

Practical People, Noble Causes

how to support community-based social entrepreneurs

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*“People are a resource as
potent and as little
understood as oil before
they drilled for it.”*

Tony Gibson¹

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1. Introduction

Creative and energetic leaders play an essential part in making societies work. When they are active in politics we call them national leaders; when they turn their attentions to commerce we call them entrepreneurs. By naming them, we recognise them, give them status, help them exploit their full potential. In one part of our society, however, we too often fail to name these leaders, to recognise their qualities and the contributions they can make. We rarely provide adequate support to their efforts: indeed, often our institutions work against them. And yet our lives are influenced by these people, and our future may actually depend on them. These are the '*community-based social entrepreneurs*'.

Social entrepreneurs are critical to developing sustainable solutions to the challenges of the 21st century. The weight of social responsibility is being returned to the community. In order to carry this weight, the social fabric that has been eroded over decades needs to be revitalised and repaired. This will not be achieved through public-sector-led programmes alone. Similarly it will not happen through committees and public meetings alone. Leadership is required, and always has been. Today, a particular brand of leader is needed who goes beyond partial, remedial actions, who will develop radical, solutions that enhance the quality of life and are sustainable in human, organisational, financial and environmental terms.

The community leaders who will be counted tomorrow are those who have the strength and integrity to gain the trust of communities that have been repeatedly let down over the years, who are able to develop new solutions and who are able to make these solutions work in practice.

Entrepreneurs need support to turn their ideas into reality. The view that 'real' entrepreneurs do not need support, since they always win through in the end, is utterly miscast. The history of entrepreneurs is about battling against the odds. But it is also about the help they receive. Sometimes this comes from family or friends. Often, in the case of commercial entrepreneurs, it comes from the many public and private institutions that exist to identify and encourage sound effort and success.

Social entrepreneurs are often frustrated by lack of support. We are neither good at recognising social entrepreneurs, nor good at assisting them with the support and infrastructure they need to develop the solutions and concepts required for the 21st century. In

the social sphere, attempts to innovate are often met with closed doors, unhelpful bureaucracies, insensitive sources of funds and sometimes downright destructive aggression. This is particularly the case when innovators are trying to improve things within their own communities. Indeed, social entrepreneurs are most effectively marginalised by the dominant institutions in our society when they come from those communities most in need.

1.1 This Report

This study focuses on identifying the support needed to enable community-based social entrepreneurs to be effective within disadvantaged neighbourhoods in the UK. Immediate action is urgently required. The loss of many traditional sources of employment has exposed, in many neighbourhoods, a social, economic and physical landscape of deprivation and dependency. Furthermore, we are dealing with a policy area where substantial improvements in the quality of these people's lives will need to be brought about *without* significant injections of additional capital or revenue expenditure from the public purse.

The pulling up of the drawbridges upon the disadvantaged and the creation of cultural ghettos of affluence dominated by a fear of the outside is unenjoyable, unsustainable and unaffordable. It is also unjust.

The world of community-based social entrepreneurs is complex and differentiated, as are their individual needs. They are active in rural, industrialising and industrialised economies. We do not presume to offer a single, overarching framework for future action. However, we do explore and interpret the contributions and needs of community-based social entrepreneurs in a way that allows us to identify and recommend practical steps in the short term for positive action. These recommendations are modest in focusing on the UK situation, although we do draw on inspiration from the experience of others working internationally, particularly through our collaboration with the world's leading support agency for social entrepreneurs, Ashoka.

The agenda outlined in this report may be as uncomfortable as it is challenging. It is as challenging for those who are working within the community as it is for those who are responsible for the institutions of government and the corporate and voluntary sectors. For those working within community-based institutions, it is important that they recognise and take responsibility for the crucial role they have to play in developing civil society. For other stakeholders, the challenge is to lay down their prejudices, set aside unhelpful practices and

release to these individuals and organisations control over resources which are desperately needed to make communities work.

We therefore conclude this report with a call to support our agenda for action. There is a need for action to support the work of community-based social entrepreneurs, and also to encourage others to engage with the community. Public policy needs to be turned to the advantage of community-based social entrepreneurs, rather than being part of the problem or at best neutral. This action will support initiatives planned by some of the most competent individuals that we have in the UK.

1.2 Organisation of the Report

Section two sketches out the context within which individuals, families, neighbourhoods, cities, businesses and national and supranational bodies operate. It is a context which identifies the particular importance of the contribution of social entrepreneurs. Section three describes the range of activities in which social entrepreneurs are engaged, and identifies some of the core characteristics of social entrepreneurs. Section four concentrates upon the importance of social entrepreneurs in the community, illustrating the scope of their work with numerous examples of their activities and of the organisations that they have founded and run. The fifth section describes some of the support systems that are currently available to community-based social entrepreneurs. The final section outlines a number of policy initiatives that could help create an environment within which community-based social entrepreneurs could thrive.

1.3 Acknowledgements

The study has drawn upon the experience of community-based social entrepreneurs active in Scotland, Northern Ireland, England and Wales. We are grateful to all of those who have contributed their time and effort in educating us. The study has also drawn upon the experience in the USA, Europe, South Africa and South America, and for this we are particularly grateful to the staff of Ashoka in South Africa, the UK and the USA.

This study has been guided by a Steering Group drawn from the community, policy and private sectors comprising Geoffrey Bush of Grand Metropolitan, Sue Gillie of Ashoka UK, Ian Hargreaves of the New Statesman, Andrew Mawson of the Bromley by Bow Centre, Ian Marks of the Aim Foundation, Tom Bentley of Demos, Brendan Mullan of Business in the Community, Jenny Page of the Millennium Commission, Sara Parkin of Forum for the Future and Lord Young of Dartington. The study has benefited from the co-operation of Business in

the Community as managers of the Prince of Wales Community Enterprise Award Scheme and the British Urban Regeneration Association. The study has also been supported by grants from individual members of the Network for Social Change, without which neither the fieldwork nor the publication of its findings would have been possible.

The report has also benefited from the invaluable comments and inputs of people who read it's various draft incarnations, in particular Joan Blaney of WAITS, Sue Gillie of Ashoka UK, Bryn Higgs of Community Catalyst, Caroline Knighton of BitC, Jane Nelson of the Prince of Wales Business Leaders Forum, Raj Thermoheram of Action Aid and Rebecca Abott of the Fairtrade Foundation. For all of this support and encouragement and input, the New Economics Foundation and the authors are sincerely grateful. We are particularly grateful to Maya Forstater for her work in turning fragmented drafts and diverse comments into a coherent whole.

It is hoped that the report will be a timely contribution to the evolving policy debate concerning the roles that social entrepreneurs can play in the regeneration of our cities, towns and countryside.

“We cannot wait for great visions from great people, for they are in short supply at the end of history. It is up to us to light our own small fires in the darkness.”

Charles Handy²

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2. Context

People throughout the world are having to respond to change on an unprecedented scale. Inequality has risen to the point where the world's richest 350 people have fortunes greater than the combined wealth of the poorest 45% of the world's population³. The urbanisation of agricultural societies and the emergence of newly industrialised economies has created in the last twenty years a world of 1.5 billion new urban dwellers, who are legitimately seeking the material benefits that so far have been enjoyed only in industrialised countries.

Technological and organisational developments have had profound effects on many of the older industrialised economies. These have precipitated a dwindling of their manufacturing dominance and an erosion of their status. Coping with the fall-out of these changes is and will continue to dominate the agendas of these countries for decades, if not centuries, to come.

The consequences of these changes impact upon the individual, the family, the village, town, city and national state alike. No significant aspect of human activity is left untouched - even though the cause of a specific local effect may not be immediately observable. There is at the same time at all levels an apparent powerlessness to influence events. This is challenging, confusing and frightening. The manifestations of these changes dominate television screens, airwaves, newspapers and kitchen table conversations.

These changes create and expose gaps in the fabric of society. It is now possible to see what happens when the centre of gravity of economic activity moves on. Large parts of our cities and towns are laid waste, production plants and distribution centres are closed. The affluent retreat within increasingly heavily protected enclosures or abandon urban areas altogether. The poor are concentrated in what are fast becoming economic refugee camps. Within a few streets life chances, educational prospects, employment opportunities, income and house prices plummet.

Those neighbourhoods that have been dependent upon failing industrial, commercial and distribution processes have suffered terribly. Some neighbourhoods are experiencing a third generation of long-term male unemployment. In other neighbourhoods only one in four households has any member engaged in the formal economy and half of these are in part-time employment. The seriousness and longevity of poverty has massive knock-on effects in terms of self-worth, debt, health, life expectation, education and crime.

There are those who believe that such a state of affairs is sustainable. They argue that an affluent society is able, albeit unwillingly, to support a minority which is either temporarily or permanently impoverished while the rest get on with their own lives. However, the tide of reason and events is running strongly against those who seek to retain the status quo. The inadequacies and injustices of the decision-making machinery, tolerated or unseen in times of plenty, are exposed. If people leave their affluent enclaves they have to step over rough sleepers or are propositioned by 'squeegee merchants'. Within their Neighbourhood Watch zones, middle class residents live in fear of crime, protected by burglar alarms and halogen night lights.

This is not a short-term phenomenon. By the end of this century, the UK will have lived with an official unemployment count that will have averaged out at over two million people for over 20 years. To this figure needs to be added the five million people of working age who, for one reason or another, are described in official statistics as being 'economically inactive'.

Failure to engage those who have been disadvantaged by the transformation of the UK economy is socially unjust and economically unsound. The seven million people who are not part of the formal labour markets represent a massive waste of human potential and a tax upon the competitiveness of our economy. To grieve for the past will not create an agenda for the future. It is important to look forward.

For the first time in history we know, as a global community, that we cannot continue as we have done before. At the same moment that we are able to send a spacecraft to the outer edges of the solar system and discern the origins of the universe, we are also able to foresee our role in the destruction of the very planet on which we live.

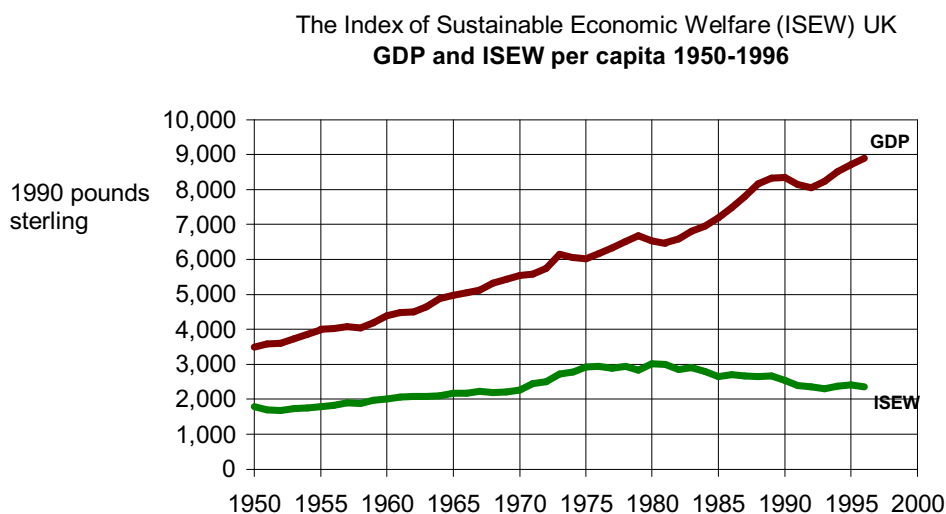
Pollution is being pumped into the air, rivers and seas faster than it can be absorbed or broken down naturally. The earth's mineral resources are being exploited at such a rate that many will have been exhausted within the lifetime of our grandchildren. At the same time the forests, the lungs of the earth, are being cut down at the rate of an area the size of Wales each week.

Previously, the cut and burn mentality that has underpinned human economic progress appeared to be sustainable. There appeared to be time for the damage done to heal. Even if it was known to be untrue, there were sufficient lags in the system to cloud the linkages between cause and effect. There were always new lands to occupy and colonise. Now the picture of the world has changed. There are no longer new territories to exploit. The damage done is easily measured and the communications revolution means that examples of devastation are readily

available for all to see and appreciate - Chernobyl, the Aral Sea, the desertification of large parts of Africa, acid rain, Three Mile Island, the deforestation of the Amazon Basin.

All of this is taking place at a time when only 20% of the world's economies can be described as industrialised. The inclusion of an increasing proportion of the world's population into the globalised processes of production, trade and for some - consumption, will place greater and greater pressure on the fragile balance between the human race and other parts of nature.

Traditional responses are failing. Democratic capitalism has not had to contend with these problems before. They go well beyond the original terms of reference conceived for the welfare state. Democratic capitalism, throughout the world, has been dominated by two governing tendencies, broadly defined as Left and Right. Both traditions recognise that modern capitalism is no longer, in its current form, an efficient mechanism for distributing the wealth that it creates. Both, however, believe that those problems can be solved through continued economic growth, in the belief that it 'allows all the ships to rise on the tide'. The debate has been about how much growth was necessary or achievable and who should benefit from the wealth that the growth had generated.



But these conventional wisdoms are in doubt. For the first time, mainstream intellectuals and policy-makers are coming to terms with the all-too apparent fact that macroeconomic growth - broadly understood as the growth of real Gross Domestic Product (GDP) will not deliver a decent quality of life to millions of people spread across thousands of communities in the UK. As a recent survey by the New Economics Foundation of the quality of life in the UK

concluded, "...living standards may have increased, but the quality of life in Britain seems to have declined. 'More' has not been 'better'"⁴ (see diagram on previous page).

Over the last twenty years average incomes have risen, but many, many more people have become excluded from the economy. Large parts of the country have had to contend with this situation for some considerable time. Throughout the 1970s there were severe stresses which have confronted all governments. Inward investment programmes have been expensive and their outcomes uncertain. At best they stem the rate of decline. Even then the benefits can be short-lived and tend to offer opportunities to different sections of the labour market from those displaced from traditional forms of employment.

Innovative solutions are desperately needed. Unless we can find ways to secure a minimum acceptable level of quality of life for the bulk of the world's population within a framework of social justice and environmental sustainability, the future will be bleak. There is an imperative both to implement the solutions that we already know exist and to design new approaches to problems for which solutions are not yet apparent. The challenge is awesome. It requires a new way of thinking, of being, of relating to each other both close at home and far afield.

Traditional attempts to extrapolate from the past are no longer valid. Our understanding of the world and the universe is crossing a threshold as profound as that traversed by Galileo at the beginning of the 17th century. As the world appears to shrink before our eyes the universe expands and our understanding of the detail of physical and biological forms deepens. A landscape of awe-inspiring majesty and complexity is opening up. The personal, social, organisational and economic implications of the discoveries made earlier in this century, let alone those that are currently being made, have yet seriously to influence the way in which commerce, the state or individuals operate. Everyone is playing catch-up in a race where the frontiers of discoveries are expanding faster than the human mind can absorb. This is a period of extraordinary innovation and creativity. It is exciting, fascinating and frightening.

Almost daily, changes occur that profoundly alter our view of the world and the individual's place within the universe. The first satellite pictures of the beautiful yet fragile earth floating in space made obsolete instantly the maps of our childhood atlases. The discovery of tachions, the ions from a parallel universe of anti-matter, transforms our sense of reality. Our concept of space is profoundly changed by the photographs from the Hubble telescope, which show the

sky to be more densely occupied by stars that we cannot see than it is by the millions that we can see.

These changes are so immense and so numerous that many observers suggest that we are living through a profound change in the underlying assumptions which govern the way society thinks about and organises itself. This revolution in thinking is comparable to that associated with the dawn of the atomic age⁵. Some identify this as ‘the end of history’⁶. Others tell us that we are at the end of Modernism; that Modernism has foundered on the very rigidities and hierarchies of mass production and is being overtaken by the libertarian creativeness of post-Modernism, a permissive relativism as fraught with dangers as it is a release into underexplored terrains.

Whatever the explanation, it is clear something profound is taking place. As old institutions and ways of thinking are lost in this emerging landscape a new importance is given to people who can lead the way in the processes of change.

2.1 The Age of the Entrepreneur

This is the age of the entrepreneur. Historically, an entrepreneur was a promoter of musical entertainments⁷. More recently the concept of the entrepreneur has been incorporated into the lexicon of the commercial sector. The bustle, stir, novelty and excitement of theatrical productions has been annexed to a certain type of commercial activity, in which the entrepreneur of a business enterprise attempts to make profits through innovation and the management of risk.

It is now understood that the success of business depends on the innovation of entrepreneurs. In the commercial sector, entrepreneurship is highly regarded. It is the ability to see and exploit new opportunities for financial gain. Companies rise or fall on their ability to stay innovative and entrepreneurial. Entrepreneurs in the commercial sector tend to be highly prized mavericks who have to survive and rise above a world dominated by those whose responsibility it is to manage and stabilise. They are the visionaries who see and exploit opportunities before others.

More recently the concept of the entrepreneur has been broadened to encompass those who embark upon new ventures with boldness and energy, for other reasons than for financial gain Entrepreneurs are thus found within public sector institutions and charitable organisations as well as in business. Possibly the quintessential example of this is

Michael Young, now Lord Young of Dartington. Credited with the initiation of at least 30 socially oriented organisations, notably the Open University, Michael Young is, as Malcolm Dean argues, possibly the most brilliant and well-known social entrepreneur in the UK this century⁸.

Entrepreneurs - in whatever part of society they are found, and with whatever they turn their hands to - are change agents. In stable times, most authority is accredited to those who give orders. When, however, orders produce dysfunctional outputs or there appear to be no linkages between the bridge and the rudder, there is organisational breakdown. It is at such times that 'the timid can become brave'⁹. Entrepreneurs are analytical in that they can identify deficiencies in systems. They are eclectic and borrow concepts from other disciplines to devise solutions. They are no respecters of the status quo. They are often seen as irritants and trouble-makers, for they are typically magpies, drawing ideas and practices from one part of society into another, remoulding society in new and imaginative ways in the process. At times of change they are seen as catalysts with an independent existence. The historian Zeldin calls these catalytic people intermediaries, who are able to create "...new situations and transform people's lives by bringing them together without having arrogant pretensions themselves"¹⁰.

*“Boldness has genius and
power and magic in it.”*

Goethe

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3. Social Entrepreneurship

Social entrepreneurs share similarities with each other and with commercial entrepreneurs The term social entrepreneur is a recent addition to the lexicon of human endeavour.

*"They are both able to see and develop the potential of under-utilised resources - human, financial and physical. They are personable, have energy and are able to motivate people. They are excited by the prospect of getting things done."*¹¹

They are both opportunist and eclectic. They are both practical and visionary. They are both analytical and creative.

The management guru, Peter Drucker, in *Innovation and Entrepreneurship* identifies a number of practices which are applicable to social and other entrepreneurs alike, including:

- ✓ a focus on vision and opportunity;
- ✓ the creation of a culture of enterprise;
- ✓ the development of a constituency which continues to suggest innovative and entrepreneurial ideas¹².

Social entrepreneurs are driven by a desire for social justice. Social entrepreneurs do not create personal wealth for themselves, they create common wealth for the wider community. They build social capital in order to promote social cohesion. They seek a direct link between their actions and an improvement in the quality of life for the people with whom they work and those that they seek to serve. They aim to produce solutions which are sustainable financially, organisationally, socially and environmentally.

Social entrepreneurs share a common desire to see principles of social justice valued and applied. They seek to make the world a better place. Their aim is to improve the position of those excluded from the mainstream by utilising resources in new ways. Their actions change existing perceptions, actions and values. They are radical and are able to bring about substantial and dramatic change through incremental focused initiatives.

3.1 Who are Social Entrepreneurs?

Are there common characteristics which social entrepreneurs share? This is not a casual question. If in practice we are talking about a completely diverse grouping of people, there is little point to trying to define them, identify them or seek ways to support them as a group. On the other hand, if there are some basic similarities, then the likelihood of effective public policy, or simply joint action, to support common needs, is enhanced.

The independent think-tank, Demos, in its recent publication, *The Rise of Social Entrepreneurs*, offers one definition of social entrepreneurs that adds substance beyond the idea of their being 'good people'¹³:

Demos's View of Social Entrepreneurs

- ✓ They excel at spotting unmet needs and mobilising under-utilised resources to meet these needs.
- ✓ They are driven and determined, ambitious and charismatic.
- ✓ Social entrepreneurs are driven by a mission, rather than the pursuit of profit or shareholder value.
- ✓ In the private sector it is quite possible to be a successful entrepreneur without being at all innovative. In the social sector it is far more likely that an entrepreneur will also be an innovator.

Ashoka is an international charity which identifies "social entrepreneurs and provides them with the equivalent of venture capital to launch them on their careers"¹⁴ Ashoka has been a pioneer in the field of social entrepreneurs. It has focused on working in the less-industrialised world and in Eastern Europe. Rather than raise funds for aid programmes, it identifies outstanding individuals already working in their country for social change. Once selected, it elects the individual to the Ashoka Fellowship for life and provide a stipend for an average period of three years¹⁵.

Ashoka sees the 'ethical' purpose of social entrepreneurs as a distinguishing characteristic. However, Ashoka goes further in offering a more detailed description of the types of people who fit this classification:

Ashoka's View of Social Entrepreneurs¹⁶

- ✓ **Creative:** finding radical and effective solutions to social problems.
- ✓ **Entrepreneurial:** presenting their project, negotiating their needs, commanding support for their idea and winning resources effectively.
- ✓ **Agenda-Setting:** demanding that their ideas or proposals will make a major difference when successfully implemented.
- ✓ **Ethical:** ensuring that public money granted is well used; that ideas are not corrupted by vested interests and that their full commitment is available for the project. Award winners must be good role models for others in their community.

Although interest in social entrepreneurial activity is a recent phenomenon, social entrepreneurs have always been with us. There is a powerful thread of social entrepreneurship running through history. The early Cistercian monks cultivated great swathes of inhospitable countryside. In doing so, they strengthened local economies in ways that have been sustained to this day. The early pioneers of the co-operative movement were some of the social entrepreneurs of the early and middle years of the first Industrial Revolution. So too was Lord Rowton, who, as Disraeli's Private Secretary, established through the mechanism of 5% philanthropic bonds the capital to build the massive hostels for working men that for over half a century dominated the skyline of parts of Bermondsey, Vauxhall, Hammersmith and Camden in London.

When one examines the unusual and extraordinary institutions and processes that have played a conscious, positive social role, often one finds one or two people whose vision it was and who have played a key role in making it happen.

3.2 Where are Social Entrepreneurs?

Social entrepreneurs exist across all sectors. There is often a greater affinity between social entrepreneurs working in very different areas than there are between social entrepreneurs and the people around them. Hence social entrepreneurs from different sectors are able to initiate and maintain constructive dialogue, while other cross-sectoral meetings are held back by the barriers of caution and suspicion. This was one of the notable findings in a study by the New Economics Foundation of Ashoka Fellows in South Africa¹⁷. This empathy and understanding based on a sense of common experience does begin to indicate that there are indeed some common traits amongst social entrepreneurs from diverse backgrounds and involved in very different work.

Social entrepreneurs are becoming prominent in the commercial sector. Companies such as The Body Shop in the UK and Ben & Jerry's Home-Made Ice Cream in the USA are obvious examples of the principles of social entrepreneurs being taken forward within a contemporary commercial environment. People like Anita Roddick and Ben Cohen have sought to remould the commercial animal into a form that can effectively address social and environmental as well as financial objectives¹⁸.

This blending of commercial and non-commercial aims and actions can be seen not only with companies that sell cosmetics and ice-cream, but within the most conservative of all sectors, the financial community. From the South Shore Bank in Chicago, USA to the Social Investment Fund in the UK, new organisations have been inspired to challenge conventional financial institutions for the ways in which they lend, the people to whom they lend and the very way in which they understand their roles in society. Each and every one of these more recent financial initiatives has been inspired in particular by the experience of the Grameen Bank in Bangladesh. Central to this inspiration has been the story - or more properly by now, the legend - of its founder, Professor Muhammad Yunus. Professor Yunus has come to epitomise in many ways those people who have turned their backs on the ethos and practice of their professions (in the case of Professor Yunus, the economics profession), whilst drawing liberally where relevant on their previous experience to underpin often radically new directions. In this case, as in many others, many if not all of the community development financial institutions established around the world in the last decade have also been driven by these 'new professionals', as Robert Chambers from the Institute of Development Studies has named them. In this sense, people like Pat Conaty of the Aston Reinvestment Trust in Birmingham in the UK, Vijay Mahajan from BASIX in Hyderabad in India and Coro Strandberg

of VanCity Savings and Credit Union in Vancouver, Canada are all part of a growing international cadre of social entrepreneurs, who learn from and inspire each other. This is what Bill Drayton, the founder and President of Ashoka, identifies as the emerging 'profession of public innovators'.

Social entrepreneurs working within a commercial environment are not confined, of course, to overtly 'alternative' institutions. In the UK, for example, the initiative launched by the Royal Society for the Encouragement of the Arts, *The Tomorrow's Company Inquiry*, brought forward not merely a wish-list of what life might be, or even a casebook full of good stories, but a host of people working within the heartland of the commercial sector who want, and in many instances are already leading, real changes in the way business is done¹⁹. Similarly, the recent report by The Prince of Wales Business Leaders Forum on the role of business in international development, *Business as Partners in Development*, identified social entrepreneurs working within the business community as much as it sought to describe companies, programmes and initiatives²⁰. Business in the Community co-ordinates campaigns which link together senior business leaders to work around the areas of race, education, economic development, environment and 'Opportunity 2000'.

Social entrepreneurship exists within the public-sector institutions, but has always struggled to thrive. Public-sector institutions are formed around the need to deliver services and are dominated by the need to maintain internal consistency. As long as there are those who receive the services provided and yet others on the waiting list, there is always work to do. The importance of public institutions and departments is frequently measured by the size of their budgets. As there are new service needs always emerging, there is a propensity to take on additional responsibilities without closing down those already in hand. In such an environment the power of the status quo is a major obstacle to innovation. It has been argued that most innovations in the public sector have been imposed by outsiders or initiated in response to catastrophe - President Roosevelt's New Deal is an obvious example, growing out of the experience of the Depression.

Public service institutions are established to serve the public, but their accountability has been difficult to pin down. Their purpose has a moral as distinct to a direct economic origin. Their activities are not readily measured against a profit and loss account. Their constituencies are diverse and are infrequently asked to register their opinion on the services provided. Local authorities and central governments seek a continued mandate every four or five years for a

wide basket of services, none of which are specifically voted upon. This is a process that is not conducive to innovation or entrepreneurial activity.

Public-sector institutions over the last 20 years have been subject to a massive culture change which has made them more favourable to innovation. Central government departments have been asked "Why do they exist?" rather than "What do they do?". There has been a predisposition to limit government expenditure, to set specific objectives and to quantify the outcomes of investment. It has been a period of rapid innovation during which government has learned from its experience and constantly reformulated its specific objectives.

There have been massive changes in the delivery of services and in the relationships and perceptions that go along with this. Local authorities have gone from being the single 'provider' of services to their 'clients', to being the 'regulator' of a multitude of private firms providing services to 'customers'.

Social entrepreneurial activity has been prompted by these changes at three levels. First, it has given rise to a new breed of senior officers, such as Heather Rabbatts in Lambeth and Sylvie Pierce in Tower Hamlets, who are steering organisations that have lost direction and focus, back on course. Second, the increasing importance given to the environmental impact of public spending, including waste disposal, energy consumption and pollution control, requires a rethinking of how public services are delivered. Third, change has been prompted by the recognition that the local authority is a minority stakeholder within the community. There is within the municipal sector an acceptance that its function is to release energies and to empower local communities rather than to control them²¹. The devolution of authority to local groups and neighbourhood associations, the break-up of massive housing departments and the creation of independent housing management and ownership organisations are all examples of social entrepreneurial activity in local authorities. This has led to a marked improvement in the quality of life of people who previously were seen as mere recipients of public services.

The traditional voluntary sector is averse to risk and entrepreneurial activity. Voluntary and charitable sectors have been orientated towards service provision even more so than the public sector. The concept of doing good is even more pervasive. Moreover they are frequently service providers of last resort and hence from this monopolistic position they are not obligated to offer choice and can impose their own value systems. Traditionally, the major

charities have often existed within a world of their own. They raised money through public donations and private endowment, which were then distributed either through their own agencies or independent bodies to provide services to meet the needs of their particular client groups..

Traditional voluntary and charitable organisations are currently engaged in serious and far-reaching reviews of operation and are throwing up a different kind of leader.

Changes in the world in which charities work have prompted many charitable organisations to face up to change. The advent of the National Lottery has provided an alternative means of funding charitable works. Traditional organisations which have not evolved to meet the changing needs of their client groups are increasingly seen to be remote and potentially damaging. Others which have failed to respond to expanding need are becoming marginal. Social entrepreneurs in the voluntary sector such as Sheila McKechnie - first at Shelter and now at the Consumers Association - and Stuart Etherington - at the National Council for Voluntary Organisations - are changing old organisations and creating new ones which are more accountable to the communities they serve.

New and renewed forms of community action have begun to emerge. Community action has developed along fault lines of mainstream economic and social policy, and generally seeks to address both problems that have remained unaddressed for generations as well as those that have been thrown up as a consequence of the current upheavals. It is increasingly making a major contribution to the renewal of communities. Its strength grows out of an inversion of the top-down, outside-in, expert-led approaches often adopted by conventional institutions. Most interventions, which come from the outside and focus primarily upon the symptoms, have limited effect, because they do not address the underlying causes. Community-based initiatives, on the other hand, attempt to deal with the symptoms of distress in ways that also address their causes.

Many community-based initiatives have a strong 'economic' element, but not of a traditional kind. They seek to create and retain wealth at the local level by finding innovative ways to use and reuse sources of wealth and energy to the benefit of the community. Community enterprises of many kinds have emerged, often taking the place of failed or withdrawn commercial initiatives, reduced public services and under-resourced non-profit organisations²².

Many new Initiatives which address the problems which face communities have emerged from those communities themselves and have been championed by social entrepreneurs from

within the community, whose vision, energy and skills have been critical in ensuring the success of these innovative solutions.

*Our deepest fear is not that
we are inadequate. Our
deepest fear is that we are
powerful beyond measure.”*

Nelson Mandela

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4. Community-Based Social Entrepreneurs

This report focuses on social entrepreneurs rooted within the community. It is possible to describe common characteristics of social entrepreneurs, although the formulations offered are unlikely to enable you to spot them in the street. Finding common features does not mean, however, that they all have the same needs. A wealthy and successful social entrepreneur such as Anita Roddick, or one that is as famous as Jonathon Porritt, is unlikely to have quite the same needs as a social entrepreneur who is unknown, unemployed and very possibly quite unemployable in any normal work environment. This needs gap is likely to be all the wider if the latter is someone from a marginalised community, whether so because of religion, race or the simple fact of poverty.

Within those working for a community, there is, of course, a difference between those who come from a relatively privileged background and those who work in the community and suffer the same kinds of discrimination that she or he is fighting to overcome for others. This latter group not only work *for* communities, they are rooted in them. These are the *community-based social entrepreneurs*.

This report focuses on those social entrepreneurs active and rooted within the community. We in no way intend to marginalise the contribution that social entrepreneurs active in the commercial, public and traditional voluntary sectors have to make, or the difficulties which they have to confront in developing and implementing their agendas for change. Nor is it intended to confirm or formalise artificial and unhelpful divisions within the common wheel.

However, the commercial, public and traditional voluntary sectors have existing infrastructures that have been put in place over generations. Those infrastructures might be inadequate and may well be in need of change. But at least they exist. The evolution of structured community institutions and action in its modern form is, however, still relatively new. They are a 'bottom-up' response to a situation that has not been perceived to exist before. They have limited capital, both organisational and financial²³. Most important of all community initiatives are often 'invisible' to traditional sources of support, or, when 'visible' are not seen as fit potential recipients of grants and other resources.

Community-based social entrepreneurs are critical to the success of most community-based initiatives. Community-based social entrepreneurs are a breed of leaders who blend street activism with professional skills, visionary insights with pragmatism, and ethical fibre with

hard, tactical thrust. Some are quiet, self-effacing people whose contributions are hardly noticed. Others are noisy and charismatic. Some work alone, but most grow out of a group of co-workers and volunteers. Some seem to be entrepreneurial by nature, whilst for others it seems to be a phase they are living through.

Community-based social entrepreneurs work in villages, small towns and in the great conurbations. In urban areas, they work in peripheral, suburban and inner city locations. They operate as individuals and they can also be found in community-based housing associations, community development trusts, settlements, health centres, churches, mosques, temples and synagogues, as well as in primary and secondary schools and single-purpose support groups. They are also found providing legal and financial advice, and in training agencies as well as within the bodies that seek to represent the community and those that work within it.

These are the individuals who, more than others, are able to bridge the worlds of community and institutionalised public and commercial sectors. These are the leaders who create the 'space' for people to grow and for initiatives to be effective (see figure below).

Locating Community-Based Social Entrepreneurs



Community-based social entrepreneurs aim to break out of the cycles of deprivation and poverty. They seek to make virtuous circles out of vicious cycles. They focus on self-help and mutual aid and promote co-operation within neighbourhoods and in partnerships with other stakeholders. They work with minorities and represent their interests to the majority. They

also work with sections of the majority community which have become marginalised from the mainstream.

Community-based social entrepreneurs do not only work for the community, but are or choose to be an integral part of it.

*“We need practical
measures in pursuit of noble
cause.s” Tony Blair*

scanned picture here

5. Making Things Work

In carrying out this research we met with a number of community-based social entrepreneurs, who told us their stories and who together identified the qualities which they shared. Here we tell the stories of some of these individuals, who they are and what they have achieved, but also what they reveal about the nature of social entrepreneurship.

Social entrepreneurs move on from one project to the next; they build ideas into working projects not as acts of power but as expressions of creativity and values.

Jenny has not been satisfied to rest once after each battle is won, but moves on to the next venture. This mirrors Malcolm Dean's question about Lord Michael Young, "Why is a man who invents such brilliant social enterprises so ready to move on to the next project once the latest idea is safely launched?"²⁴ Jenny's experience also highlights the complex process of building and working with the social capital of the community. Jenny did not work alone. She has always sought to be part of a team, and leadership at the community level almost always needs to be understood in this context. Finally, Jenny's work, and the initiatives that she and others spawn, have had the secondary effects of nurturing other social entrepreneurs, and thus indirectly of seeding other initiatives. For example, one of the original group, Nicky Gavron, went on to help set up the Jacksons Lane Community Centre in London, and then fought the proposals to bring the M11 into the centre of London before becoming a local councillor and chair of the London Planning Advisory Group.

People become community-based social entrepreneurs through many paths, often starting as part-time activists. Jenny's experience is of people making space for community action amidst a myriad of other responsibilities. They are examples of 'part-time' community-based social entrepreneurs. It is difficult to know but interesting to speculate on what would have been their experience had they not had to fulfil other responsibilities; for example, if they were provided for in terms of a basic income.

In the case of Blaengwnfi and Blackbird Leys, community action was not led by a single charismatic individual, but by a small core group. These examples show how community-based social entrepreneurs may work together, supporting and empowering each other and each achieving more than they would have been able to do as individuals. When these kind of groups are effective, the skills and competencies of the individuals complement each other. Individuals from the group may go on to set up new initiatives on their own, taking with them the skills and lessons from working within the group.

Jenny Wright

Jenny was a primary school teacher, and has been a community-based social entrepreneur all her life. When she sees gaps she organises and brings people together to fill them.

More than 30 years ago, she, with other mothers, set up a local playgroup run on a co-operative basis. Later, when their children were at school and before the local authority provided such schemes, the same group of parents pioneered holiday play schemes for their children and others in the neighbourhood. When her children were older still, she helped to set up the Harrington Scheme. The Harrington Scheme recognises that many adult people with physical and learning difficulties want and are able to work and be members of a wider society. They have taken over some abandoned land and redundant buildings as a base and raised money, initially from charities, to run training programmes in various aspects of horticulture. Once qualified, participants in the Harrington Scheme are employed as gardeners with landscape contractors, schools, local authorities, housing associations, hospitals, golf clubs or as assistants in garden centres. The Harrington Scheme has also established a contract gardening company of its own, which provides gardening services to local institutions and people unable to maintain their own gardens. This company provides work experience for the trainees and long-term employment for some who have completed the training course. The Harrington Scheme also maintains an alumni register and helps to ensure that people who have been through the scheme remain part of a larger network.

Having helped to set the initiative up, Jenny retreated to the role of 'mere friend' and set about forming a teachers' and parents' group to bring back under control the three acres of space attached to her local primary school. The local authority no longer had the resources to maintain it. Here again, having helped to establish this venture, she quietly took a back seat while others took the limelight. She was next seen organising the first neighbourhood festivities that had taken place for nearly a decade.

When she took early retirement, she added Teaching English as a Second Language to her skills and is now working in Sri Lanka as a mature member of Voluntary Service Overseas. The Harrington Scheme and the School Grounds Group continue to flourish, but both miss her.

The social entrepreneurs of Blaengwnfi

When the village shop in Blaengwnfi in Mid-Glamorgan closed down it seemed to be the last nail in the coffin of this ex-mining village that had declined from a population of 6000 to barely 2000 people. Edith Davies and other members of the senior citizens group were determined that the shop, the only one for 12 miles should stay open, both as a lifeline for the many people without transport in the village and also as a social hub and as a premises for emerging local businesses.

The Senior Citizens' Group enlisted the help of Port Talbot co-operative development agency (now called Business Connect), CWS provided loans of stock, and a bank loan was secured. However the money required for the deposit on the building was raised from shares sold within the village.

Volunteers cleaned and renovated the shop in readiness for its opening. However, after trading for a year the fabric of the shop, which was in poor condition when they purchased it, was in dire need of refurbishment. Despite trading successfully, there were no funds available to improve the premises. The co-operative applied for a grant from the Strategic Development Scheme but was rejected. However undeterred they looked for other sources of funds, writing to the then Secretary of State for Wales, Peter Walker, and to the local council. The Conservatives at the Welsh office were impressed to see people helping themselves through enterprise, while the labour council was equally impressed by the community pulling together. They succeeded in securing grant finance to renovate the shop and convert the rest of the building into small retail units.

In 10 years, the co-operative has paid off the mortgage on the shop, with profits now going back into community projects such as the local Silver Band. The shop provides employment to local people and a place to meet. A number of new businesses have been started in the retail units by local residents, including a butchers, print works and hairdressers. Some have flourished and moved out into their own premises.

The co-operative now wants to convert the top floor of the building into rented accommodation for older people who want to move closer to the centre of the village.

In a village in the next valley they have started a leisure and tourism co-op founded on the same model with villagers buying shares in the co-operative.

The social entrepreneurs of Blackbird Leys

On the Blackbird Leys Estate in Oxford, the scene of joy-riding escapades in the early 1990s, Pat, Anita, Enid, Sylvia, Kerry, Chris and others live in housing, the condition of which is said by the local authority to be the worst in the city. In 1993, they were told that the hoped-for plans for the redevelopment of their homes had collapsed. They found that no one wanted to take responsibility for their situation. The residents felt abandoned by their housing association landlord, the local authority and the Housing Corporation. Over a period of three years, this group of people have joined together and transformed their situation. They have confronted the landlord, which was based some 200 hundred miles away in Lancashire, and engaged in dialogue and negotiation with the local authority and the Housing Corporation. They have been a crucial member of a successful Single Regeneration Budget bid which will secure the rehousing of all the tenants and the redevelopment of the site for more social housing.

In doing so, they have travelled the country from Manchester to Exeter and to London in order to make representations to those with the authority to make decisions on their behalf. They have addressed public meetings, given television and radio interviews and written to the press, at all times maintaining a quiet calm. In addition, they have established a drop-in centre on the estate for people wanting advice and a toy library and are now starting a mother and toddler group. They provide a watching brief for the frail elderly and have helped secure and monitor care packages for those who have alcohol or mental health problems. They have contributed to the development of policy initiatives on substance and alcohol abuse, for their former landlord, and on home loss and disturbance allowances, for their new landlord.

"When we started, we thought of ourselves as a bunch of stupid mums and so did they, but we are not and we have shown it", says Pat O'Neill, the Chair of the Tenants Association. Everyone has grown in confidence and competence as a consequence of their involvement. Enid has attended a part-time course at Brookes University. Anita, who wants to become a primary school teacher, has been accepted to study for a Post-Graduate Certificate of Education. Chris has taken an IT course. Sylvia has taken a bookkeeping course. Although this group has had access to independent advice as a consequence of grants from the Housing Corporation, all its achievements are its own.

Some people find ways of devoting themselves full time to trying to make their particular vision a reality. This is certainly the case for Paddy (see next page), who from an early stage saw his work in the community as a central part of his life, and has lived on that basis ever since. His experience, like many others, emphasises the manner in which community-based social entrepreneurs find ways to use existing programmes, institutions and resources to address their idea. Indeed, in this case, his success has ultimately drawn resources to his work, and he has been key in establishing a number of community institutions. Also highlighted through Paddy's experience is not only that social entrepreneurs involve themselves in many projects, but that they are often involved in many projects at the same time and find ways for each to feed into the other.

Community-based social entrepreneurs do not work in isolation. Paddy, like Jenny, did not work alone. He assembled a core group of people around him who share his vision. He too was a member of a core group, each of whom have gone on to be involved in other ways. One of the original group, John Hulme, is now the leader of the SDLP and has been a key person in building the peace process in Northern Ireland.

The experience of Anita (see page 30) confirms many of the insights gained by the story's of Jenny and Paddy. Like Jenny, Anita came to her work as a social entrepreneur whilst in full-time employment. Unlike Jenny, however, Anita made the leap and left her relatively safe profession for the vagaries of a life as a community activist. As do so many, Anita worked with others in sharing and developing her vision.

Community-based social entrepreneurs want to measure up to the mainstream, not only succeed in the margins. Anita has taken great pride in demonstrating that the young people that she has worked with have not only succeeded in their own terms, but have also achieved success against conventional benchmarks such as exam results. It is common that on the one hand social entrepreneurs wish to distinguish their initiatives from the mainstream, and on the other they make a point to demonstrate that their approach offers results that match or exceed those achieved by the mainstream, even when measured in the latter's terms.

Radical new thinking is what makes entrepreneurs different from simply 'good people'. Anita, working with Dick Atkinson, has not been content with a single initiative. They have developed networks of initiatives that feed and learn from each other. Somehow their vision

has not been merely to demonstrate the fact that something can work, but to show that success is not a one-off piece of luck or coincidence. Here is an important clue about some of the most effective community-based social entrepreneurs; that their vision is to set new agendas that other will follow, rather than only work to achieve success for a particular community. This 'agenda-setting' characteristic of community-based social entrepreneurs will be returned to later. It provides the radical new thinking and practice required to deal with today's social and environmental dilemmas.

Paddy Doherty

Twenty-five years ago, Paddy was a community worker in the Bogside area of Derry/Londonderry. He, with others in the community, believed that there needed to be an alternative approach to violence in bringing about social, economic and political change. He was the moving spirit behind the formation, first of the North West Centre for Learning and Development and, subsequently, the Derry Youth Community Workshop and the Derry Inner City Trust.

Paddy had a vision of another and a better city. On the one hand he saw the physical decay and devastation within the old city walls, and on the other, endemically high levels of unemployment across the entire age range. The Derry Inner City Trust, to which Paddy has devoted the remainder of his life, has become one of the most important and catalytic agencies for the regeneration of the city. Making creative use of the Action for Community Employment (ACE) scheme to employ and train construction workers and administrative and clerical staff and to raise private loans and public sector grants, the Inner City Trust has been able to rebuild the large part of the old city within the walls that had been destroyed by Provisional IRA bombing and economic decline.

Burnt-out shells of shops and offices have been rebuilt. A derelict convent is being refurbished. A museum, craft village, international youth hostel and a heritage centre have been built. There are plans for a hotel, music centre, housing and the re-opening of an empty cinema. This community investment has established sufficient private sector confidence for O'Connell Brothers of Boston to invest in the multi-million pound Foyle Side Shopping Development which now encircles the north east quarter of the old city. The Inner City Trust now has capital assets worth more than £15 million. and is beginning to generate revenue surpluses that will be invested in local community and economic development programmes.

Paddy's vision is not limited to the physical rebuilding of the city. He is also committed to a belief in personal growth and development. The North West Centre for Learning and Development was used as the vehicle to draw down ACE grants to train people in a vast range of skills relevant to the needs identified by community groups throughout the city.

Anita Haliday

As a lecturer in Sociology at the University of Birmingham, Anita saw that it was not that many children failed the education system but that the system failed many young people. She left the relative safety of the University initially to work on a community education project in Saltley. Then, 20 years ago and with Dick Atkinson, a local resident and another former lecturer in the Sociology Department of Birmingham University, she helped set up the St Paul's Community Education Project in Balsall Heath. Dick and Anita recognise that the reasons why children abscond from school are many and various and often have nothing to do with ability. With co-operation from the local authority, the project has occupied and maintained a local primary school which was surplus to requirements and due to be demolished. The project has run a school for 40 or so children who have found difficulty in participating in formal secondary education. The success of the project has been such that not only do the children enjoy attending but their GCSE achievements are equivalent to those of the comprehensive schools from which they absconded.

The St Paul's Education Project was not a one-off project. Dick and Anita have helped to establish a network of projects focused upon the needs of children ranging from pre-school to post-school activity. Over time this network has expanded to include job training, work space provision, carnivals and employment initiatives. Dick has also been a moving spirit behind the formation of partnerships with the local Muslim community to provide a drop-in centre for elderly Asians and assistance in forming cultural centres and places of worship. A local alliance has enabled the community to take to the streets at night in order to clean up the area, which until recently had been Birmingham's red-light district. The area has been successful in attracting significant European and UK government funding to tackle underlying social and economic problems.

Community-based social entrepreneurs make markets work for people, rather than the other way around. Father Myles is just one of a number of community-based social entrepreneurs who have emerged from religious institutions, in this case the church. Like many others in Northern Ireland, Father Kavanagh sees his work as in part being a response to the troubles over the last decades. He has worked to revitalise the area within which he lives and works by establishing a host of new facilities - from a theatre to a shopping complex. Of particular interest here is his work in seeking out, attracting and nurturing new businesses by linking them to companies from other countries wishing to establish a foothold in the

European Union. The principle of attracting inward investment as a means of generating employment is of course not new. However, here is an initiative generated and managed from within the community, rather than one initiated and controlled by public agencies. Like many other ventures conceived of by community-based social entrepreneurs, this has received public support, and has been explored by communities from many parts of the world with a view to replicating its basic approach.

Father Myles Kavanagh

Father Myles, the Priest at the Holy Cross Chapel overlooking the city of Belfast on the high ground at the end of the Crumlin Road, came out of his church one day to be confronted by a hail storm of bullets. He decided then to come down into the community and to work there. Over the last 20 years, working with others, he has established the Flax Trust, the Brookfield Business Centre, a health centre, a shopping complex, a housing association and a theatre. He has also established a joint venture company with Shorts Brothers to take over the empty Co-operative store in the centre of Belfast and convert it into commercial work space for newly formed companies.

Perhaps most innovative of the many ventures initiated by the Flax Trust has been Novatech. The idea behind Novatech is simple. There are thousands of people in Belfast who would like to run their own company and there are thousands of medium-sized, successful, high-value added companies in North America which would like to have an outlet within the Single European Market. Novatech has spotted these resources and matched them up by putting these two groups of people together. It provides training and team-building facilities for the budding entrepreneurs and has built up links with company search organisations in the USA and Canada. It has been so successful that it has been launched as an independent private company. There are plans to develop similar initiatives in other UK cities and also to extend the search networks to include the Far East and the Indian sub-continent.

Community-based social entrepreneurs convince people that they are right. Joan and Bryn (see next two pages), as community-based social entrepreneurs, in many ways reinforce the profiles set out before. Both Joan and Bryn are of the communities within which they work - Joan, an African-Caribbean women from Birmingham; Bryn, a one-time unemployed, homeless man. Both start with a seed of an idea that relatively well-defined groups of people, who are traditionally seen as being without the capacities and competencies, could help themselves. Both see that group actions that build confidence, self-esteem and skills can take people out of the vicious circles within which they have become trapped. In the case of Joan's project, Women Acting in Today's Society, the focus is directly on building leadership and other skills through training. In the case of Bryn's project, LATCH, there is a particular set of activities that provide the focus; namely, enabling homeless people to rehabilitate empty and dilapidated houses.

Joan and Bryn are from very different backgrounds. Yet they share an ability to articulate with clarity what they are doing and why, to engage and encourage the listener to believe in their ideas without rooting that belief simply in guilt. They can make an audience believe that they can do the job they are describing and, that it will work for the intended beneficiaries, but also that it 'makes obvious sense' for other stakeholders, particularly local authorities, and other sources of funds.

The example that Bryn provides is also one of collaboration. Bryn worked with Tom: bringing contrasting temperaments but a shared vision to their work, and working as an equal partnership, their establishment of LATCH indicates that it is not only isolated individuals but also small numbers of people working together that can initiate successful projects. It is important to stress that, in common with the other projects highlighted in this study, their work arose not from a committee but from their own independent, but combined, effort. Furthermore the experience has led them both on to tackle the initiation of further projects independently. The process of becoming a social entrepreneur is an incremental one.

Joan Blaney

With a background in community organising and teaching at Fircroft Community College in Birmingham, Joan identified that the personal and social situations of women, particularly around family relationships and responsibilities, had to be addressed if women were to sustain improved economic status. She felt that what was needed was a community educational establishment which would empower women, provide a variety of support to assist their personal endeavours and ensure that local women had some way of influencing decision-making through more active participation in public affairs and community development. Joan therefore established Women Acting in Today's Society (WAITS) in 1992. WAITS acts as a skills and confidence pump-primer, enabling women to be proactive participants in today's society. It helps women to gain skills and confidence in developing their own agenda and to secure funding and proper representation. It works in three ways. It strengthens women through the sharing of information, experience and resources; it works collectively on issues of concern; and it promotes women taking on leadership roles within their communities.

WAITS provides a training resource for women covering most aspects of community participation and action. Training programmes range across decision-making, group working, presentation skills and community organising. WAITS also seconds trainers and organisers to existing and emerging groups as a means of developing women's leadership and organising skills. The training programmes and workshops support personal development and enable women to take advantage of social and economic opportunities as they arise. They also increase women's participation in community activity and improve their effectiveness. Participation in WAITS-sponsored activities enables women to initiate informal support networks and to develop partnerships with other agencies.

WAITS works with 23 groups in Birmingham, Wolverhampton and Sandwell. It focuses on three main areas - young people's programmes, women's health issues and social welfare. Working with women on day-to-day practical issues has also deepened the understanding of all those participating in WAITS - trustees, staff, volunteers and users - of the complex and dire circumstances endured by many women and their families. The work of WAITS has attracted interest in Eastern Europe, Israel, The USA and South Africa.

Bryn Higgs

Unemployed and living in Leeds, Bryn working in partnership with Tom recognised that there were single, unemployed, homeless people on the one hand, and empty derelict houses on the other. By enabling the single people to refurbish the empty properties a number of important objectives would be achieved: provision of training and work experience that enhanced people's chances of gaining employment; the renovation of derelict, inner-city properties; and the provision of low-cost and appropriate housing within the community. LATCH which brought these three elements together, works in partnership with local agencies, and enables young homeless people from the area to house themselves. Furthermore, by involving the workers fully in the project, LATCH enables them to gain from the experience of having changed their housing situation.

Getting started was difficult as the project lacked not only resources, office equipment and building skills, but also backing from any established organisations. Eighteen months, on however, they had secured the credibility necessary to gain two derelict houses on license from the local authority, enough charitable and government funding to make a start and the building skills required to tackle the first renovation. Work on the site by the first LATCH team began

On successive renovations LATCH developed two models through which the project could expand. In the first a derelict house belonging to the council is firstly licensed to LATCH and then renovated and converted into flats by the group. The property is purchased by LATCH at its unrenovated price, using the rents raised from the properties to pay off the loan. Everyone benefits: homeless people gain skills and housing at a low rent within a community of people they know; the area is regenerated; the council sells its blighted property; and housing benefit is turned to community regeneration rather than profit for a landlord. LATCH itself gains rental income, a capital asset and credibility.

LATCH's second model was developed in partnership with a local housing association and the council. The housing association takes over derelict local authority stock under license, recognising that the short-life funding from the housing corporation would not be sufficient to bring the properties to a habitable standard. The housing association carries out the initial works, before sub-licensing the property to LATCH which then completes the renovation enabling young homeless people to participate in the process of housing themselves. LATCH then uses the housing created to house those involved. Once again, everyone gains, and this time LATCH gains rental income without any accompanying debt.

Through these mechanisms, LATCH brought charitable, public- and private-sector bodies into partnership with some of the most marginalised people in the city, and brought about outcomes that each sector alone had failed to achieve. It also secured its own future, and that of the housing it has created as a sustainable resource for young people in Leeds. The scheme has continued to expand. Bryn has now moved on to establish 'Community Catalyst', a project that helps workers at a local level establish self-help projects nation-wide.

5.1 Understanding Community-Based Social Entrepreneurs

Just as architects and building surveyors look at the physical capital of society and see where it is damaged and in need of repair, so community-based social entrepreneurs look at a community's social capital. They are able to see a tear here, a hole there and places where the fabric of society has become threadbare. Just like their physical counterparts, community-based social entrepreneurs are able to devise remedies, fill voids, refurbish and renew. But social capital is not merely there to be understood, or even to be repaired or rebuilt. Encouraging people to work together - using and building social capital - is to achieve common goals. Whether it be to open a hospice, encourage small businesses, build a home or reawaken people's confidence, community-based social entrepreneurs are expert at making relationships work.

Community-based social entrepreneurs empower others. Individuals working from within the community cannot work in isolation. Their success is predicated on a combination of lasting relationships and fast-moving alliances. Productive leadership in this context is therefore rarely of the 'John Wayne' variety. People at the forefront of new initiatives invest enormous energy in building or tapping into 'social capital', which, according to US sociologist James Coleman, is "...the ability of people to work together for common purposes in groups and organisations"²⁵. Lack of work and income and the associated loss of status and identity lead to personal and communal senses of hopelessness, isolation and depression. Community-based social entrepreneurs fill the void left where traditional youth programmes and sports activities have been withdrawn or have failed to engage local people.

The new generation of community-based social entrepreneurs is engaged in the development and introduction of programmes focused on self-help, self-worth, leadership, education and positive health. For example, physical recreation is seen not just as an end in itself but also as a stepping stone on the way to other forms of participation and personal development. Community-based social entrepreneurs can also be seen working with the elderly, the terminally ill, those who have learning difficulties or those who have a long-term illness or physical disability as well as with their carers. Their purpose is to enable people who usually are seen as being economically and socially inactive and a drain on society to live as full and engaged lives as they feel comfortable with.

Social entrepreneurs create 'space' for creativity and celebration. Some community-based social entrepreneurs tap into the great fund of creativity, enquiry and enjoyment that is

present in all of us. Capital and revenue funding have been obtained for music and video centres, community arts projects, computer technology centres and singing, drama and dance projects, confirming that culture is a shared experience and not confined to art galleries, museums and theatres and concert halls. It has given scope for artists with communication skills to complement their technical and creative abilities. These artists chosen by local people, listen to their stories and build their hopes and fantasies into their work. They also work directly with people, enabling them to express and develop their own skills and talents.

These acts of celebration take place in empty buildings and left-over spaces as well as purpose-built community centres and church halls. They explode into the public domain as murals, art works, sculptures, carnivals and festivals. These acts of celebration have given rise to a new form of the original concept of entrepreneur as the organiser of musical and artistic events. Again these new impresarios work with local people, tailoring cultural programmes to meet local preferences and energies. Again, the events are not seen simply as ends in themselves but also as means of raising confidence and as stepping stones to other forms of community activity and engagement.

Not only have community-based social entrepreneurs enabled local people to bring their diverse cultures into the public domain, they have also enabled local people to take 'common ownership' of public spaces. Environmental trusts abound. City farms are no longer fringe activities. Local groups have rescued forgotten buildings and re-established links with industrial heritages that are in danger of disappearing through neglect, or being buried in the foundations of redevelopment schemes.

Social entrepreneurs gain strength from a wide network of alliances. Community action is not - as the words would suggest - only in the community. To 'think global, and act local' is simply not enough when the decisions of national and international institutions constrain or proscribe what will or will not work at the community level. Transport, environment, employment, education and trade policies are not distinct, and community leaders and organisations are increasingly networking with those working at national and international policy and advocacy levels. Many community networks, for example, endorsed the emergence of the Real World Coalition, made-up of over 30 UK-based non-government organisations, which published an 'Action Programme for Government' to tackle the problems of poverty, inequality, alienation and environmental degradation²⁶.

Alliances are not only made with non-profit organisations, but also with organisations from within the business community. Many parts of what were traditionally seen as public-sector activities are now firmly embedded within the commercial sector. From there has emerged a language of social responsibility that at least speaks of its interest to embrace a broader agenda than profit to shareholders. The building and management of relationships of unlikely bedfellows, both between sectors and between different levels of intervention, are often what makes it possible for community-based initiatives to implement effective programmes. These relationships are sustained not by an institutional 'fit', but by the bridging of roles played by key individuals, who identify social entrepreneurs within other organisations - effectively their counterparts - and develop approaches to action that their respective institutions can embrace, or can at least be encouraged to accommodate.

Community-based social entrepreneurs do not start out with all the skills they need.

Amidst the wealth of insights gained during the research for this report, one particular strand stood out. The older, more experienced of those consulted had that aura of self-sufficiency gained from extended experience in making things work. The less-experienced people we talked to had that same fiery vision and passion, but too often lacked the knowledge, skills and networks to pull it off.

Some, often older, community-based social entrepreneurs gained their experience within traditional work areas before making the change. Dissatisfied with what they were required to do, or seeing that existing approaches were not meeting need, they changed direction, and chose a rockier path. These older people have many of the classic skills needed to be successful in their chosen enterprise. Often they also bring with them the networks of contacts in public institutions and foundations that make the difference between supported effectiveness and obscurity.

Younger community-based social entrepreneurs, on the other hand, often do not have the professional background of these older leaders. Possibly with an anger born of the experience of constant rejection, they certainly do have the energy, and often the credibility, legitimacy and networks at community level. What they lack, however, are many of the things that others take for granted - an understanding of finances and the pitfalls of grant dependency, or how to build organisations that move beyond informal networks.

Many of the more experienced community-based social entrepreneurs reflected on whether assistance at an earlier stage in their own development would have helped. With a caution

rooted within traditions of self-help and a suspicion of the oppressive experience of coping with 'helping institutions', they picked their ways through the possible paths and options. Their overall conclusion was that too many budding community leaders are knocked back by their lack of experience in dealing with the weight of institutional resistance they face. Too many brilliant ideas never reach trial stage because of the inability of inexperienced innovators to develop them to an operational level, and to articulate their strengths to reluctant sources of support. And, finally, too often leaders flounder at an early stage of implementation because of their weak understanding of how to make organisations work.

These perspectives - whilst not universally held - were common. It was agreed that it would be highly desirable to develop a framework of support sensitive to the needs of community-based social entrepreneurs. This is especially true for those community-based social entrepreneurs who miss out on conventional sources of support because they:

- i. come from the same disadvantaged communities which they seek to empower;
- ii. have path-breaking ideas which scare off most sources of support; or
- iii. have no track record provable in conventional terms and only partial skills.

It is in the context of this recognition of need that we turn to explore the existing support for such people that is currently available in the UK.

*“You see things; and you
say ‘why?’ But I dream
things that never were; and I
say ‘why not?’”*

George Bernard Shaw

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6. Supporting Community-Based Social Entrepreneurs

Within the neighbourhoods where they live, and the communities they seek to serve, and within the organisations for which they work and the projects they run, community-based social entrepreneurs are usually perceived as being self-sufficient and inspirational leaders. They carry the hopes and fears of those who are close to them. They are prized for their independence of mind, their perseverance in the face of adversity and their resilience when they are knocked back. They are often assumed to have inexhaustible well-springs of energy, commitment, ideas and hope.

Community-based social entrepreneurs, and indeed entrepreneurs more generally, have some or many of these characteristics. Indeed, many have all of them for some of the time. But we are ultimately talking about individual people, albeit extraordinary ones. The issues that they deal with are multi-faceted; the skills and information base required are beyond the capacity of any single individual no matter how skilled or ingenious. Community-based social entrepreneurs need help.

Entrepreneurs within business, on the other hand, are seen as scarce and precious. They earn often extraordinary profits for themselves and those who venture to risk their capital. Considerable energy is devoted to identifying entrepreneurial potential, and then to developing and exploiting it. The commercial sector has established mechanisms for identifying and investing in entrepreneurs, and for working with them to maximise the chance of their success.

The profiles of community-based social entrepreneurs in the previous section are partial. They offer up the good news, the visions and outcomes of those who have succeeded and a sprinkling of information about the key landmarks towards success. They do not describe the agonies of those who have succeeded, and they do not talk about the many whose initiatives did not survive.

New ventures are under harsh financial pressures. Most of the initiatives launched by community-based social entrepreneurs are to some degree dependent upon grant funding from charities and institutions. Although community-based social entrepreneurs are often successful in raising funds and maintaining good relationships with their funders, it is a precarious existence. Many of the organisations founded by such people are stretched to the very limits of their capacities in putting their ideas into practice. Sometimes, usually much later, these organisations settle into a more mature, and somewhat more relaxed, phase, but this is

usually once the battle to gain acceptance has been largely won. Meanwhile, successful community leaders need to be able to identify and attract new sources of finance. The more innovative is the idea, the more apparent is the need for innovative sources of funding and support²⁷.

The Inner City Trust's finances, for example, were put under immense strain when inflation-linked increases in interest rates crippled its cash flow at a time when it lacked a substantial capital base or income stream. The Flax Trust had to contend with independent advisers that incorrectly calculated its financial position at a time when it had not developed its internal financial management skills. The St Paul's Community Project in Balsall Heath has had to live with chronic financial uncertainty throughout its existence.

The ventures initiated by community-based social entrepreneurs can and do fail. They fail for a number of reasons. Some are badly thought through. In some instances, community-based social entrepreneurs lack the necessary experience or have been carried away with the excitement of the venture. Some have not ensured that the necessary control systems are in place. Some have been closed because their financial exposure has increased to such an extent that the institutional backers have withdrawn their support. This happened in the case of the Miles Platting Development Trust in Manchester and Drumchapel Opportunities in Glasgow, both of which were handling large projects with uncertain cash flows. Others have failed because government programmes have changed or local authorities have withdrawn grant support before the venture has achieved financial viability. Others can also lose direction because the entrepreneurs involved, in pursuit of the long-term vision, become embroiled in financial and organisational activities that take them away from their original constituency. In these instances, success can mean that there is an ever-present danger that the later projects may become divorced from their original purpose.

6.1 The Strengths and Inadequacies of Existing Support

Community-based social entrepreneurs rely on the people they work with for support. Behind almost every successful project and thriving organisation there is a social entrepreneur. But behind every successful social entrepreneur there is a support structure that provides a quiet centre and a practical resource. If the balance between the social entrepreneur and his/her co-workers is properly struck, co-workers can be a real source of support. He or she can be grounded and then can afford to be vulnerable as well as affirmative. Where the nature of this reciprocal relationship is not adequately recognised,

understood and legitimised, the community-based social entrepreneur is more than likely to become isolated and to fail, dragging the institution down in the process.

The next level of support for community-based social entrepreneurs are those who are responsible for the organisation within which they work, the management committees or boards of trustees. Some community-based social entrepreneurs have grown out of a group of volunteers that then takes on the responsibility of being the governing body. In this case there is a well-established set of shared values and experiences. Other community-based social entrepreneurs, as they launch a particular initiative, seek out people who will become their governing body. In such circumstances, there needs to be a clear understanding of roles and responsibilities. However, the existence of a governing body does not guarantee an effective or a supportive relationship. In those instances where a community-based social entrepreneur is taking over an existing post or an organisation needs to refocus and redirect its energies, the relationship between the community-based social entrepreneur and the governing body can be fraught. Indeed the relationship between the community-based social entrepreneur and the governing body will of necessity be an ambivalent one. The governing body has a responsibility both to support the person, and to provide independent and dispassionate advice, but also on occasion to protect the organisation from the very energy that the entrepreneur seeks to contribute.

Social entrepreneurs from different organisations and sectors support each other informally. Peer group networks are an important element in any support system, for community-based social entrepreneurs arguably more than for others. Attendance at conferences and seminars, participation in workshops and training programmes and belonging to membership organisations all provide means whereby community-based social entrepreneurs can recognise fellow spirits beyond the boundaries of their own organisation or project. The constant swapping of calling cards and, for those that do not have cards, hastily scribbled names and telephone numbers on scraps of paper, are testaments to the need to establish and maintain contacts no matter how fragile.

Most peer group networks are, however, passive rather than active. They consist of an extended series of one-to-one relationships, where each member is a gate keeper, door opener and a conduit. Others are activated for particular purposes, such as to campaign against or for a specific issue. Some, such as the Local Neighbourhood Think Tank, convened by Tony Gibson, take the form of discussion groups that enable members to share and develop their thoughts in a non-threatening environment.

Many community-based social entrepreneurs start outside of any formal organisation.

Because their vision involves a quantum leap beyond the work of existing organisations, many social entrepreneurs start out with nothing but an idea. Alternatively, and in some ways even less comfortable, some community-based social entrepreneurs find themselves working within organisations that are unable and at times unwilling to step forward to embrace their vision and proposed path.

In this situation, many have to turn to external support, either to strengthen an existing organisation to make it robust and focused for a new and demanding journey, or to design and create a new institution tailor-made for the purpose.

There are important examples where peer group support systems have been formalised.

The international non-governmental organisation, Ashoka, for instance, has established a Fellowship of over 700 social entrepreneurs over a 15-year period. The Fellows are active in education, health, housing, economic development, and other areas of human need, from Capetown to Bombay to Mexico City. A critical element of Ashoka's approach has been to network the Fellows to allow them to share experiences, insights and concerns. In some instances this takes place within a particular sphere of activity; for example, many of the Ashoka Fellows working in the area of community health from around the world might meet. In other instances, the focus is geographic. The 30 or so Fellows in South Africa, for example, meet periodically to discuss their work in the context of a changing political environment. Alternatively, the Fellowship may serve to create small groups that meet regularly, or even one-to-one relationships. Of particular interest in respect to the latter has been Ashoka's policy of selecting not only up-and-coming social entrepreneurs but also well-known public innovators, who in turn help to build the reputation of the lesser known Fellows, as well as supporting them in other ways.

Ravinder Gihir, the Chief Executive of Chapeltown and Harehills Enterprises Ltd (CHEL) in Leeds, has organised a consultative network of community and voluntary sector organisations throughout the city. The purpose of the network is twofold. First it supports members who are often isolated. Second, it establishes a city-wide, community agenda to put to and negotiate with the city authority.

In Glasgow, Ron Culley, the Chief Executive of the Govan Initiative, has instituted a similar network of community chief executives of community regeneration agencies active in the city after a number had experienced funding and political difficulties.

In London, the Development Trusts Association (DTA) is an independent membership organisation formed by development trust practitioners. Established in 1992 with support funding from the Department of the Environment, it attracted Angela Monaghan from Business in the Community to be its Chief Executive and Mary Doyle, with a long background of community development in the North West, to become her Deputy. Between the two of them they have taken, with the support of two other members of staff, a fledgling intermediary organisation and have set about creating an organisation which covers England, Wales and Northern Ireland (Scotland has its own organisation). The DTA promotes community development trusts, provides support to newly formed organisations and represents the views and needs of its 150 or so members at regional and national level.

John Mathews, following a distinguished and eclectic career that included both Baptist priest and fund-raiser for a national charity, was appointed as Director of The British Association of Settlements and Social Action Centres. He and his staff have revitalised and redirected the organisation, which seeks to meet the needs of the settlements that have survived from earlier in this century and the more recently formed social action centres as they grapple with the new manifestations of poverty. And, finally, they have helped to build a cadre of consultants and advisers to meet the burgeoning needs of community-based social entrepreneurs and the organisations that they have established.

Beyond either internal or purely local external support are the plethora of membership and umbrella organisations and networks that have emerged within and around community action over the past two decades. Organisations - such as the National Council for Voluntary Organisations and the Charity Aid Foundation - increasingly provide the access point to professional advice and mentoring.

Many current organisations are not well-suited to serving the needs of community-based social entrepreneurs. Many of the support systems that social entrepreneurs tap into are designed for other purposes, often to provide general advice to voluntary and community organisations. Some have overlapping spheres of interest and it is difficult to know which to join. It can be expensive in time and money to participate in these organisations. Many in principle have an inclusive membership base, but they are rooted in a traditional voluntary sector approach and sometimes have been slow to recognise or understand the needs of new coalitions within their midst. Within such organisations, community-based social entrepreneurs can find themselves isolated.

Business is increasingly involved in community regeneration. The need to involve and integrate a number of strands of social policy within a single initiative has brought a larger number of stakeholders into play. The acceptance of the difficulty of bringing about substantial and lasting change in such areas as male unemployment, poor health and inter-generational poverty has put a greater emphasis upon creative and lateral thinking. The scale of investment and the search for sustainability have required the assembly of a range and depth of skills not previously recognised as essential.

This has coincided with a gradual but important shift within the business community. Run-down neighbourhoods are a drain on the economy, and generate neither skilled workers nor wealthy customers. However business is beginning to recognise that it has a vested interest in a healthy society and this has led to an understanding by some companies that they have responsibilities beyond those to their shareholders²⁸.

In the UK, Business in the Community has since the early 1980s spearheaded the commercial sector's involvement in community regeneration, with the active support of the Prince of Wales. Its aims are:

- ✓ to raise the quantity and impact of business investment in local communities;
- ✓ to increase the number of companies engaged in their local communities;
- ✓ to match business resources to community needs.

The willingness, or indeed ability, of business to help community-based social entrepreneurs is limited. Some community-based social entrepreneurs have strong political views and are not ashamed or frightened to let them be known. These views can be problematic for many businesses. More often, however, these views have a broadly antagonistic view towards mainstream politics *per se*, which can create a different type of problem in making a 'fit' between a community-based social entrepreneur and, for example, a manager from a blue-chip company. Too often, furthermore, the criteria set out by a company's charitable foundation do not embrace the types of ventures pursued by community-based social entrepreneurs *until* they have been proved a success. Seed support analogous to commercial venture capital is rarely forthcoming through the community programmes of most companies, although there are some notable exceptions to this, such as The Body Shop Foundation.

A few funders are willing to take the risk of supporting social entrepreneurs. There are a number of trusts that have given funding to individuals to innovate and develop their ideas. Many are focused around the arts, however, and there are fewer who invest in people with potential for social achievement. Most sources of funding are directed at the quality of the project, not the quality of the individual. There are, however, exceptions; The Joseph Rowntree Charitable Trust, for example, broke with their standard policy and supported Paul Ekins' work on sustainability, without an institutional base in recognition of his ability as a social entrepreneur. The Calouste Gulbenkian Foundation has provided similar support to John Pearce, a pioneer of community business.

Social investment seeks to bridge the gap between traditional grant subsidies for social initiatives and mainstream finance for commercial initiatives by providing finance for initiatives of social or environmental benefit which are able to achieve some return on capital. A number of sources of social venture capital now exist and provide an important source of finance for potential community social entrepreneurs. The UK Social Investment Forum is piloting an initiative in Bristol in which an alliance of social investors makes small-scale investments and provides management assistance to companies that meet social and environmental needs.

There is no clear strategy to invest in individuals to allow them to develop as individuals, as innovators and as leaders. Existing support systems, by and large, offer technical assistance designed to enable community-based social entrepreneurs to become more skilled as practitioners and better managers. They are rarely focused on innovation and frequently interpret leadership as meaning good management. Sometimes it is difficult for community-based social entrepreneurs to see the need for personal development programmes. They are self-reliant and frequently self-taught. They are also so fully engaged in making good the tears and holes in the social fabric that the thought of taking time out to think about either wider issues or the matter of personal competence is an anathema. For them life is a hand-to-mouth existence, a continuous process of development and implementation, within which there is not the luxury to be reflective.

However, it is important to invest in these valuable spirits. Not to invest will mean that eventually the reserves of energy, creativity and compassion will be used up. It is essential that community-based social entrepreneurs, for their own sakes and for the community in general, should be supported in gaining different and wider perspectives on the problems that they encounter. Their experience should be deepened by a better understanding of the context within which they are working. Their experience also needs to be brought to bear on

decision-makers and resource allocators, because it brings important messages and lessons from real-life situations. Community-based social entrepreneurs need to be thinking about how to move the agenda beyond the present and they need time to research and develop new ideas and approaches. They also need to learn from the experience of those that have gone before them and act as ambassadors for those who are to follow. They need to learn how to engage with the institutional sector without becoming incorporated, and to develop ways of being hard-headed managers and yet remain innovative.

It is in this context that community-based social entrepreneurs are most sadly let down by the existing framework. Grants and contracts are available for the delivery of services to others but rarely for personal development or for innovation. Universities and other higher education institutions run short and part-time courses for graduate and mature students. These can provide the space for reflection, a deepening of an individuals understanding or even an opportunity to change direction. However, universities are not by and large geared to community-based innovation and leadership.

Within the UK, there are few community leadership programmes. One of the most successful is sponsored by the London Housing Foundation and run by the Office for Public Management for the director and senior managers of organisations dealing with homelessness. There are none available for community-based social entrepreneurs as a class of individual.

Social entrepreneurs can make an enormous contribution to changing the quality of life in disadvantaged neighbourhoods. The need for their injection of creative energy has never been greater in the UK and elsewhere. The policies of the past aimed at securing a real improvement in the quality of life for all are failing. Public policy needs to recognise, legitimise and support community-based social entrepreneurs as being able to succeed where traditional, public and commercial (and even many non-profit) initiatives fail. Just as public policy recognises the value of commercial entrepreneurs, it also needs to recognise that community-based social entrepreneurs are central to the production of social wealth and social capital. They have the individual skill and motivational ability to strengthen communities and the organisations which serve them.

HRH The Prince of Wales was prescient in identifying, more than 10 years ago the value of the social entrepreneur. It was this understanding that then persuaded him to chair the Community Enterprise Awards. At that time, there was little understanding of the potential contribution that community-based social entrepreneurs could make to the quality of life in

disadvantaged neighbourhoods. Since then, the pioneering exploits of a few have given way to a forest of different initiatives. Now has come the time to harness this energy within a more coherent policy commitment.

Public policy needs to move from important but essentially passive recognition to active support for community-based social entrepreneurs. This will require first and foremost that policy makers understand the central characteristics of community-based social entrepreneurs and the contribution they make. From this comes an understanding that traditional forms of public provision will generally not offer the kind of support required. The following paragraphs outline a raft of proposals that have emerged over recent months from various individuals and organisations, that offer an insight into how best to bring about substantial change.

6.2 Building Pathways Towards Community-Based Social Entrepreneurship

Participation in community activity needs to be formally recognised and valued and supported. This will require a profound change of culture. Starting at the grass-roots level where the greatest potential for change exists, there are many practical support mechanisms that could have a significant impact upon the quality of life of individual social entrepreneurs and the people they work with. The path of an individual community-based social entrepreneur often crosses through periods of unemployment, training and education and ‘moonlighting’ as a social entrepreneur while in employment. It is at these intersections that support can be channelled to potential social entrepreneurs.

There is a need to recognise the contribution made by community-based social entrepreneurs who are unemployed or who are on means-tested benefits. At present, those who are unemployed and actively engaged in community activity face the daunting prospect of running or participating in valuable local initiatives while, at the same time, maintaining their *Jobseekers’ Allowance* status by proving that they are actively seeking employment. In addition, those who are dependent upon means-tested benefit are unable to earn above minimum thresholds without having those benefits withdrawn at an almost pound-for-pound level of ‘taxation’.

There is a need to create a mechanism that would allow those who are unemployed and are primarily engaged in community activity to ‘leap-frog’ the *Jobseekers’ Allowance* procedures. The recognition of the concept of ‘Active Citizenship’ would be an important step in changing the situation. There is a precedent in the arrangements which apply to those people who have

a long-term illness which incapacitates them for work. Those people who wish to apply for the incapacity benefit have to meet a number of criteria and those who are accepted are removed from the official unemployment register. In addition, the applicant is able to earn up to £46.50 per week without having his or her benefits withdrawn. A similar approach could be adopted for people engaged in 'active citizenship', although the detail of application would be different.

Thought needs to be given to supporting 'active citizens' entering into part-time or full-time education. The concept of life-time learning is welcome. But there also needs to be in place a system which does not penalise those 'active citizens' in the community wishing to add to their skill base and understanding through full- or part-time education. At present those in receipt of benefit have to run the gauntlet of complex procedures that often pose insurmountable barriers and result in loss of benefits.

Again, there are precedents that could help improve the situation. Individuals who participate in the *Training for Work* scheme are able to retain their entitlements to benefit while they are on a particular course. A scheme based on similar principles could be devised for 'active citizens' who are undertaking full- or part-time education. This would provide them with the means of consolidating their on-the-ground experience as well as providing a stepping-stone to further development.

The role of education in the community and the role of the community within education are areas of immense importance. Primary and secondary schools are important foci of energy, activity and concern. The school gate is a place for social interaction for parents and many children alike. Secondary schools, sixth-form colleges, colleges of further education and modular university degree courses need to be opened up to the possibilities of community participation.

Educational institutions also need to rethink their approach to meeting the needs of their communities. The local management of schools has enabled local primary and secondary schools to form themselves into clusters in order to meet the needs of their localities in a more responsive way. Others have made a commitment to becoming 'community schools'. Some tertiary educational institutions have established local consortiums to serve their areas. Some are developing local partnerships, designed to meet the need for personal development and technical and managerial skills within the community. These educational institutions are reviewing their courses and modules as well as the ability of students to mix and match; some

are designing programmes that can be tailored to the needs of the community and within which pathways can be shaped to the needs of individuals.

Many of the activities undertaken by 'active citizens' could be seen as legitimate preparation for work in the formal economy. They are highly service-oriented and involve the development of and application of skills which are relevant in other spheres. There is scope, therefore, to extend the National Vocational Qualification (NVQ) accreditation system to include the activities undertaken by 'active citizens' in running community based initiatives. The experience that they have gained in running meetings, advising and helping neighbours, managing accounts, negotiating with outsiders, resolving disputes, delivering services and other activities could be easily assembled into a portfolio that could be assessed within the criteria of NVQ Levels 1, 2 and 3.

It is essential to provide support to those volunteers in employment who are playing a role in supporting, or may themselves become, community-based social entrepreneurs.

It is from this group that, with proper support and encouragement, many of the future generations of community-based social entrepreneurs will emerge. Similarly, it is through this group that many existing community-based social entrepreneurs are supported.

This is an area in which the government needs to take an important lead. There should be a switch of resources and priorities in order to facilitate within the adult population a willingness to participate in rebuilding disadvantaged neighbourhoods and mending the fractures that exist within our own society.

Some companies positively support their staff becoming involved in community activities, as this provides a diversity and sparkle within the company. The Business in the Community's 'Seeing is Believing' programme for senior executives and the Professional Firms' Groups with its Area Focus Regeneration Initiatives are important steps on the way to creating a framework for building a more effective volunteering community, and a more transparent and encouraging pathway for those in employment to embrace the role of social entrepreneur within their own communities.

There is also scope to develop a complementary community volunteers scheme for young people. Already there is a small army of young people who befriend the elderly or those with disability. In addition, many students gain part-time employment looking after the disabled and the terminally ill. The Commission for Social Justice²⁹ advocates the concept of a voluntary citizens service for people aged between 16 and 25. The Labour Party is developing ideas for

youth volunteering linked in with the Millennium. The Prince's Trust has also been advocating more volunteering among young adults. Means need to be established that can bring these and other initiatives together

This , then, is the first raft of public policy proposals that would build a meaningful recognition of the importance and needs of community-based social entrepreneurship:

- ✓ The ***acceptance of 'active citizenship'*** as an alternative to the Jobseekers Allowance;
- ✓ The ***extension of the principles of the Training for Work scheme to 'active citizens'*** seeking to participate in full-time or part-time education;
- ✓ Making ***secondary and tertiary education systems alive to the potential of community action and participation;***
- ✓ ***Establishing courses*** specifically targeted to the needs of community-based social entrepreneurs;
- ✓ ***Building stronger pathways for volunteers to become and/or support community-based social entrepreneurs.***

These initiatives would help to establish multiple points of engagement with the community and would help individual and potential community-based social entrepreneurs to move from isolation into the relative mainstream. Engagement would also improve the prospect of community-based social entrepreneurs being effectively advised, counselled and mentored on what for many is a journey of self-discovery as well as a major contribution to our society.

6.3 Supporting Emerging Community-Based Social Entrepreneurs

Community-based social entrepreneurs have unique support needs. These are the people who will play a key role in establishing the shape of the community for the coming generation. These are the people on whose ideas and energy the health of tomorrow's communities will in some measure depend. We have identified in previous sections some of the key elements of assistance that these people need and want:

- ✓ ***recognition and status*** not merely for the individual's self-gratification, but as a means of leveraging support for their initiatives;

- ✓ **personal financial support** to release them from (or enable them to fulfil) institutional and personal responsibilities that otherwise would prevent them from pursuing their central vision;
- ✓ **peer group support** mechanisms for coming together with other social entrepreneurs - in the UK and possibly internationally - to share experiences and ideas and to work through particular problems and concerns;
- ✓ **mentoring** from individuals with practical experience relevant to their immediate and long term strategic needs, whether from the commercial, public-, commercial-, or non-profit sectors;
- ✓ **specific training** particularly in areas such as organisation development and finance.

The challenge in providing one or more of these elements of support is to design a means of delivering them that is sensitive to the ways in which community-based social entrepreneurs live and learn. It is unlikely, for example, that many of them would be interested in most of the existing courses in organisation development. Similarly, few of them would benefit from mentoring by managers who have a highly structured view of how things 'should be done'. The design of institutional frameworks that fit the needs of community-based social entrepreneur is not straightforward.

A growing number of initiatives emerging to support 'change-makers' are being designed by social entrepreneurs themselves, and by organisations that have a strong entrepreneurial character. Support for community-based social entrepreneurs is an imperative first step in building the capacity for effective community action. Support is also needed to help community-based social entrepreneurs develop their organisations. At present grants are available to support projects but not the social entrepreneurs and their emerging organisations that initiate and subsequently manage these projects.

The most difficult time of any new initiative is during its early years. Existing community regeneration agencies should be encouraged, and supported in their endeavour, to foster sustainable new organisations. Settlements, development trusts and churches can be proactive in their support for start-up enterprises. They would act as an incubation organisation providing accommodation, advice and the initial administrative and financial infrastructure.

They would be able to provide the local presence and substance which would help in attracting funds. They would provide comradeship for the first intake of staff and a focus for new volunteers.

We have outlined a number of these below, each of which seeks to address one or all of the needs set out above.

(i) *Andrew Mawson*, of the **United Reformed Church**, and **chief executive of the Bromley-by-Bow Centre, East London** has proposed a network of *Social Innovation Centres* that would support community-led innovations and therefore community-based social entrepreneurs. He proposes that there should be eight to twelve social innovation centres which would act as test beds for new ideas. These centres would be substantial agencies with extensive and successful experience of running projects and programmes. They would also need to develop strong and effective links with local users. These agencies would have four central functions:

- to serve the needs of their neighbourhood either through their own activities or through supporting or sponsoring those undertaken by other organisations in the locality.
- to be innovative in their own right, using resources - land, buildings, people and money - in different and new ways to tackle problems or meet new needs. They would be seeking to release hidden energies and potentials and explore more cost effective uses of public money.
- to establish the base for a longitudinal project to identify, test and develop new indicators of well being, value, social cohesion and change.

to pilot new initiatives developed by external agencies. They would be a test bed for action research for new projects set in a known environment where both delivery agencies and users would be experts.

(ii) **Business in the Community (BITC)** has developed proposals that envisage the creation of a fellowship scheme for the next generation of community-based social entrepreneurs. Under the BITC proposals up to 100 community-based social entrepreneurs would be selected annually- for three years - and the successful candidates would be supported over a 12 month period. Of particular importance in this approach is that fellows would be brought together to share common experiences and solve common problems. A

further key element would be mentoring. One of BITC's unquestionable strengths is its ability to draw on its membership network, that broadly includes many of the largest and most important companies operating in the UK. Fellows would be helped to access these business networks for general advice, and possibly even specific support. The fellowship would also include an individually tailored programme of training and secondment and would include a study tour either to the USA or within Europe.

(iii) *Bryn Higgs* has set up **Community Catalyst**, which works with community-based social entrepreneurs who are setting up new projects which are run by, or actively involve, homeless people. It addresses some of the problems that Bryn and Tom had in setting up the LATCH self-help housing project in Leeds by providing advice, assistance and training to people as their projects get off the ground (see page 42). Catalyst also helps emerging social entrepreneurs in securing outside funding and negotiating with local councils. Catalyst's involvement lends credibility to the young, homeless and excluded emerging social entrepreneurs who have no track record of success.

Catalyst is also developing three initiatives to assist social entrepreneurs, in addition to the direct project support it provides:

- It is developing a pool of office equipment for use by social entrepreneurs starting new projects which are often hindered simply by lack of a telephone or a computer.
- Catalyst is setting up a Local Exchange Trading Scheme between projects, to enable skills and training to be exchanged between community groups, particularly from the more established to those just starting out.
- A participant-centred evaluation scheme is also being established to enable social entrepreneurs to measure and demonstrate the impact of their projects on their own and their communities terms.

Although Catalyst focuses on social entrepreneurs in the field of homelessness, Bryn sees it as the first 'cell' in a flexible organisation of similar projects which assist social entrepreneurs in other fields.

(iv) *Lord Young* at the **Institute of Community Studies** in London has for the last 18 months been developing proposals for a school specifically devoted to the needs of emerging social entrepreneurs. Working with the Open University (OU) and a wide range of voluntary,

public- and health-sector organisations, the school would offer a one-year course with four main elements. The first would be an intensive induction programme then a nine-month internship with one of the participating organisations. The second is that, during this period of internship the student would explore and develop a selected innovative issue. The third element of the course would be for the student to participate in the OU Business School's course in voluntary sector management. Finally the students would learn from each other, as a consequence of participating in a network comprised of current and former students.

(v) The **New Economics Foundation** (NEF) working in partnership with McKinseys management consultants and Ashoka, has also developed proposals to support emerging community-based social entrepreneurs, specifically those with ideas that have potentially 'agenda-changing' significance. The scheme focuses on providing quality support for up to 10 individuals per year over a three-year period while they develop their ideas through to implementation stage. The support would take a number of forms. Successful applicants would be awarded a bursary, receive personal mentoring and assessment, have access to nation-wide experience in community organisation and alternative finance mechanisms through NEF's networks and own institutional capacity, and have access to Ashoka's world-wide network of successful social entrepreneurs.

In addition to this initiative, the New Economics Foundation is developing, in conjunction with the Neighbourhood Initiatives Foundation, Birmingham Settlement and People for Action, training courses in the area of community economic action that will focus on building skills for community-based economic enterprise.

6.4 Next Steps

The significance of the initiatives described in the previous section is that they have all been designed by social entrepreneurs, for social entrepreneurs. They all address the needs that have been identified by community-based social entrepreneurs and have drawn lessons from the best-practice international experience in them.

The current initiatives are dependent upon fixed term funding. Existing charitable foundations working in partnership with the community and with the support of matched funding from central government should join together to consider establishing a national development fund to support community-based social entrepreneurs.

Each of these initiatives seeks to address the needs of community-based social entrepreneurs not addressed through existing provision. More often than not, this involves a recognition of the centrality of the individual and the organisation in the developmental process, rather than simply the *project*. It involves institutional arrangements that can effectively mould themselves to the needs of leaders, who are often suspicious of institutions, and who by their pioneering nature will have support needs that cannot be met by off-the-shelf solutions.

It is these sorts of initiatives, that draw on and go beyond current best-practice community development both nationally and internationally, that should be supported by public and private institutions seeking innovative approaches to community revival. It is these sorts of initiatives, within a conducive public policy framework, that will offer the best chance of identifying, encouraging and making effective this country's community-based leaders. Specifically, it is through supporting such leaders that practical ideas for creating sustainable communities can be nurtured for the future.

About the New Economics Foundation

The New Economics Foundation (NEF) is an independent research institute based in London.

The New Economics Foundation believes that there *are* alternatives to rising poverty, choking pollution and community breakdown.. NEF develops and promotes practical and creative approaches for a just and sustainable economy which works *for* people and the environment. Its recent work includes:

- Helping to introduce Local Exchange Trading Systems to the UK
- Working with local communities to develop indicators to measure quality of life which challenge conventional economic wisdom about wealth and progress
- Pioneering, with others, the recent developments in social auditing, to allow organisations to measure, report on and improve their own social performance.
- Publishing 'Community Works!' a do-it-yourself guide to local community economic action.

About the Authors

Stephen Thake

Stephen Thake is a Senior Research Fellow in the School of Policy Studies at the University of North London. He specialises in urban change in the UK and Europe and much of his work has focused on developing the policy framework and agenda for the emerging community sector.

He also has practical experience of being a change-agent, first at the Greater London Council, where he helped to bring its housing programmes under control and subsequently at UKHT, a major social housing provider. At UKHT he helped change the face of new build housing by pioneering multi-tenure, mixed use developments. UKHT developed the first practical approaches to implementing area-based holistic regeneration strategies and also partnered the City of Sheffield to build 2,000 homes outside the constraints of central government control.

He is the author of 'Staying the Course' funded by the Joseph Rowntree Foundation, which outlined the structures of community regeneration organisations. He is currently developing a follow-up benchmarking programme also with support from Joseph Rowntree Foundation designed to enable 20 established community based regeneration agencies to achieve financial and organisational sustainability.

Simon Zadek

Simon Zadek is the Research Director of the New Economics Foundation. He is responsible for leading research which develops and tests new ideas that put the concept of a just and sustainable economy into practice.

Much of this work has centred around research into new ways of measuring and improving the social and environmental performance of organisations, companies and economies. He has developed research into '*Value-Based Organisations*' which considers the dilemmas and opportunities facing organisations with ethical, social and environmental values. He has also worked on the NEF's programme to develop and encourage the adoption of *new indicators* at a local, national and international level which measure real progress towards sustainable development.

He has pioneered the process of 'social auditing' which has emerged from these two strands of work and is a method which enables companies and organisations to measure and improving their own social and environmental performance. This work was initially pioneered with fairtrade companies, co-operatives and companies with an alternative, ethical image. However it is now being taken up by the mainstream. Simon represents the New Economics Foundation on the Institute of Social and Ethical AccountAbility; the international professional body established to set standards and accreditation procedures for social auditing.

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