In search of... the social in ‘social economy’: exploration of the boundaries, scope and definitions of the social economy in the UK and Canada

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Out of the ashes of the’ credit crunch’ and the continuing urgency to face water, energy and climate change crises, comes increased flag waving for the benefits of ‘co-operative difference’ and co-operative values (Porritt, 2008). This is accompanied by continued pressure to address challenges of political and structural change in what some commentators are referring to as a ‘new economic age’ (Elliott et al., 2008). For example, Charlie Mayfield, the chairperson of John Lewis Partnership (an employee-owned UK retailer) suggests that:

“It is only now that the urgency of addressing the banking system has abated that business leaders, policy makers, commentators and citizens have begun to reflect on what alternative types of capitalist structures might be more inclusive of all stakeholders, be more resilient in the long term and reduce the risk of future crises” (cited in Davies 2009, foreword).

This need to redress the failures of economic and social systems is echoed in a recent report from Canada claiming that a primary lesson from the financial crisis “underscores the urgency of the need to adapt and redesign the ways in which our economy and communities function” (Bridge and Corriveau, 2009, p 2). One identified response to the search for alternatives is support and development of social economy and community enterprises. Yet, part of the complexity of building policies, legislation and structures that support social economy enterprises (SEEs) is the lack of agreed definition on what the ‘social economy’ is; or, rather, the diversity and number of descriptions, typologies of organisations and activities that exist and that continue to take shape in organisations that collectively contribute to the construction of a socially and economically active and effective space, that we might call the social economy..., or community economic development... or the third sector... or the fourth sector... or the not-for-profit sector... or...

There are many discussions in the literature about the merits and limitations of providing a concrete definition of the ‘social economy’, partly because of its history and development and partly in relation to its evolving and changing nature. The search for identity has included discussion about labelling the social economy as ‘a sector’; the constituent parts of ‘a’ sector or whether there is more that one sector within an overarching framework; how robustly the sector is defined (or not) by its name; and attempts to provide clear definitions by revising and refining “old” labels or to find “new” labels (for overviews of the history and development of the social economy/l’économie sociale, see for example: MacPherson, 2008; Mendell, 2003; Neamtan, 2005; Vallaincourt, 2006).

As with ‘social enterprise’, the ‘social economy’ is regarded as having two dimensions – ‘social’ and ‘economic’. From these dimensions, we can start to consider different characteristics associated with the social economy and social economy organisations. In some descriptions of the ‘social economy’, it is possible to include ‘more than profit’ organizations (Jones et al., 2004) and ‘for-profit companies that redistribute a portion of their profits in the community’ (Bouchard et al., 2006 p 5). This latter statement could well include private, shareholder companies with good corporate, environmental and social responsibility as part of
their strategies. Increasingly, as the boundaries between ‘social’ and ‘economic’ become fuzzier, we must not confuse corporate philanthropy with social enterprise especially where the impetus and means of providing charitable giving has been through private ownership initially geared towards private gain and wealth creation. Bouchard et al (2006) do well to qualify their statement with an example – a relatively newly minted legal form of organization in the UK, the community interest company: to help social enterprises, charities and others to carry out market and non-market activities under a more streamlined registration, accounting and reporting system.

In order to define, promote and, in some instances, defend the SEE territory, and to explore the economic and political identities of the individuals and organisations that inhabit this ‘sector’, the paper draws on the work of Canadian and UK empirical and secondary research to scope the boundaries of social economy and social economy enterprise (SEE). The paper also raises issues that link this conceptual discussion to practicalities of managing and leading in a changing economic environment. Consideration is therefore given to reassertion of values, ethical conduct, strong participatory governance and relationships within and across sectors in addressing the creation and maintenance of viable economic entities that can generate employment and revenue while meeting social purposes and that can provide services and actions in response to perceived problems; together with the necessity to move beyond immediate problems and concerns, to bring about larger community-wide changes in the longer term.

References


Vaillancourt, Y. (2006), *What is the Social Economy? Towards a response paying attention to the Québécois and Canadian Contexts*, Presentation to the Social Economy Symposium, OISE/University of Toronto