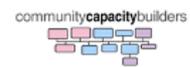
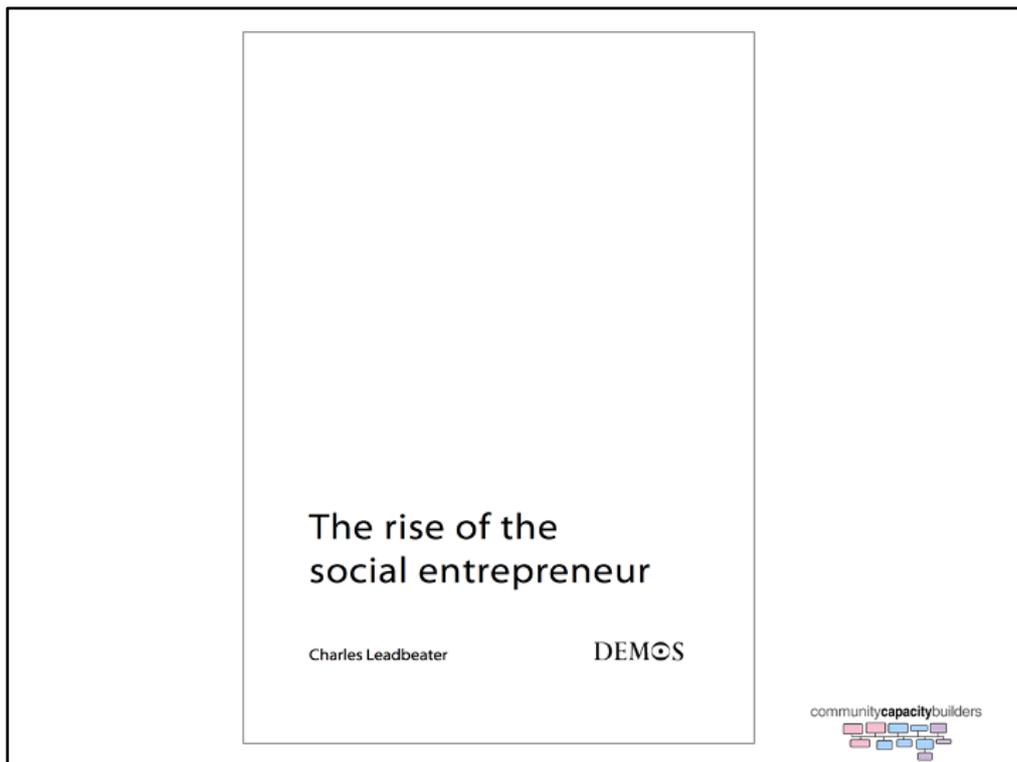


The Original UK Approach



In this lecture we are going to explore the key features of what was referred to as the United Kingdom approach to social entrepreneurship. This original UK approach to social entrepreneurship had a strong focus on strengthening and revitalising communities. In the next lecture we will see how in recent years this UK approach is considered to have diverged into separate British and Scottish approaches.



The term social entrepreneurship came to prominence in 1996 in the United Kingdom when the report 'The Rise of the Social Entrepreneur' was released by DEMOS (Tan et al., 2005, p. 353). DEMOS is a think tank in the UK.

Features of Community Building Approach

- In the United Kingdom

- key driver behind the introduction of social entrepreneurship
 - the need to modernise the welfare system

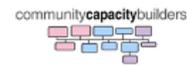
Leadbeater, 1997, p. 16

- social enterprise positioned as a tool to combat market failure and regenerate deprived areas
 - in line with government policy of the late 1990s

Teasdale, 2011

- social entrepreneurs often seen as attempting to regenerate their locality, estate or neighbourhood

Leadbeater, 1997, p. 11



The DEMOS report highlighted that the key driver behind the introduction of social entrepreneurship in the United Kingdom was the need to modernise the welfare system (Leadbeater, 1997, p. 16). Social enterprise was seen as a tool to combat market failure and regenerate deprived areas (Teasdale, 2011) and social entrepreneurs was the term used to describe the community leaders who were attempting to regenerate their locality, estate or neighbourhood (Leadbeater, 1997, p. 11).

UK Social Entrepreneur

- 'Andrew Mawson has created a thriving centre in Bromley-by-Bow from a church that was on its knees a decade ago.'

Leadbeater, 1997, p. 11



The DEMOS report named Andrew Mawson as someone who had the characteristics of a social entrepreneur. The report discusses how Andrew Mawson had created a thriving centre in Bromley-by-Bow from a church that was on its knees in the 80s.

Bromley by Bow Centre



The Bromley by Bow Centre in the East End of London began life in 1984 when a small church congregation opened its neglected buildings to the local community.

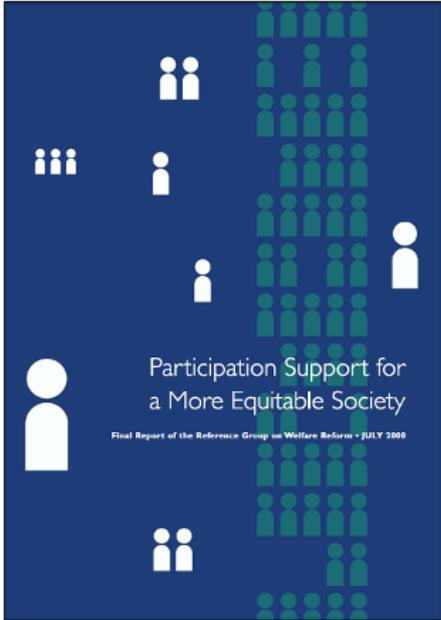
It went on to create 60 health promoting projects that were run each week from the Centre that imaginatively integrated the arts, health care, education, the environment, enterprise and community care.

Catford, 1998

communitycapacitybuilders

The Bromley by Bow Centre is situated in the East End of London. It began life in 1984 when a small church congregation opened its neglected buildings to the local community.

It went on to create 60 health promoting projects that were run each week from the Centre that creatively integrated the arts, health care, education, the environment, enterprise and community care.



Participation Support for
a More Equitable Society
Final Report of the Reference Group on Welfare Reform - JULY 2000

- *'Social entrepreneurs are leaders committed to transforming their communities by using innovative and dynamic approaches and working in alliances across the public, private and not-for-profit sectors. Just as business entrepreneurs are critical to areas such as industry and technology, social entrepreneurs are critical to areas of human need such as revitalising communities, employment, young people, the environment and health. They combine vision and creativity with the ability to focus on the concrete and practical steps needed to bring about changes in society.'*

Reference Group on Welfare Reform, 2000, p. 50

communitycapacitybuilders

It is interesting to note, that as in the United Kingdom, social entrepreneurship came to prominence in Australia as a strategy for modernising Australia's welfare system and as a strategy to build the capacity of communities.

The Australian Welfare Reform Final Report identified the need to develop *'social enterprises and the social entrepreneurs who drive them'* as a key strategy for strengthening the Australian social support system (Reference Group on Welfare Reform, 2000, p. 50).

The Australian Reference Group on Welfare Reform (2000, p. 50) noted that by supporting social entrepreneurs innovative change in communities could be achieved.

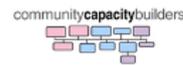
This is a quote from the report:

'Social entrepreneurs are leaders committed to transforming their communities by using innovative and dynamic approaches and working in alliances across the public, private and not-for-profit sectors. Just as business entrepreneurs are critical to areas such as industry and technology, social entrepreneurs are critical to areas of human need such as revitalising communities, employment, young people, the environment and health. They combine vision and creativity with the ability to focus on the concrete and practical steps needed to bring about changes in society.'

Legal Structure of UK Social Enterprises

- Social enterprises are not defined by their legal structure
- 'whilst some commentators like to use the term "nonprofit" when referring to social enterprises, this is misleading'

Social Enterprise Coalition, 2003



There are similarities between the UK approach and the Social Enterprise School and the Participatory Governance approach to social entrepreneurship. The community building approach also focuses on the enterprise and it does not emphasise innovation (Hoogendoorn, 2010, p. 9).

There are also similarities between the UK approach and the social innovation school approach - the UK approach does not specify a legal structure for the enterprise (Hoogendoorn, 2010, p. 9).

In 2003, the UK Social Enterprise Coalition, which went on to become Social Enterprise UK, stated in a guide for social enterprises that social enterprises are not defined by their legal structure. It said that 'whilst some commentators like to use the term "nonprofit" when referring to social enterprises, this is misleading' (Social Enterprise Coalition, 2003).

Legal Structure of UK Social Enterprises



The UK Government promotes the following alternative business structures for starting a social enterprise in the UK: a limited company, a charity, a charitable incorporated organisation, a co-operative, a community interest company (CIC), a sole trader or a business partnership.

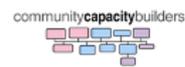
Community interest companies (CICs) are a special type of limited company which exists in the UK to benefit the community rather than private shareholders. To set up a Community interest company, you need:

- a 'community interest statement', explaining what your business plans to do
- an 'asset lock'- a legal promise stating that the company's assets will only be used for its social objectives, and setting limits to the money it can pay to shareholders
- a constitution, and
- you need to get your company approved by the community interest company regulator

Australian Social Enterprise Definition

- 'organisations that:
 - are led by an economic, social, cultural, or environmental mission consistent with a public or community benefit;
 - trade to fulfil their mission;
 - derive a substantial portion of their income from trade; and
 - reinvest the majority of their profit/surplus in the fulfilment of their mission.'

Barraket et al., 2010, p. 42



Similarly in Australia, social enterprises are not defined by their legal structure. This is the most commonly used Australian social enterprise definition:

Social enterprises are 'organisations that:

- are led by an economic, social, cultural, or environmental mission consistent with a public or community benefit;
- trade to fulfil their mission;
- derive a substantial portion of their income from trade; and
- reinvest the majority of their profit/surplus in the fulfilment of their mission.'

The definition does not specify a legal structure.

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