



# Reflections on social enterprise and the Big Society

Social enterprise  
and the Big  
Society

John Thompson

*The Business School, University of Huddersfield, Huddersfield, UK*

219

## Abstract

**Purpose** – The purpose of this reflective paper is to examine the implications for the UK of Prime Minister David Cameron's declared belief that a Big Society of community entrepreneurs and volunteers will take on more and more responsibilities. Sometimes policies are spelt out in detail; this was much more conceptual and perhaps visionary.

**Design/methodology/approach** – Ideas on sense making and performance evaluation were used to provide a context and explore how various people might be expected to react.

**Findings** – Whilst the limited funding which accompanies the Big Society initiative will attract entrepreneurial opportunists who will be encouraged to bid for this money, if this new challenge is to succeed it must attract community entrepreneurs who see it as encouragement to start some new local initiative. Volunteering will be central to this. Positive outcomes are by no means certain.

**Research limitations/implications** – As things emerge and develop there will be a number of opportunities for detailed and perhaps longitudinal research into the relative success or failure of the Big Society and this devolved approach to community enterprise.

**Practical implications** – Talking about the Big Society and thinking about the possibilities might well encourage would-be community entrepreneurs to step forward.

**Originality/value** – It has been argued previously that "entrepreneurship enablers" are important in economic and social regeneration. They help make it possible for would-be entrepreneurs to emerge and succeed. This short paper expands on this argument.

**Keywords** United Kingdom, Social enterprise, Politics, Government policy, Entrepreneurialism, Big Society, Community entrepreneurship, Volunteering, Entrepreneurship enabling, Sense making, Performance evaluation

**Paper type** Conceptual paper

## Introduction

A new Coalition government (Conservative and Liberal Democrat) replaced a three-term Labour government in the UK in May 2010. Within months we were hearing about a "Big Society" where communities are more engaged and social enterprises play a major role. At more than one level there was no surprise here: new governments invariably introduce policy changes. In addition, Prime Minister David Cameron had used the rhetoric of the Big Society in the election campaign. Sometimes new policy initiatives are handed down in real detail to those who must implement them; on other occasions, a much broader and less-defined proposition is offered. The latter was the case here, but was it handed to a welcoming community? What would be the reaction of the people affected? What sense would they make of the initiative? The reception was mixed! To what extent can the academic community help – given that this community is not wholly agreed on when and how we should use various terms: social enterprise (activity); social enterprise (organisation); social entrepreneur (person); social entrepreneurship (behaviour pattern)?

This short discourse is a reflection on the challenge presented by this new government initiative.



**Sense making**

The sense we make of things affects our behaviour. With any individual or organisation we need to try and understand why they behave as they do and how they reach the decisions that direct their actions. This understanding involves knowledge, certainly, but it is more about “knowing” and the sense that people make of the knowledge they already have, the knowledge they acquire both formally (say read or imparted by others) and informally (their reflections and learning from their interactions with others and their actual experiences). Objective analysis, subjective judgement, intuition and bias are all features of sense making; and as individuals we do not all agree on what we believe to be happening in the world and what we might do to improve or change something. The Big Society was presented only as a broad concept, leaving it open to interpretation.

It is a reasonable argument that any organisation is successful if it satisfies its key stakeholders and fulfils its purpose efficiently and effectively – which implies that its purpose is clear. In the context of social enterprises (organisations) “efficiency” might well imply that many such organisations exist to deliver (much needed) social and other community services cheaper than the public sector. They allow for cost savings – in part, because they have lower overheads and, in part, because they make use of volunteers. An alternative “effectiveness” perspective might contend that their purpose is to deliver these services “better” (perhaps higher quality, perhaps faster, perhaps more flexibly) than a bureaucratic public sector by embracing entrepreneurial people in smaller and leaner organisations. Both perspectives are legitimate but they are different.

In endeavouring to make sense of this sector – where unresolved issues remain – other related questions we can (and do) debate include:

- To what extent should social enterprises aim to earn income from charging people for their products and services rather than becoming reliant on public sector contracts?
- Does it follow that a social enterprise must pursue a double or even triple bottom-line agenda or can it be largely economic in focus?
- Can volunteering succeed without a funded infrastructure to facilitate recruitment, deployment and finding clients?
- Can a social enterprise be successful if it is not run by a social entrepreneur or is not even entrepreneurial in its behaviour?

**The Big Society and volunteering**

It is questionable how many assumptions and how much interpretation is involved if someone was to claim that they fully understand what is behind the Big Society. At one level there is some clarity on what the Coalition government means by the Big Society, but this clarity is at a broad level rather than spelled out in detail, and articulated in a number of relevant documents[1]. The Big Society is not an actual policy but, through the Decentralisation and Localism Bill, a general vision to distribute both power and resources down into local communities. It envisions communities doing more for themselves; and the core principles include empowering individuals and communities and encouraging social responsibility. This is, of course, happening in a climate of substantial cuts to public sector funding and so to some this new initiative will mean opportunity – but to others, threat.

The cuts will impact on local government where choices will have to be made about in-house provision or contracting out, and which services should be prioritised. Contracting out can offer opportunities for existing employees to establish social enterprises and continue doing what they do but in a different way. We might expect to see this phenomenon increase.

There seems to be an assumption that volunteering will play a prominent role at a local level. But given that there will inevitably be regional and local variations in commitment, can supply meet needs and demand, which must be growing as public sector cuts bite? Moreover, will there be enough volunteers in total, and can their willingness be harnessed? Everyone who reads this would be able to report on something valuable in their community, where volunteers have been prominent. Their commitment “made the difference”. Yet volunteering does not just happen. A recent series of programmes on television told the story of The People’s Supermarket in Bloomsbury, London where a chef and social entrepreneur, Arthur Potts Dawson, harnessed the support of his local community to open a new local supermarket and provide a good, if limited, choice of affordably priced food items. His vision embraces quality food, the minimisation of waste and community engagement. The fresh fruit and vegetables include many that are supermarket rejects – not because of their basic quality but because of their shape and appearance – and which would otherwise be wasted. Members of the local community who join the cooperative receive discounts in exchange for working free of charge in the store for a few hours each month. Organising and maintaining this commitment from people has proved to be one of the major challenges.

There are many other anecdotal stories and cases from around the world of where communities have (somehow) come together and made a difference. The stories vary but behind them will always be a single individual or a team of willing, committed people. One important issue, then, will always be the presence and contribution of entrepreneurs and “entrepreneurship enablers”, people who make it possible for others to come forward and for things to happen. Enablers can be found in the public sector and the private sector; they are envisioners, who inspire others to join them and set about finding the resources to create and deliver something valuable. They are the entrepreneurial champions who are prominent in regeneration – although they may not start and run the actual enterprises – and, like entrepreneurs, they will have to be at the centre of the Big Society[2].

### **Closing the needs gap**

The starting point for the Big Society seems to be a realisation that a number of circumstances and events (which will not be spelled out here) are creating a growth in social needs. The answer for some would (always) be an increase in public service provision to meet these needs as closely as possible – accepting that different individuals and agencies will have different priorities. The Coalition government appears to believe that the State cannot and should not be expected to meet all society’s social needs – and, indeed, it has put through spending cuts that threaten to widen rather than narrow the needs gap. There seems to be a belief that imaginative solutions are required and these will not all start with the government – hence the need for others to engage and intervene – hence the vision of the Big Society to provide a framework.

In an attempt to kick-start some activity, the government has restated the valuable role of social enterprise and social enterprises in the Big Society and made some, albeit limited, funds available. We might assume that drawing attention in this way will also influence further funding opportunities by affecting the priorities of others who

---

support community and social needs. But really the government is handing over the challenge and the responsibility to those individuals and communities that are willing to accept it. The response provoked will now be dependent upon individuals, the sense (or meaning) they attribute to what is happening, and their willingness and ability to actually do something.

So who might rise to the challenge?

We need entrepreneurial people to step up to the plate. People who see opportunities and are minded to act upon them. People who can gather together the resources required and galvanise others into action. These would-be entrepreneurs and enablers may well be volunteers and champion third-sector community initiatives; equally, they may take a more business-oriented perspective and look to build an enterprise, which might well be a non-profit social enterprise although it does not have to be.

There is no “one size fits all” answer to the challenge. The visionary approach taken by The People’s Supermarket is an example of one appropriate model. Here the would-be entrepreneur has seen an opportunity “out there” to help deal with some social, economic or environmental problem, and has persuaded others to join their cause or initiative. Opportunity spotting of this nature implies that someone has seen something missed by others; they are making sense of events and circumstances in a way that sets them apart. Such people have always been around, and whilst rhetoric about the Big Society will draw attention to what they are doing – the Prime Minister went to the supermarket with the press in attendance, for example – it is not the catalyst for them. They would have done it anyway once they identified the need and the opportunity.

At another extreme are those for whom the Big Society, and especially access to the funds that accompany it, is the catalyst. The government’s initiative and challenge is the opportunity to them. The availability of resources they can bid for is their spark. They are opportunists who use creativity to identify where they could do good and set out to access the funding – as well as other resources from wherever they can. They are much less likely to be cause-driven but that does not mean the outcome of their endeavours is not socially worthwhile. Some of these will already be running social enterprises; others will be drawn in. In recent years – and with more funding streams available – there have been more opportunities for this approach, which in part helps to explain the growth in the number of social enterprises. In future, though, competition for these resources looks like being far more intense – which will demand both a “good story” and strong bid-writing capability.

Somewhere in between are those who will see new opportunities in the Big Society for communities to do more with limited and restricted resources and be driven to do something. Again this phenomenon is not new, but the government needs their number and impact to increase. Their main resource will be the time and energy of the volunteers who support them. Those who enable such entrepreneurship may very well be volunteers themselves – whereas the other models seem to imply the potential for the founder to be remunerated, although perhaps not especially generously. Arguably their role and contribution will have to become more visible and more prominent; and there will be greater recognition of their often unsung contribution.

Central to all of these approaches is the power of contacts, networks and social capital – but it is questionable whether the most appropriate support networks are in place. Moreover there will be barriers in the form of both cynicism and hostility from those who oppose the cuts and believe that the solution does not lie in social enterprise and entrepreneurship but in a generously funded public sector.

---

### Concluding thoughts

All of these three approaches are relevant and potentially valuable. The challenge thrown down by the government with the Big Society will provoke a variety of reactions and activity based upon the attributes of the people who accept the challenge and upon their perceptions of the opportunities. This is them making sense of a changing world. Ideally their actions and initiatives will prove sustainable. If it proves difficult to maintain volunteers or if the new initiative has to be wound up once any money granted to it is used up then opportunities will be lost. Where services are contracted out there will be an expectation – arguably a requirement – that the people involved will behave like an entrepreneurial organisation (lean and flexible) and not be overly formal and bureaucratic.

Everyone involved and engaged will, however, probably continue to have different perceptions and attribute different meanings to the potential impact of the Big Society in action. Some of the deprived people who benefit will pay little heed to the providers and the nature of the provision – obtaining the actual product or service is what matters to them. Those providing funding may legitimately expect to see efficiency and value for money. The visionary entrepreneurs will be, at least in part, satisfied if they believe that they are making a valuable contribution to society. The government will be pleased if there is evidence of a renewed community spirit, activity devolved downwards and close to the point of service delivery, and social and economic regeneration amongst the cuts they believe they have to put through. And, inevitably, there will continue to be detractors and cynics.

Part of the vision and thinking behind the Big Society is to unleash some of the still untapped entrepreneurial potential that exists amongst communities everywhere to help themselves through generating both financial and social wealth. It is a facilitative framework and time will tell if it succeeds. If it does, it will be because some entrepreneurial people have made sense of the opportunities available and acted on them. It will need entrepreneurship enablers, such as champions within the public sector who seek to kick-start initiatives where the community, not the local authority, are the actors, and it will need community-based entrepreneurship with local champions. It will certainly help if they can find support in the form of appropriate advice, mentoring and coaching from people who empathise with what they are trying to achieve. There are many potential sources – again involving volunteers. The academic community could be such a source; but this would be less about research and more about hands-on engagement.

### Notes

1. See, for example, [www.cabinetoffice.gov.uk/big-society](http://www.cabinetoffice.gov.uk/big-society), <http://thebigsociety.co.uk/what-is-big-society/>, [www.cabinetoffice.gov/content/big-society-overview](http://www.cabinetoffice.gov/content/big-society-overview)
2. These arguments are discussed in Thompson (2010).

### Reference

Thompson, J.L. (2010), “Entrepreneurship enablers’ – their unsung and unquantified role in competitiveness and regeneration”, *Local Economy*, Vol. 25 No. 1, pp. 58-73.

### About the author

John Thompson is the Roger M. Bale Professor of Entrepreneurship at The Business School, University of Huddersfield, UK. John Thompson can be contacted at: [j.l.thompson@hud.ac.uk](mailto:j.l.thompson@hud.ac.uk)

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.