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Social Entrepreneurship: whose responsibility is it anyway?

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Social Entrepreneurship: Whose responsibility is it any way?

Mel Gray and Penny Crofts
Department of Social Work, University of Newcastle
and
Karen Healy
School of Social Work, Social Policy and Sociology, University of Sydney
Abstract
This paper initiates an exploration of the relevance of social enterprise to social policy and welfare practice. Social enterprise refers to a broad set of approaches that use business acumen to address social goals. Recently, social enterprise and social entrepreneurship has gained increasing prominence in the Australian welfare state due in part to the emergence of a national body, The Social Enterprise Network, representing social entrepreneurs. We approach this paper as human services researchers and educators examining the potential and limits of social enterprise for progressive forms of social services policy and practice. We are concerned that although social enterprise is well established in the Australian Third Sector, it remains a poorly researched activity. The polarisation of the debate between advocates for and opponents of social enterprise is of limited value for recognising the breadth, possibilities and limitations of social enterprise. Our practice observations suggest that social enterprise can, in some instances, improve service users’ options and that social enterprise is a complement to, rather than, a replacement for progressive change at the macro level. In this paper, we outline the meaning of the term social enterprise, the values underpinning social entrepreneurship, and the role of communities and institutions in social enterprise. We conclude the paper with discussion of the limitations of social enterprise for progressive forms of social policy and social work practice.

Introduction
Our interest in social entrepreneurship is grounded in our perspectives as practitioners and practice-based researchers in the fields of social development and human services delivery. Our observations of social enterprises in practice convince us that this concept is at least worthy of exploration and analysis despite its highly controversial nature. As educators in the human services field, we have sought to incorporate analysis of social enterprise into curricula in recognition of its relevance to social development and community services.

We believe it is important to enter into current discussions and debates on social entrepreneurship with an open mind, engaging wherever possible in critical reflection so as to influence the processes that the social entrepreneurship juggernaut has unleashed. It is in this spirit that we participate in today’s proceedings. Our goal is to present an overview of our perceptions of social entrepreneurship. To this end, we begin by defining social entrepreneurship and reviewing the values underpinning it, which we support. We present our views of the role of government, business and
community services in partnership development. We end with a discussion of our reservations about social entrepreneurship for it raises significant questions of relevance to human service practitioners and educators regarding social service provision. It challenges current ideological thinking about welfare provision. Does it represent a conservative push to exonerate government from current cutbacks in services and their abdication of social responsibility? Or does it challenge academics, practitioners and policymakers to rethink models of welfare provision and their real outcomes in terms of empowering disadvantaged groups cut off from the economic mainstream?

Mel
My interest in this area was stimulated when Penny approached me to supervise her PhD on the social role of business. Having just arrived in Australia from South Africa I immediately connected this to the notion of Corporate Social Responsibility which was growing in South Africa since there was recognition that the government could not, by itself, redress the huge imbalances created by apartheid which it had inherited and that big business had a responsibility to plough back profits into the communities which had made them successful. Little did I know at that point that this was a political and ideological minefield I was entering in Australia and a definite case of ‘fools rush in where angels fear to tread’. From this came Penny and my research on business contributions to social causes and our encounter with social entrepreneurship along the way. I will let Penny take up the story from here …

Penny
My professional experience has been mainly in community work and social planning in local government settings. In these contexts it is impossible to ignore the interconnectedness of different sectors in local and regional areas. For example, Newcastle Council has in recent years adopted a policy to guide a social impact assessment of developments in the city. As might be expected the proposal for such a policy was not roundly welcomed by all stakeholders, especially as it was a fairly unique initiative in NSW local government circles. In the early days of the process the project almost floundered when a major industry stakeholder intervened at bureaucratic and political levels of council to voice serious concerns with the project. Following intensive negotiations, the industry group became a very proactive participant in the policy development, which eventually saw them sponsor training for its members in the use of the policy. The interesting thing in relation to this experience was that it challenged many preconceived notions about the private sector and highlighted the positive contribution that can be gained from business and social sector partnerships if fostered appropriately. The experience also reinforced the fact that change involves not only effective cross-sectoral relationships but significantly, institutional change. Important to this project were both the industry endorsement and participation but also change in the culture and practice of Council staff relating to social considerations. Through this and other such experiences, I have developed a research interest in the social role of business in the Hunter Region.

Karen
In the course of my education and practice as a human service worker, project manager, educator and researcher I have been exposed to a range of social enterprise activities. These activities take a variety of forms from local community economic development initiatives through to innovative services that bring together institutions
of government, business and community services to create a range of options for service users. Illustrations of social enterprise activity are broad from local community initiatives such as community run cafes, gardens and laundromats through to community services which use their partnerships with government and business to enhance services and options available to service users. For example, an employment service in Sydney has formed partnerships with computer companies, through these partnerships service users gain access to a range of resources such as physical resources (computers), human resources (technology) and social resources (networks that link them to employment opportunities). short, social enterprise can lead to community initiatives and services that enhance service users involvement, access to knowledge, skills, and material resources. In 1999, I began some research on enterprise in the community services sector. At the time it was a marginal topic in community services and social work practice research. It has quickly become a hotly contested topic in community services, though it remains an under-researched subject.

Exploring social enterprise: Addressing the polarisation of the debate

Our goal as human service researchers is a modest one, that of exploring the relevance of social enterprise for improving options available to service users. While these options can include improved access to goods and quality services, we are also interested in the potential for social capital to increase access to more intangible public goods, such supportive social networks. As a beginning point, it is necessary to address what is not helpful to this exploration. To date, much public commentary on social enterprise has been unhelpful to the considered examination of the topic in so far as this debate is highly polarised between the proponents and opponents of social enterprise.

It has been unhelpful that some of the most vocal proponents of social enterprise have moved from critique to demonisation of the welfare state and those involved in service provision in this field. Referring to the policies and practices that emerged via the Keynesian welfare state, Peter Botsman (2000), a high profile advocate of social enterprise, claimed in an address to the Australian Council of Social Service Congress that

What is being stolen from people, even when we increase the size and power of the social wage, is people’s capacity to think and act and work and solve their own problems for themselves. At the moment, by being primarily an advocate to an increased social wage, ACOSS puts itself on the side of the health care professionals who insist on having absolute control of the health problems they cannot solve; and the silos of the social wage bureaucracies in police, social security departments, education departments, housing departments who want to see social inadequacy solely in terms of what they have the capacity or responsibility to deliver. But none of this is attacking inequality.

The overemphasis on the negative effects of social policy and the inadequacies of welfare practice methods fails to recognise the range and complexities of welfare methods and the complex outcomes of welfare policy. It is true that welfare policy and practice has had negative outcomes, but this should not be to downgrade its considerable achievements over the past five decades, including substantial improvements in access to education, availability of income support, options for community based support services have, on the whole, increased choices for service users.
The opponents of social enterprise are also guilty of curtailing the grounded exploration of this concept. Some commentators link social enterprise to neo-liberal politics, that is, political approaches that valorise free enterprise and relieve governments of their responsibility to address disadvantage. This view fails to recognise the broad range of perspectives, from neo-liberal to communitarian positions, underpinning social enterprise activities. Indeed, some of the key advocates of community economic development and social enterprise identify as progressive analysts and argue strongly for a role for government in creating conditions for economic and social development (see Fontan and Shragge, 1998; Midgley and Livermore, 1998; Pearson, 2001). Social entrepreneurs are not united by political ideology but rather by a common belief in the relevance of business strategies to achieve social goals and the capacity of communities to take greater control of their social and economic destiny.

Another strategy used to dismiss social enterprise is to represent it as a practice that fails to address the genuine needs of the poor and disadvantaged. This critique ignores the diversity of these needs or the possibility that at least some service users have achieved some benefits, both economic and social, that the welfare sector could not alone provide. For example, social enterprise has contributed to the emergence of small business opportunities for some indigenous people, the creation of long-term sustainable work opportunities for some unemployed and the creation of community housing options and improvements in housing design. These successes, like all achievements in the improvements of conditions with and for people who are marginalised are at least worthy of local acknowledgement, and, I would suggest are worthy of investigation by those interested in addressing conditions of disadvantage.

Perhaps the most problematic strategy adopted by opponents of social enterprise is that claiming intellectual superiority to social entrepreneurs. One way academic opponents do this is through the use of confusing language and obscure concepts to critique social enterprise. This approach is especially questionable when directed at practitioners engaged in entrepreneurial activity. Rather than create conditions for dialogue, the use of sociological and economic jargon can confirm social entrepreneurs’ suspicion that the academic world has little to offer those engaged in social change activity of any kind. Noel Pearson (2001: 132-133), an advocate of social enterprise in Cape York, remarks that: “I dismiss much of our contemporary cultural and academic life as being just a big confusion-producing mechanism that keeps dissenters occupied and makes it difficult for people to analyse our society so that they can organise themselves politically.” Another way academic commentators have sought to assert intellectual superiority is through the claim that social entrepreneurs are misguided or working on false understandings. These claims are problematic in so far as they fail to recognise the broad range of premises from which social entrepreneurs practice and the possibility that many of them have made an informed decision to use entrepreneurial strategies.

**Defining social entrepreneurship**

Social entrepreneurship refers to activities undertaken in the public interest using entrepreneurial strategies (Simons cited in Zappala, 2001, p. 43). Social entrepreneurship embraces the idea that business acumen can be applied to community causes in an empowering way such that there is a transfer of economic
and social resources to significantly disadvantaged groups and individuals (Crofts and Gray, 2001). The range of social enterprise activities is very broad and includes:

- Community economic development initiatives, which frequently produce little financial profit but enhance local access to resources. Some illustrations include, micro-credit schemes, city farms, community cafes and restaurants, and community Laundromats.
- For-profit enterprises embedded within non-profit community service organizations, for example, ‘op-shops’ and consultancy groups, the profits of these ventures are then used to support local community initiatives.
- Cross-sectoral partnerships, this includes partnerships between communities and/or government, business and community agencies. Some illustrations of this include some community based employment services, such as those associated with the Job Futures group, and some community housing initiatives.

Social entrepreneurship has the potential to be an inclusive approach that combines social and economic goals and strategies, particularly at the local and regional levels through the formation of partnerships. It promotes exploration of the ways in which business, government and non-government services can be involved in building community and individual capacity. The concept recognises that each sector has the capacity and responsibility to contribute to building the economic and social resources for the public good. The concept can thus include both not-for-profit organisations starting for-profit or earned income ventures as well as private sector organisations which incorporate social responsibility into their operations (Catford, 1998; Dees & Haus, 1998; Henton et al, 1997; Reis, 1999).

Social enterprise and the contemporary context of welfare

Social enterprise is a well-established activity within the Australian community services industry; it certainly pre-dates contemporary micro-economic reforms of the Australian welfare state. Nonetheless, the increasing prominence of social enterprise can be attributed, in part, to its apparent relevance to current transformations in the Australian welfare sector. The public policy in which social entrepreneurship is now being discussed is characterised by:

- **Changing definitions of and approaches to welfare:** The introduction of market reforms in many areas of human service delivery have contributed to an increased emphasis on the use of business acumen in the achievement and management of service funding and to the exploration of sources outside government for the funding of services.
- **Changing nature of work:** The destabilisation of paid employment, increasing job insecurity, the casualisation of jobs, the blurring of the boundaries between home and work, the portable office (all it takes is a mobile phone and a laptop) and rising unemployment.
- **New responses of the voluntary organisations,** especially contracting for services and similar measures, which, to some extent, remove autonomy, accompanied by the development of new community organisations referred to collectively as the ‘third sector’.
- **The rise of the social economy** and growing interest in social enterprise or the third way.
One of the most distinctive themes of the Australian welfare state has been a focus on guaranteeing the wages of workers. With changes to the welfare state, there is a greater emphasis on partnership between various sectors. The government finances many organisations in the non-government community services sector. This sector is now being seen to be part of the broader third sector. Essentially then, welfare is provision includes the following sectors:

- **Government** – Commonwealth, State and Local. The term ‘welfare state’ is used to refer to the amalgam of government services and programs.
- **The third sector** – referred to in Australia as the non-government, not for profit services sector parts of which, for example, community services organisations rely heavily on government financing.
- **Business** - referred to as the private sector, which is being called on to become increasingly involved in social service provision.
- **Civil society** or community comprising mainly volunteers and benefactors, interested community members, and the like.

In Australia, the third sector plays a greater role in service provision than the government. The third sector is very broad and it is extremely difficult to get accurate information on its size and composition. In relation to welfare provision, the **community services sector** is the most significant part of the third sector. In 1999-2000 expenditure within the for-profit sector was $2111.3m and in the not-for-profit sector $7086.2m. By comparison, State expenditure in 1999-2000 was $3445.2m (ABS *Community Services Australia*, 27 July 2001, p. 15-16).

Employment within the for-profit sector in the same period was 64 363 and in the not-for-profit sector 217 838 as compared with 341 447 in the State sector. The Australian Bureau of Statistics uses the Australian and New Zealand Standard Industrial Classification (ANZSIC) system which includes nursing homes, child care services, accommodation for the aged, residential care services, non-residential care services, employment placement services, interest groups, and government administration (that is, those involved in funding or direct community services).

**The values underpinning social entrepreneurship**

The approaches to social entrepreneurship that we endorse value the following:

- Local, community or consumer participation
- An inductive approach to policy and practice
- The promotion of social cohesion and inclusion
- The inseparability of the economic and social spheres
- Diversity, innovation and creativity.
- Pursuit of social justice.

In contrast, the values we do not endorse are those which privilege business over other equally important partners in service provision and potential partners in social enterprise development, such as government, human service professionals, social workers, and volunteers. Social entrepreneurship is an approach that is growing alongside and interweaving with established service networks and traditions. Partnerships are inclusive and require all service providers to work together to create just solutions to social problems (see for examples, Pearson, 2001). The experience of
those in the existing services industry needs to be embraced rather than dismissed out of hand.

**Local participation:** Inherent in the concept of entrepreneurship are notions of opportunity and resourcefulness, often demonstrated through action at the local level. It is in local contexts that impacts of global and national economic and social change are experienced and through which, in an entrepreneurial sense, opportunity to marshal resources and networks emerge. Our concept of social entrepreneurship values local initiative and participation, not only to enhance opportunities to promote social cohesion and collective action, but also in the belief that local participation is a foundation for positive social policy and social change.

**Inductive approach to policy and practice:** An inductive approach to social and economic policy rejects the notion that macro policy alone can deliver solutions to social issues. While change at the macro level is important, the social entrepreneurial approach we favour promotes practice responses and policy frameworks soundly based on an understanding of, and contribution from, local experience.

**Promotion of social cohesion and inclusion:** The goals of social cohesion and inclusion should be the drivers of social entrepreneurial activity, for it is the social mission that should be “explicit and essential” (Dees & Haus, 1998, p. 3). Social enterprise initiatives should be able to demonstrate that social as well as economic outcomes have priority. It is important therefore that social goals, values and outcomes are clearly articulated and supported by all institutional stakeholders. There is a need for significant case study research of community-business partnerships and social entrepreneurial activities, with a particular focus on outcomes for client groups.

**Inseparability of the economic and social spheres:** Our approach to social entrepreneurship values the economic and the social, believing that it is through the contribution of strategies and resources from both perspectives that positive change is achieved. We recognise that the private sector is already a very active player in the field of human services in a range of ways including as a direct provider, partner, and as a resource base. As Considine (2000) notes the shift in welfare policy that has already occurred “involves labour market restructure and program change away from collective provision by government and in the direction of contracting-out, privatisation and the empowerment of business and quasi-business actors” (p. 74). Our recent research on the contributions of local business to community causes found that the majority of respondents were making contributions to community causes including donations of money (81.6%), goods and services (61.5%), sponsorship (59.7%), and expertise (52.7%). Just on a third indicated that the business was involved in ongoing partnerships. A higher proportion (nearly 50%) indicated that the business participated in committees, forums or events dealing with community matters, such as civic issues, or social or environmental matters during 2000. The responses to question about causes supported by business suggest that respondents were directing their contributions to activities that related to community well-being and capacity building. Business exerts significant influence on social and economic policy at the local, state and national, not to mention international levels, and has a strong vested interest in the social well-being of the communities in which it operates. Given this influence we believe that working relationships between the sectors can
deliver positive returns on the investment of time and energy through the dividends of increased understanding and responsiveness.

Diversity, innovation and creativity: Diversity, innovation and creativity are fundamental values underpinning a social entrepreneurial approach. They stand in stark contrast to notions of rigidity and established procedure and reflect the characteristics of opportunism and resourcefulness outlined above. While mindful of the potential pitfalls, we are nevertheless open to the possibilities afforded by exploring resource options that are outside the “traditional” box of government funding and fundraising. Resources generated through partnerships and funding sources such as venture capital open up possibilities for resource starved organizations.

Pursuit of social justice: Social entrepreneurs claim that the application of business principles, innovation especially, to social causes leads to a more just approach since it makes resources directly accessible to those involved in social enterprises. Business is not dependent on government largess and can make independent decisions that will benefit people in need and prove more effective in solving problems. At the same time, social entrepreneurs promote the social mission of business and in this sense connect social entrepreneurship with social justice. From our perspective, while accessibility, meeting needs and solving problems are essential components of social justice, equally important are questions of equity, equality, fairness, democracy and participation.

The role of government, business and community services

By now it has become clear that we see social entrepreneurship as a broad church, the activities of which can be assessed in accordance with a number of continuums. These include:

- Community participation
- Participation of service users.
- Role for business.
- Role for government (provider and facilitator).
- Role for community services.

Community participation: The local matters

Social entrepreneurship is essentially about enabling people to take greater control of their lives. It requires government and business to do more not less and to rethink how these sectors are made accountable to communities. Pearson (2001) recommends that the involvement of these sectors is evaluation in the extent to which they enable more active citizen participation in the achievement of social goals, such as better health outcomes. In keeping with its think local, act local philosophy, social entrepreneurship represents a hands-on approach to community economic development and appears grounded and feasible in light of the less than ideal context in which change must happen.

Participation of service users: Goal dependent
Social entrepreneurship requires a “deepening of democratic politics to ensure the meaningful participation of community members” (Kenny, 1999, p. 7). Participation is a defining feature of community development where empowerment is seen as an end in itself and as a key to a creative work environment. By way of contrast, enterprise culture sees empowerment as a means to an end in its “commitment to individual rewards for individual hard work” (Kenny, 1999, p. 59). Thus social entrepreneurship activities involve differing levels of participation depending on their varying goals. For example, an enterprise like an ‘op shop’, with a goal of revenue raising to finance other social programs, is likely to have minimal involvement of service users. At the other end of the continuum, a cafe run by a not-for-profit to provide personal, social and occupational skills development for at-risk young people is likely to involve maximum participation of service users. Participation is also influenced by the locus of social entrepreneurial activity and the way in which the ‘community’ is defined. In some cases geographic location will assume significance, while in other cases communities of interest will form the focal point of collective action. For example, Community Renewal Schemes operating in NSW housing estates are organised around analysis of locational disadvantage and foster enterprise initiatives with goals of local participation, such as strategies to encourage employment of local people in local business, or to draw on local labour to provide housing maintenance services. On the other hand, a community of interest, such as people with disabilities in need of longer-term private accommodation, might collectively organise legal and financial resources to establish a housing cooperative, drawing on community financial institutions, such as the Bendigo Bank.

**Government: Open and flexible government**

Social entrepreneurs will vary in their beliefs about the role of government. Some will favour free market approaches where governments should seek to remove as much bureaucracy and control as possible to allow for entrepreneurial activity to flourish unencumbered by rules and regulations. For others the role of government will be crucial in terms of establishing and enforcing standards that protect and enhance rights and opportunities, and ensure equity of access. For us, social entrepreneurship requires more not less government involvement. It requires more open and flexible government and different ways of providing resources rather than only focusing on increased resource provision. The government has to create the policy context and the infrastructure in which innovative local social enterprises can flourish. The state must play a facilitative as well as a protective and regulative role.

**Business: A greater role for business**

Business social investment will vary from *ad hoc* charitable fundraising or donations of financial or in-kind resources to ongoing partnerships based on notions of mutual benefit to both the not-for-profit and private sector participants. Here the exchange goes beyond that of material assistance to include investment of human resources to build social capital. An example of this would be a consortium of local businesses partnering a youth organisation to provide employment experience for young people who have been through the juvenile justice system, or business allowing an amount of paid staff time to be spent in voluntary service.
Community services: Supported infrastructure

Community service non-government organisations provide fertile ground where genuine collective dynamics can take root facilitating the pursuit of both social and economic goals through social enterprise development. Social entrepreneurship benefits from a strong institutional base in the non-government sector. The human services sector has always been a context in which different people have worked together in creative ways: providing services and programs, advocating and lobbying for change, acting as a watchdog for clients, and challenging government on unjust policies and practices. However, as a sector it is particularly vulnerable to social, political and economic change as its continued existence is dependent on funding from government and the private sector. Proponents of social entrepreneurship tend to offer blanket criticism of social policy models, services and programs that create dependency, and in so doing overlook the valuable contribution made by people in business, the professions, volunteers, and local communities through their participation in community service organisations caring for those who are marginalised and oppressed and cut off from the social and economic mainstream in the fields of disability, mental health, unemployment, poverty alleviation, and the like. Social entrepreneurship is not the panacea for these problems. Its critique of bureaucracy and governmentality, which is said to delay decision-making by tying resource provision in a complex web of rules and policies and endless committees, thus prolonging people’s disempowerment and welfare dependence, is shared by many in the human services aware of the enormous pressures for essential resources and services. Proponents of social entrepreneurship argue that business can cut through this bureaucracy and is not prey to the regulations and procedures by which more formal organisations are hamstrung.

Questions and limitations of social enterprise

While we have mapped out the possibilities offered by social entrepreneurship, we are also mindful of significant questions and limitations. Specific issues outlined below point to our overall belief that social entrepreneurship can make an important contribution to the field of human services but it is certainly not the coming of the revolution. Particular questions raised by social entrepreneurship relate to:

- The role of government.
- The role of business.
- The role of the community sector.
- Analysis of the problem as dependency.
- Missionary zeal.

Problem one: Role of government

Social entrepreneurs vary in their view of the role of government. Progressive positions on social enterprise necessarily involve a role for government in facilitating conditions for social and economic development. We have argued that more, not less government is needed and that social enterprise development involving community participation requires an open flexible government which allows for diversity rather than pursues a ‘one size fits all’ approach. Therefore,
1. **Government plays an important role in laying the policy and context for flexible, creative and innovative solutions to social problems and issues.** Its role is to act not only as protectors of human welfare but also as facilitators of empowering processes which enable people to participate fully in social and economic processes. Alongside ensuring that citizens have adequate access to appropriate levels of income support (protective function) government has a role to play in resourcing innovative community enterprises, community development, community business partnerships, and other participatory processes which can have tangible economic and social gains for participants. This means investing in sustainable community initiatives. The fear in the third sector is that government is transferring responsibility for social provision to business organisations. Insofar as social service provision has a redistributive function and should thus be planned and delivered in accordance with notions of equity and need, we suggest business should not be other than a minor player in the field of social support.

2. **Government has a strong role in needs assessment and resource allocation.** Government has a significant role to play in ensuring that there is adequate social infrastructure at the local and regional levels to ensure active engagement of social interests in regional development, for example, regional social service organisations. It has a responsibility to ensure that there are strategically placed resources in the most needy communities. It also has a responsibility for ensuring resources are directed to areas, such as regional and rural communities, where the fallout from economic change has unequal impact.

**Problem two: The role of business**

We need to avoid generalising business. Business is a diverse sector comprising large corporates motivated by big profits and businesses of varying sizes in different sectors (industrial, services, manufacturing, repair and maintenance). Also we need to recognise that the service sector is in itself a big industry sector that incorporates for profit businesses and this trend is likely to increase. So at one level business includes private for profit organisations delivering social goods and services and at another it comprises huge multinationals motivated by large profits. The problem is that business is spoken about as a fairly homogenous entity. People need to rethink their notions of business. They need to think beyond money and identify what partnerships can provide, such as time, expertise, resources, and human and material resources. Most important for social entrepreneurship is that business can provide a variety of resources. It is not just about money. Our research shows that a great deal of work is needed to build partnerships as opposed to operating within the dominant donor or charity approach. Business does not automatically accept the notion that ‘doing good’ is necessarily beneficial for profits. Further, business social investment should not be seen as a panacea and should not be allowed to obscure dehumanising, unjust and inappropriate practices, such as environmental degradation and human exploitation. The other problem with business is that it can take its resources where it likes. It is not subject to value constraints of equity, fairness, and addressing areas of greatest need. It is more likely to support more popular causes, which attract positive media and public attention, such as the great adventurer, woeful child or high achieving paraplegic.
The autonomy that business claims is its greatest asset might prove a twin-edged sword if not matched by guiding principles (such as those discussed previously) to justify its claims to serving social justice goals. Innovation and mobilising people in communities to work toward their collective well being require a balancing act tempered by the processes arising from community participation, self-determination and autonomy. What happens when these processes conflict with the innovativeness of the measures being advocated by business? Which priorities take precedence? Much of the rhetoric on social entrepreneurship glosses over the complexity of the processes it advocates.

Problem three: The role of the community.

Social enterprise places particular emphasis on ‘the community’ both as a resource and a site of intervention. Many advocates of social enterprise seek a greater recognition and development of the social and economic capacities of communities to direct their destinies. Their initiatives are often aimed at countering public perceptions that prevail particularly about marginalised communities as dependent. Social entrepreneurs seek greater involvement of community members rather than leaving this role to experts, professionals and paid carers. This often leads to an emphasis on active community involvement in the provision of care, community building and economic development activities. Yet, this valorisation of community fails to address the ‘dark side’ of community, including:

- The exploitation of women who carry the lion’s share of community care and community building activity.
- The informal power relations that exist everywhere, including communities, and which can lead to the exploitation and harm of community members, particularly those who are vulnerable.
- The limited capacity of local communities to contribute to the kinds of macro level changes required to enhance their economic and social condition in the longer term. Communities, particularly communities with few resources, cannot be expected to cover for the massive shortfall in resources they have endured in recent years.

Problem four: The role of the third sector

McDonald (2000) believes that little is really understood about the diversity and practices of third sector organisations and in the absence of sound research, romantic myths abound about the capacity of third sector organisations, particularly in relation to notions of flexibility, production of social capital, and the rights of service users. Given the unequal playing field in terms of organisational capacity to undertake social entrepreneurship activities there is also greater likelihood of the emergence of large service monopolies which have the necessary infrastructure such as marketing, public relations, and business management needed to pursue private sector relationships and/or enterprise initiatives. Similarly there is potential for resource and skill limited areas to lose out in these processes unless government ensures that there is some sort of targeting of specific disadvantage. Competition between organisations for private sector partnerships and resources is also a possibility. In this climate of competition, it becomes essential that organisations develop explicit principles for social entrepreneurship to ensure that social goals, values and processes are not overridden by business and financial considerations. While a positive aspect of some social
enterprise initiatives and partnerships is the focus on longer term outcomes for individuals, groups and communities, there is the danger that this may leave gaps in availability of short-term relief and create heavy burdens on a smaller pool of welfare agencies, particularly in light of punitive policies governing provision of income support.

**Problem five: Analysis of the problem as dependency**

Proponents of a social entrepreneurship approach are excited by the idea that social enterprise and community-business partnerships can deliver longer term social and economic outcomes for participants, and in so doing break the cycle of welfare dependency. While we welcome strategies that can deliver improvements in individual social and economic circumstances, we question the tendency of some social entrepreneurs to scapegoat the welfare state for a broad range of social ills and to represent welfare workers and clients as passive and dependent. We disagree with the reconstruction of structural disadvantage as welfare dependency and therefore by implication, as a product of individual inadequacy. In this regard we agree with the macro analysis that economic and social structures and processes do lead to unequal opportunity in education and employment. Similarly there are many situations such as disability, mental health, acquired brain injury, and domestic violence to name but a few, where ongoing responsibility for social and economic care and support is, and must remain, the responsibility of the state. The discourse of welfare dependency is a very selective discourse targeted at the most disadvantaged, and it muddies the waters of effective actions at the micro and mezzo level aimed at achieving better outcomes for individuals and communities in spite of structural arrangements which, more than individual limitations, deliver unequal social and economic outcomes.

**Problem six: The missionary zeal of its proponents**

Some of the most vocal commentators of the social entrepreneurship movement in Australia tend to overgeneralise in their commentaries on the welfare state, ignore complexities and the history of social policy and service provision (see Botsman, 2000, 2001). Their missionary zeal runs the danger of creating a territorial ‘war’ by an exclusive yet small group of social entrepreneurs. Many of the most vocal advocates of social entrepreneurship are males and the business sector, from which social enterprise strategies are drawn, is historically a territory of male domination. The services sector and informal caring networks are largely staffed by women, many of whom work long hours for low wages, for example nurses, and most of whom volunteer their time. Sensitivity to the gender dynamics of the Third Sector is needed if social enterprise is not to become yet another vehicle through which dominant males ‘visionaries’ impose their world view on the primarily female world of service provision. Furthermore, this missionary zeal negates that a lot of work has to happen on the ground to make policy workable. Some of the prescriptions offered are overly simplistic, based within highly specific contexts of practices. Communities are contexts of complexity and ambiguity and establishing all inclusive processes of community engagement based on principles of equality and justice so that every has a ‘fair go and equal chance’ requires careful planning and meaningful consultation. Otherwise all the movement does is offer a marketplace for people to display their wares, a platform for service providers to claim great works and deeds to attract
business support while all the while papering over the cracks of real need among less visible and popular clients, such as perpetrators of violence and crime.

**Conclusion**

In this paper we have explored the opportunities and limitations of social entrepreneurship. We began by defining social entrepreneurship and the values underpinning it which we supported. We reviewed the contemporary policy context of the Australian welfare state in which social enterprise is gaining increased prominence. We presented our view of social entrepreneurship and argument that the government, non-government and business sectors all have a role to play in building meaningful partnerships for social enterprise development, which if they are to be successful, require community participation and ownership in achieving social and economic goals. We offered our critique of the rapidly growing social entrepreneurship movement in Australia. We see social enterprise as a complement to, not an alternative for, macro social change. Yet, we also recognise that social enterprise is, and will continue to be, an important activity within the Australian welfare state and, more specifically, within the Third Sector. For this reason, at the very least, it is worthy of further exploration with particular reference to how it is incorporated into progressive forms of welfare practice and policy development. We hope this paper has helped to begin the exploration.

**References**


