government and third sector work together, known as the 'Compact'; published from 1998 to date, the Compact is intended to signal the government's commitment to work more closely with its sector partner, and map out a framework for good practice. (Compact on Relations between Government and the Voluntary and Community Sectors in England, Secretary of State for the Home Office, November 1998. Cm 4100).

Explanations for the older and newer versions of social enterprise reflect different (even conflicting) interpretations of their origins. The earlier, more co-operative or worker controlled, versions emphasise how

“Social enterprises are voluntarily created by a group of people and are governed by them in the framework of an autonomous project. Accordingly, they may depend on public subsidies but they are not managed, directly or indirectly, by public authorities or other organisations (federation, private firms, etc.)”

(Defourmy, Favreau and Laville, 2001)

Recent social enterprise developments in Britain do not all exhibit such autonomies, indeed, there are hybrid agencies created across sectors (see section 3) which positively contradict them. While earlier versions of social enterprise may have emerged as voluntaristic creations, and indeed much of the thinking about new social enterprise in the UK has been led by independent think-tanks, since the 1970s there have been increasing signs of politically-inspired interventions (by the state) to see them as a response to local employment problems. More recently, an added ingredient has been the government's concern with social and financial exclusion and an interest in providing the local infrastructure for social enterprise to develop. Community Development Finance Institutions (CDFIs) are emerging, which consist either of loan funds (mainly derived from direct grant funding) or venture capital investment funds pump-primed by government and in receipt of tax credits (Social Investment Task Force 2000). These emphases borrow models more developed in the US; the belief is that not only will social enterprises bring jobs and relative prosperity to deprived areas and groups, but also there will be moves away from grant dependence and towards financial sustainability. Few evaluations of such aspirations exist, partly because there has been no pilot work and few initiatives are yet in place. Most commentators agree that grant funding will remain a necessity (Dees, 1998; Westall, 2001), and some (with particular reference to community-based agencies) that trading will never produce more than a fraction of the required finance (Twelvetrees, 1998).

It is clear that social enterprises reflect a variety of values and purposes; some may be relatively autonomous and centred around issues of ownership and control, whilst others are being sponsored by sectoral combinations of the state, corporate for-profit agencies and the non-profit distributing voluntary and community sector. Loose definitions allow such variety to be concealed and prevent a more differentiated understanding of the developmental dilemmas for organisations or enterprises at each growth stage. Even whilst recognising the dangers of over-rigid definitions and typologies, we are convinced that some conceptual and explanatory discussion can offer at least heuristic guidance. It may be politically useful to initially operate within loose frameworks, but it may be organisational suicide to continue without firmer (though flexible) developmental 'route-ways'.

3. What do we mean by 'Social Enterprise'?

"Social enterprises are businesses with primarily social objectives whose surpluses are reinvested so that they can meet those objectives, whether they relate to the business or the community." (Patricia Hewitt, U.K. Trade and Industry secretary, 14/03/02 – at the conference mentioned on P1).

Any one-sentence definition leaves itself open to the academic scrutineers who lurk in the shadows; perhaps not surprisingly, this one from the UK government's Department for Trade and Industry (DTI), seems more comfortable with economic terminology (business, surpluses, reinvested), than with the bland reference to 'social objectives'. The DTI has been a late player in the field of social enterprise policy development, and it is interesting that the discourse on social enterprise emanating from non-government sources, ever led to an approach crystallised in such economic terms. The achievement of social return appears always to have been the weakest strand in the development of the ideas.

It is not surprising that 'social' is then an underdeveloped concept; much of the literature either concentrates on economic dimensions, or subsumes social within references to participatory organisational strategies. For example, the 'International Centre of Research and Information on the Public and Co-operative Economy' (CIRIEC) has attempted to characterise the economic-social distinctions. A simplified version is presented below:

Economic/Entrepreneurial

- Goods/services
- Autonomy
- Non-profit distributing
- Economic risk
- Paid work

Social

- Citizen collective
- Decision-making de-coupled from capital
- Participation
- Communal benefit

(Defourny, 2001, 16-18)

CIRIEC's traditional focus has been on the characteristics of co-operatives rather than social enterprise at local level, within the voluntary sector or as an aspect of social business. On the other hand the UK government's Department of Trade and Industry, even whilst mirroring the above distinctions, emphasises that "A social enterprise is, first and foremost, a business."

(DTI, 2002, 17)

For those voluntary organisations, which are working to become more like social enterprises, a key challenge is to identify and maintain the social elements which most reflect their core values, even as they attempt to increase traded income. The most commonly cited social objectives include the following:-

- Inclusive Employment - where traditionally excluded groups are prioritised (e.g. long term unemployed, former mental patients, disabled people).
- Innovative products - where the re-cycling of unwanted furniture, white goods, electronic equipment prevents further environmental damage.
 - where the prioritising of services to low -income groups (e.g. older people), e.g. target-hardening of doors and windows, achieves greater security.
- Flexible organisational forms - where the social enterprise activities are managed as a 'family' of sub-projects to encourage maximum employment inclusivity, and customer sensitivity e.g. the library, post office, shop, health facility within a community centre.

- Collective involvement and/or ownership - where local people (as workers, board members, service volunteers) have degrees of participation.
- Niche or 'gifted' markets - where the products of the social enterprise are sold within a special or protected market e.g. The 'Fair Trade' of products from developing countries; the delivery of care or maintenance services to a local authority.


(See Westall, 2001, 23)

The organisational effectiveness of social enterprises within the voluntary and community sectors will partly depend upon the ability of management to reconcile the often conflicting demands of an economic, organisational and social kind. Despite the unequivocal statement from the DTI, about the primacy of business goals, many organisations find themselves in a more ambiguous space; even when similarities of form and product exist it may be that (as with the broader concept of 'social economy') there exists "... a battleground of conflicting rationalities..."

(Paton, 1989,7)

In search of a typology which might capture some of these 'rationalities', we suggest the usefulness of characterising firstly, 'Primary Purpose', where the main tension field is between economic and social values. Two ideal-type positions would be between the notion of social-enterprise as prioritising financial sustainability (Economic) on the one hand, and a search for social sustainability (social) on the other. Secondly, the vertical axis ('Organisational Focus') distinguishes between individualistic concerns (the single entrepreneur directing services for individual user/customer categories) and more collective values (the team, family or collective as an organising principle embracing different combinations of worker, volunteer and user). If these tensions are placed on a two-dimensional grid, a four cell typology is then available as a way of approaching and making sense of the differentiated worlds of social enterprise.

Figure 1: A Social Enterprise Typology: the basic dimensions

		PRIMARY PURPOSE	
		Economic £	Social 
ORGANISATIONAL FOCUS	Individual	1	2
	Collective	4	3

Typologies beguile with their simplicity, but must be handled carefully; they offer a general frame of reference within which to begin any study of social enterprise, but they can just as easily constrain, trap or fix hybrid and dynamic organisations beyond the point of usefulness. For example, when we try to place illustrative examples into the grid, a candidate for cell 1 is ‘The Small Potato’. This agency was originally created to provide unemployed people with an income from buying cheap, bulk supplies of fresh fruit and vegetables and selling these in low-income neighbourhoods. Its original success derived from a close fit between social goals (providing a useful activity for a stigmatised category) and economic means (the generation of sufficient income from sales to lead to individual economic self-sufficiency). More recently, Small Potato’s goals have broadened in two ways. Firstly, it has prioritised the movement of its vendors out of the niche market of fruit and vegetables, and into the wider world of work. This has led to a dilemma – at least for a transition period (of uncertain length), any vendor moving into the unprotected wider economy may experience an income decline; their inclusive experiences with Small Potato whilst being positive often lead to low-wage employment. If such moves are to be supported, to free up spaces for other long-term unemployed and to re-connect individuals with the wider formal economy, either state funding or a radical re-structuring of Small Potato will be needed. Meanwhile, a second shift in the agency structure has been its merger with other social enterprise agencies, specialising in asset management. Not surprisingly, these two shifts – in mission and structure – raise questions about the typology location of Small Potato;

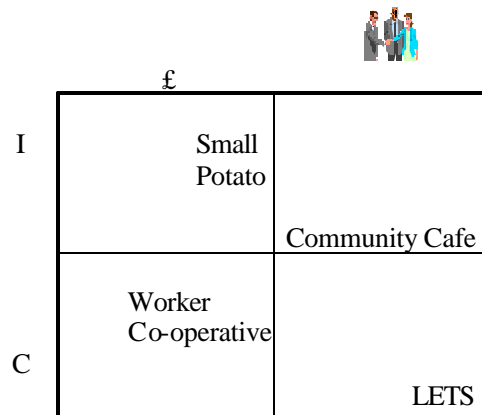
the ‘specimen’ has been pinned into its two-dimensional display cabinet, but refuses to lie still.

Nevertheless, if the tension fields in the typology are seen as reflecting dynamic influences, it may be possible to compare and contrast different social enterprises and their patterns of growth. For example, one of the most useful of early studies (of co-operatives) was conducted by an Open University team. An important warning from their typology of worker co-operatives was that categorisations built on primary purpose and organisational focus work best when the research focus is upon the early inception phase of an agency’s growth. (Cornforth et al, 1988). Once the organisation begins to develop, it is likely to become more complex, to the point where it might contain activities of a contradictory kind. For example, a study of Small Potato identified two broad groups of workers:

“.... I would make a distinction between instrumentalist and idealistic staff. As the organisation grew, instrumentalist workers demanded a higher share of the operating surplus while idealistic workers became alienated by the (capitalist) methods used to achieve growth.” (Teasdale, 2002)

Figure 2 provides illustrative examples of organisational units of social enterprise; each of these will reveal tensions between an initial core mission and subsequent growth or change. For example, the worker co-operative, determined to operate collectively but struggling to reach a more sustainable funding basis; the community café, with a focus on vulnerable individuals who do not constitute a viable enough

Figure 2: A Social Enterprise Typology : illustrative examples

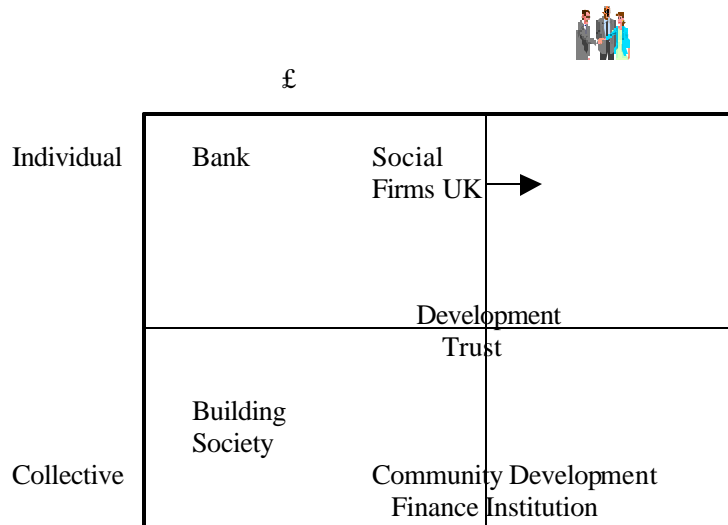


market to permit even a modest degree of sustainability; the Local Exchange Trading Scheme (LETS) that successfully recruits a network of skill exchanges, even whilst remaining financially marginal.

Aside from qualifications, about the ways in which typologies struggle to represent complexity and change, three main reservations remain i.e.

- i Different layers or tiers of social enterprise will require a separate presentation. For example, those ‘second tier’ agencies whose primary purposes are less concerned with the direct provision of social enterprise, and more with the related informational, financial and developmental infrastructures. Some illustrative examples are depicted on Figure 3 below. Although our research will attempt to explore the usefulness of second tier differentiation in an English sub-region, our paper is limited to suggesting the need for such a typology.

Figure 3: A Social Enterprise Typology: Intermediate or ‘Second Tier’ agencies

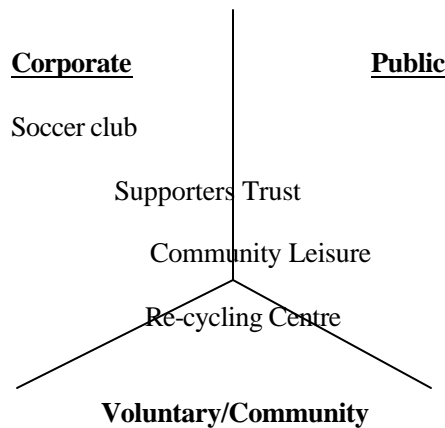


- ii Inter-sectoral location – in this case attention is focused not on the organisational characteristics of social enterprise units and support structures, but on the overall location of these in relation to the other sectors (the state or public and for-profit or corporate). Whilst we recognise that the concept of ‘sector’ is a debatable one (Kramer,

2000), this perspective alerts the researcher to the potential significance of the external environment.

Figure 4 identifies three examples of social enterprise whose developmental pathways are likely to be shaped by their inter-sectoral location. A formerly corporate soccer club is taken over by its supporters; the leisure facilities of a local authority are transferred to a Community trust, and a voluntary sector agency moves into the

Figure 4: Inter-sectoral location and Social Enterprise



waste/re-cycling business. Each example may have a different origin, growth pattern and core characteristics.

- iii Geographic/social location – geographic location is often a proxy for different forms of social, political and economic inequality. Insights into the distribution and development of social enterprises may follow; for example, many social businesses may work best in urban centres containing clusters of political leverage, finance institutions and markets. In contrast, forms of community-based self help are expected to function in those poorer neighbourhoods with relatively low population turn-over. Then again, certain areas in the larger cities often attract a mix of immigrants, refugees, former students and a high proportion of public sector regeneration investment. Out on the relatively homogeneous peripheral sink estate, the prospects for social enterprise may be somewhat different.

4. Roles for Social Enterprise: Economic, Organisational and Social Rhetoric may well have dominated recent debate, but it is clear that the immediate future needs to contain more grounded and differentiated data, which can in turn promote comparable debate. Our initial research suggests that the experience of social enterprise activity reveals conflicts and contradictions, some of which are already discernible in the literature. Two examples are offered, to underline both the importance of research perspective and the ever-present (if elusive) influence of agency values.

Firstly, we borrow from a celebratory ‘biography’ of the ‘Big Issue’; this agency began as a creative response to the problems associated with helping homeless people to step back onto the employment ladder. Its use of magazines sold to and then by homeless people on street locations, has parallels with ‘Small Potato’ (see Figure 2). Big Issue is credited with having

“... entered in methodological opposition to the traditional charity work of handouts and dependency. It brought a businesslike approach to homelessness, encouraging homeless people to think of themselves as consumers.” (Swithinbank, 2001, xiv)

The book presents a great story, with charismatic characters and strong plots, we are told to notice the centrality of a democratic, empowering and financially viable approach taken by Big Issue. These elements can be identified, but so too can episodes of tension and conflict between:

- a) the core staff and the magazine vendors
- b) idealist and instrumental staff
- c) Big Issue and its social arm (The Foundation) launched in November 1995.

The ‘business-like approach’ did not take place in a vacuum; inevitably the great story contains more interruptions than have so far been told. (Teesdale, 2002)

Our second example is derived from an academic study of Local Exchange and Trading Schemes (LETS); these are relatively small-scale, local exchange systems where different skills are identified and given a value. The skill then becomes a ‘currency’, as low-income individuals/groups barter and exchange without recourse to normal financial resources. Much has been made of the potential of LETS as a

route way (for unemployed people) into employment. Some commentators are unequivocal about the limits and possibilities of LETS, they can facilitate the inclusion of people in social and political activities, but they are not effective job-creation mechanisms.

“As a tool for achieving full-employment therefore, LETS are relatively ineffective. However, as a vehicle for facilitating ‘full-engagement’, LETS are a useful tool.”

(Williams and Windebank, 2001,165)

‘Full engagement’ is less about economics and more to do with the social and political dimensions of citizenship, less about soft loans and venture capital and more about social capacity building.

Both examples can be termed ‘Social Enterprise’, but empirical data demonstrates their different starting-points and growth patterns. Neither are monolithic and static, both reveal their hybrid and dynamic qualities over time and place. It is this grounded variety that we hope to capture in our research, allowing critical exploration of the various paths organisations take. Therefore, when we read (about social enterprise) that

“In the end, commercial operations will not – and should not – drive out philanthropic initiatives.”

(Dees, 1998, p.67)

we have to disagree profoundly. Social enterprises are clearly value-orientated activities, but these values are shaped by material forces at organisational and structural levels. These forces may often prove far stronger than charitable inclination, although the role of charitable finance is a strong card which has still to be played in many voluntary and community sector contexts.

4. Researching Social Enterprise

The aims of our research are threefold:

- i To review the implications of a greater integration of social enterprise policy and practice within different parts of the voluntary and community sector.
- ii To identify and discuss the specific policy and practice challenges.
- iii To provide funder guidance in relation to the development of social enterprise within voluntary and community organisations.

The central form of our data collection will involve five long-term case-studies (described below). These are underpinned by

- A literature review
- A number of shorter case-studies, complementing the long term ones
- Surveys of funders and stakeholders

At the heart of our work are five detailed case-studies, selected to provide insights into a range of social enterprise organisations, with reference to the balance between economic and social, individual and collective, as well as functional and geographical diversity. It is hoped that, over time, the researchers will build sufficient trust with key members of each organisation, so that detailed insights ‘beneath the rhetoric’ may be obtained. Inevitably, the research process will be uneven, dependent on different circumstances, contexts and personalities; inevitably, too, questions will be raised about the potential for ‘insider knowledge’ to damage particular agencies and people. Figure 5, which provides some basic details of each core case-study, has therefore been anonymised and partially disguised.

Figure 5: Core Case Studies

Organisation	Location	Activities
Small Potato	South-West England	- Fruit & vegetable sales - mainstream employment
Enterprise action	Wales	- a ‘family’ of sub-projects e.g. Furniture workshop, Catering, Re-cycling
Mac Art	Scotland	- Cultural production - Arts club
<ul style="list-style-type: none"> • Lightship • St Andrews Resource Centre 	East Midlands (England)	- Community-based local groups Centre
Support infrastructure	South-East England	- The ‘ecology’ of social enterprise support in a sub-region

A report on the research will be published in the Autumn of 2003; it is also hoped to produce some of the case-study detail in a supplementary publication.

6. Developmental Dilemmas

Our preliminary data reveals a mix of internal and external influences, barriers and opportunities. In the first instance, there are the central entrepreneurs; often charismatic, even more often over-worked. Their work seems to depend as much on intangible trust as on clear organisational models; a key dilemma here concerns the balance to be struck between preserving sufficient flexibility of operation whilst responding to calls (often from sponsors) for greater formality.

Secondly, there are external pressures relating to both under and over expectation. For example, it is likely that up to 80% of currently identified social enterprises 'fail' (= close) within the first two years. (Amin et al, 2001). On the other hand, little is known about the degree of success relating to the social entrepreneurial activity being carried out by charitable and other voluntary or community organisations. All of this will require a broader view. Social enterprises must be deemed to have 'failed' or 'succeeded' not just in financial terms, but also in social ones; evaluation or measurement will need to consider social as well as financial capital. We are clear about one thing; in spite of the current policy enthusiasm being displayed in many different governmental contexts, and different political levels (national, regional, local), social enterprise, particularly in the voluntary and community sector context, remains a somewhat fluid concept, hard to pin down. There is already evidence that the two aspirational strands of social and economic returns have no more natural synergy at the level of local or micro-social enterprise than they do within the larger projects of private and public sectors. Because of the different value axes within which they turn, social enterprises may in fact be particularly shifting in their structures and this paper has argued that the long-term case-study method chosen for the research project presented here is essential if their dynamics are to be captured and understood. Dynamic tensions in aspirations create ripple effects both through all aspects of organisational life, but also in the surrounding environment. We have suggested that the support infrastructure evolving around the social enterprise business is also grappling with these dynamic tensions, both reflecting and generating further ripples of their own. For this reason, we have included the support infrastructure organisations within our research.

If social enterprise development is to become more sensitive to these dynamics, a greater awareness of the different types, their operations, roles and distribution will be necessary. Demand and supply-side policies will need to move beyond simple

generalisations in order to avoid over-formal and prematurely professional regulation. Otherwise, as one recent commentator concluded,

“...within this hive of enterprise, it will not be long before a social entrepreneur industry is created with standard situation plans, training for social entrepreneurs and eventually steps to professionalise and become recognised and credentialled by and through state structures.”

(Brown, 2001, 19)

Whilst some of these features may be useful, it remains important to recognise the need for a deeper and critical understanding of the embedding of social enterprise within local communities, and particularly within the local voluntary and community sector. After all, local social enterprise has the potential to make modest but significant impacts on welfare delivery systems, on employment supply and on social cohesion and capital. It is crucial to remember, however, how much social enterprise is

“... The result of a spontaneous dynamic of civil society at the local level rather than the outcome of the planned action of public policies or social movements.”

(Borzaga and Defourny, 2001, 362)

Our research is committed to exploring how to creatively develop these tensions with the support of public policy and the engagement of Civil Society.

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