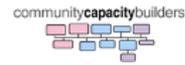


Divergence of the British and Scottish approaches



In recent years the UK social entrepreneurship approach that was described in the previous lecture is considered to have diverged into separate British and Scottish approaches.

In this lecture we are going to look at the reasons behind the divergence of the British and Scottish approaches to social entrepreneurship.

We will see that in recent years the British approach has taken on a marketisation approach to social entrepreneurship and the Scottish approach has continued to take a community approach: it can be considered a communitarian approach to social entrepreneurship.

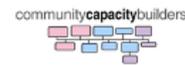


When we look at the United Kingdom, the UK, we can see that it is actually comprised of four countries: England or Britain, Scotland, Wales and Northern Ireland.

Within the United Kingdom, Northern Ireland, Scotland and Wales have gained a degree of autonomy through the process of devolution. The UK Parliament and British Government deal with all reserved matters for Northern Ireland, Scotland and Wales, but not in general matters that have been devolved to the Northern Ireland Assembly, Scottish Parliament and National Assembly for Wales.

History of Scotland's Devolution

- September 1997: Referendum in Scotland in which people voted for devolution.
- The UK Parliament then passed the Scotland Act 1998 which established the Scottish Parliament, which opened in 1999, and transferred some of the powers previously held at Westminster.
- Devolution has not stood still since 1999, with a number of changes and additions to the Scottish Parliament's powers. These have included:
 - The Scotland Act 2016, which devolved further powers to Scotland including significant areas of income tax and welfare.
 - The Scotland Act 2012, which provided the largest transfer of financial powers from Westminster since the creation of the UK.



The Scotland Devolution process started in 1997.

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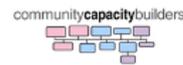
Devolution has not stood still since 1999, with a number of changes and additions to the Scottish Parliament's powers. These have included:

- The Scotland Act 2016, which devolved further powers to Scotland including significant areas of income tax and welfare, and
- The Scotland Act 2012, which provided the largest transfer of financial powers from Westminster since the creation of the United Kingdom.

Post Devolution

- Independent policies targeted at growing and developing the social enterprise sectors were created by the Scottish Executive and the Labour government in England
- Divergence between Scotland and England increased with changes in government in Scotland and Westminster.
- Divergence altered social enterprise ecosystems in each country

Hazenberg et al., 2016, p. 209



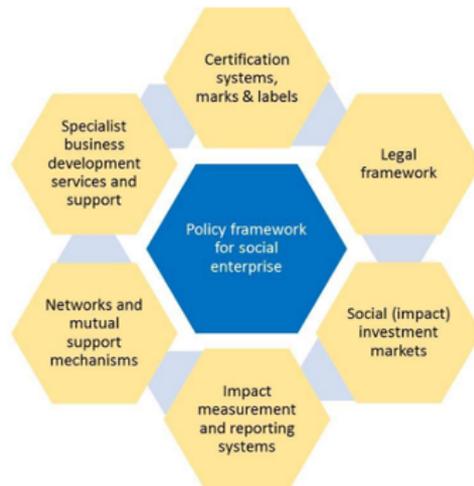
Following Devolution, independent policies targeted at growing and developing the social enterprise sectors were created by the Scottish Executive and the Labour government in England.

This divergence between Scotland and England increased with changes in government in Scotland and Westminster. In 2007 a Scottish National Party minority government was elected in Scotland and a majority Scottish National Party government was elected in Scotland in 2011. In Westminster, a Conservative-led Coalition government was elected in 2010 and a majority Conservative government was elected in 2015.

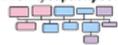
With the changes in governments, the divergence between the policies in England and Scotland increased which altered in different ways the social enterprise ecosystems in each country.

Hazenberg et al., 2016, p. 209

Social Enterprise Ecosystem



European Commission,
2015, p. xiv

communitycapacitybuilders


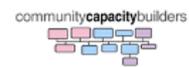
These social enterprise ecosystems provide support for social entrepreneurs and social enterprises in each country. According to European Commission commissioned research, a social enterprise ecosystem consists of the following six components:

- Networks and mutual support mechanisms
- Specialist business development services and support
- Certification systems, marks and labels
- Legal framework
- Social (impact) investment markets, and
- Impact measurement and reporting systems

British Approach

- Reduction in State support and move towards a marketized model
- Social enterprises seek finance from investors
- Investment readiness support provided by NGOs
- Social enterprise spinouts created

Hazenberg et al., 2016, p. 209
Armitage, 2017



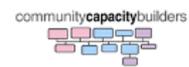
Looking at the difference in the ecosystems in each country.

- In England there has been a reduction in state support for social enterprise and a move towards a marketized model where
 - Social enterprises seek to obtain finance from investors
 - Investment readiness support is provided by non-government organisations, and
 - Social enterprise spinouts are created from public services leaving the public sector

Scottish Approach

- Support has remained with the State
- Continued to take a community enterprise approach that is not aligned with the market
- Does not support the idea of funders making money from funding social or community enterprises
- Ecosystem is more practitioner led
- Places greater importance on values

Roy et al., 2015
Hazenberg et al., 2016
Mazzei and Roy, 2017



In contrast, in Scotland

- Support for social enterprise has remained with the State
- Social entrepreneurship in Scotland has continued to take a community enterprise approach that is not aligned with the market.
- The Scottish social enterprise sector does not support the idea of funders making money from funding social or community enterprises: Scotland does not want private investment and dividends to be a part of their social enterprise funding landscape
- The social enterprise ecosystem in Scotland is also more practitioner led than Britain, and
- It is considered to place greater importance on values such as fairness, equality and cooperation

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