

# The Scope of Social Enterprise

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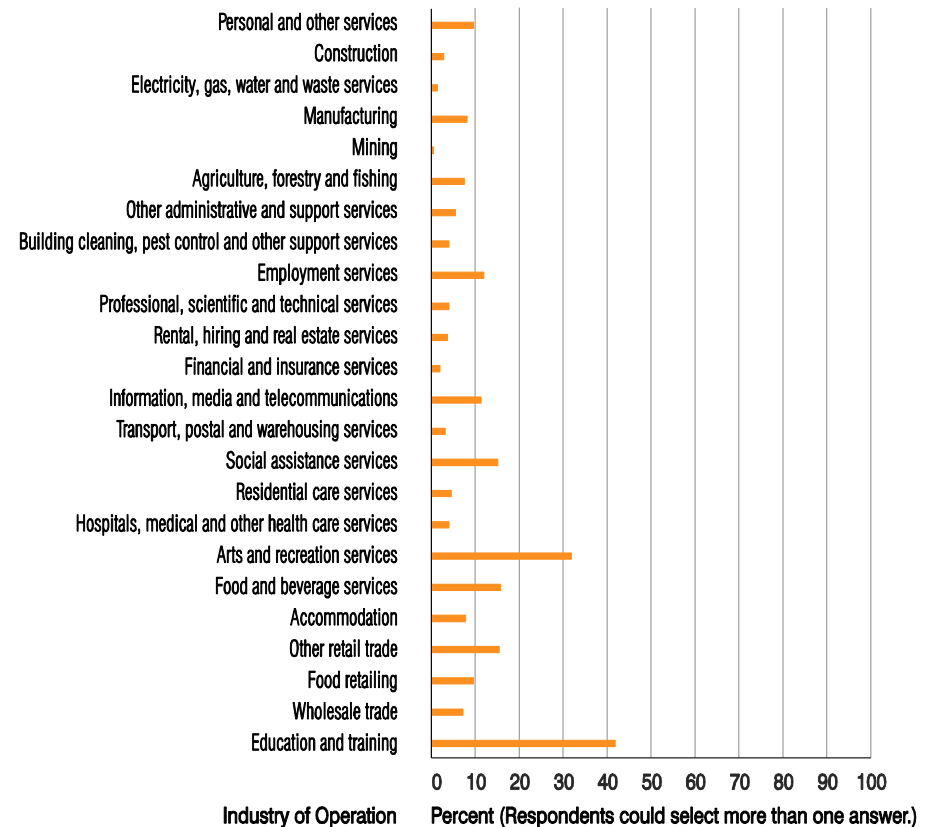
## Social enterprise – what are we talking about?

- Organisations that exist for *public or community benefit*, trade to fulfil their mission and *reinvest* a substantial portion of profit/surplus in mission fulfilment (Barraket et al. 2010)
- Different types & purposes:
  - Revenue creation (charitable trading ventures)
  - Responding to market/gov failures (community owned business, ILMs)
  - Social innovation ('New start' & 'profit for purpose')



## Social Enterprise – what do we know?

- A mature and sustainable sector
- Predominately not for profit
- Predominately SMEs
- Fastest growing business form
- Operate in **every industry**
- Serve all markets, but emphasis on local
- Operate mainly in service economy



## **Social enterprise – why does it matter?**

- A diverse economy is a resilient economy
- New public governance and the role of non-government actors:
  - Quasi-markets
  - Mobilising new resources or resources through new avenues
- New generation work aspirations & consumer demands

## **Social enterprise and local economic development**

- Active in 'plugging the leaks' (particularly rural and regional communities)
- Active in recognising and using latent value (people, physical assets, community capital)
- Active in niche market development and modelling emerging industry (particularly in green and creative industries)
- Tendency to scale 'deep' rather than 'up'
- Evidence of uneven capacity to engage in procurement processes (similar to SMEs)

## Social enterprise and local government

- Fairly longstanding relationships
- Some evidence of social enterprise facilitating 'joining up' (Barraket, Archer & Mason, forthcoming)
- Significant role for local government in start-up in rural and regional LGAs
- Strong and growing interest internationally in the role of local government in social procurement from social enterprises
- Growing role for social enterprise in local compacts



## Conclusions

- Social enterprises are not new, although new forms are emerging
- Social enterprises are significant economic as well as social entities (the intersection is what matters)
- Given joint interests in local governance, there is strong (potential) synergy between social enterprise and local governments.



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