Outsider, missing link or panacea? Some reflections about the place of social enterprise (with)in and in relation to the Third Sector

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Abstract

Social enterprise has gained considerable interest in recent years both in the UK and internationally despite the widely recognised lack of agreement as to what exactly a social enterprise is, what it does and/or represents and how it can be best promoted and supported (Borzaga and Defourny, 2001; Bridge et al, 2009; Nicholls, 2006; Peattie and Morley, 2008). This paper focuses on the place of social enterprise (broadly defined as ‘business that trade for social purposes’) within the UK third sector, and where the social enterprise entity has been politically and strategically positioned since 2006 (Cabinet Office, 2006 a, b; Carmel and Harlock, 2008; Kendall, 2009) – the social enterprise construct was moved out from the business department (former Department for Trade and Industry now Business, Innovation and Skills Department - BIS) into the Cabinet Office and the Office of the Third Sector.

The paper sustains that three broad views on the uneasy relationship between social enterprise and the third sector can be distinguished. Firstly, those views that loudly and silently see social enterprises as ‘outsiders’ to the third sector, despite their claimed social goals, as social enterprises are seen as conventional profit-driven businesses. Secondly, those views that recognise the fact that social enterprise plays a role within the voluntary and third sector, notably building links between ‘traditional’ organisations and trading cultures and markets, hence the ‘missing link’ metaphor relating the role of social enterprise. Finally, those that view social enterprises as potent organisational devises to address social needs and problems through a more financially sustainable, efficient and viable ‘business-like’ approach which traditional voluntary and third sector organisations often lack; hence the idea of social enterprises as both an alternative to traditional non-profits and third sector and a ‘panacea’ to address social problems. It also examines the fact that there seems to be increasing evidence of both a transition ‘from third sector to social enterprise’ which is taking place in several Western European countries (Defourny, 2001) and that social enterprise is ‘blurring’ the boundaries between non-profit and for-profit activity (Dart, 2004).

Not surprisingly, while these developments have been endorsed by the New Labour government (Carmel and Harlock, 2008; Kendall, 2009), they have also generated concern among some voluntary and third sector stakeholders, especially at grass-root level, no less because social enterprises are portrayed as representing business-like values which are in opposition to volunteering, charitable and third sector values and philosophies (Eikenberry and Kluver, 2004; Carmel and Harlock, 2008; Kendall, 2009). The paper critically examines these views in the UK context and concludes with some policy considerations in relation to both the place of social enterprise within the third sector and future policy scenarios.

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References


