



RETURN TO THE TRUE ORIGINS OF THE THIRD SECTOR MAKES REDUNDANT THE CONCEPT OF SOCIAL INNOVATION

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Order of Presentation

- Neglect of earlier antecedents from the 1970s onwards has miscast role of social enterprise and undermined the legitimacy of earlier socially innovative third sector organisations.
- Difficult to grasp scale of post “Golden Age” 1970s and 1980s deindustrialisation which in UK produced a proliferation of community responses and Regulationist Approach in France
- Many current academic contributions on social innovation overlook essentially innovative third sector structures during the 1970s and 1980s, many of which have been more recently been “colonised” by academic discourses for conversion into vehicles for low cost public service delivery
- Marketisation of third sector to accommodate second age of deindustrialisation and job losses.
-  third sector now marketised so that social innovation now a sticking plaster

Anglo Saxon Approach: Community Responses

- “By the end of 1980, the UK’s total output of manufactures had fallen back to the level achieved in 1967 and the volume of production of many individual industries was back to the 1950s. Employment in most was back to the level of the 1940s and some to levels not experienced since before the Second World War” (Cripps 1981).
- Confronted by scale of problems, many local community structures had no alternative but to be innovative.
- Wide survey of structures across the UK, Gostyn et al described “established community/voluntary organisations establishing commercial subsidiaries, generally take the form of companies limited by guarantee or companies which are limited by shares, with the shares wholly owned by the host organisation”. (Gostyn ... Community Ventures Business Unit, 1981)

Response: 1970s and 1980s UK Community Structures

Before MSC and local authority funding in 1980s, most socially innovative emerging structures across the UK were supported by the Calouste Gulbenkian Foundation (Hewison & Holden, 2006; Thomas, 1996) to become established in local communities.

“The greatest need is to get institutions of all kinds to think about their relationships with local neighbourhoods and how they need to amend their approaches in order to support community based initiatives” (Knight & Hayes, 1981, p.vi)

“The information service of the London Voluntary Service Council conducted a postal survey of employment projects in London in the summer of 1981 and found 130”. (Knight & Hayes, 1982, p.10)

Anglo Saxon and French Responses

“The British division of the economy into private, public, and voluntary had a different expression in France. Public and private were similar. However, instead of ‘voluntary sector’, the term used was ‘social economy’. This social economy, called the ‘third sector’ in the Ninth Plan (1986-89), included ‘associations’, ‘cooperatives’, and ‘mutualist’ entities. One estimate was that 1.5mn people worked in the social economy” (Knight, 1993, p.251)

Differences between Anglo Saxon and French approach:

“To many writers, in France but also elsewhere, the concept is placed within a left-wing ideology, either explicitly or implicitly. Social innovation privileges the non-institutional, the ‘alternative’ and the ‘marginal’.”

(Godin, Benoit, 2012, p. 40)

CIRIEC and EMES

- UK academic agenda now dominated by EMES (Emergence of Social Enterprise) focus on narrow marketised part of the social economy
- Social enterprise defined by UK Government and others in market and business terms represents only a portion of wider social enterprise community
- “The conceptualizations of academics limit themselves here to the comparison of the social economy advanced by CIRIEC (Chaves and Monzon) with the social enterprise´ proposed by the research network EMES (Borzaga, Defourny and Nyssens)..... According to the proposed analysis, the conceptualizations of the European Union and its various bodies will tend in the direction of the social enterprise rather than that of the social economy, even if these conceptualizations are considered evolutive”

Role of Third Sector

“According to the approach used by Levesque et al. (1999), there exists a ‘third sector’, different from the traditional public ‘general interest serving’ and the private market sectors, that combines: formal and informal elements at the level of organisation (market, state, volunteering, self-help and the domestic economy), market and nonmarket-oriented production and valorisation of goods and services, monetary and non-monetary resources at the level of funding”
(Moulaert and Ailenei, 2005, p. 2042)

Mayer (Mayer, 2003, p. 124) “third sector and social economy programmes that aim to compensate for the simultaneous fragmentation of the traditional structures of market and state”.

Pierson (Pierson, 1996, p. 151) “maturing social programs develop new bases of organized support that have substantial autonomy from the labour movement.”

Narrow Remit of EMES Work Integration Social Enterprise

- “WISEs may want to select those job seekers who are easiest to place in order to increase their measurable performance. People at the greatest remove from the labour market may thus be left out in the cold. Incentive contracts or performance-pay subsidies may induce some WISEs to provide little assistance to those with either insurmountable or high barriers to obtaining work, or who have little likelihood of achieving payable outcomes” (Gianfaldoni & Morand, 2015, p.216)
- “although the outcome of whether an individual gets employment or not after the training programs is relatively easy to measure, this research shows that adding the client perspective allows us to determine the softer outcomes, such as of building social networks, increasing self efficacy, that make it easy for immigrants to settle in their host countries” (Walk ... Handy, 2015, p.239)

Differences between UK and France

- Significant difference in the history of the Regulation Approach in France. While in 1981, Aglietta, Boyer, Coriat and Lipietz became advisers to a Union to la Gauche Government in France, in 1983 a Labour Government with a similar manifesto (Labour Party, 2003) was heavily defeated.
- While the Mitterand Government “pursued old-style Keynesianism in one country (a return to an already exhausted mode of regulation), together with a more productivist restructuring programme to make French industry more competitive, based on technological modernisation” (Jessop, 1997, p. 509)
- Overwhelmed by Reagan and Thatcher, the UK Labour Party then headed in the direction of “market socialism” (LeGrand and Estrin, 1989).

French Approach

Moulaert and Ailenei - “the goal was to establish a collective well-being and recreate social bonds between the people within their communities” (Lipietz, 2003) and the need to “seek solutions for the crisis of employment by the creation of entreprises d’insertion and of worker-owned co-operatives” (Mellor et al., 1988)

“This theoretical agenda found its political expression in an alternative economic strategy for France that could be pursued by a relatively autonomous state in order to promote a new class compromise and new structural forms and norms of production and consumption appropriate to the new economic circumstances” (Jessop, 1995, p. 504)

Third Sector Policy Drivers and Agents of Government Policy

For the wider voluntary sector, the Wolfenden Committee on the Future of Voluntary Organisations in 1977 reported on a substantial number of voluntary and community structures: Brandsen et al (Brandsen, Kendall et al. May 2008) describe Wolfenden's Report as "a turning point in a number of senses", including its "justification for strengthening a horizontal policy architecture centred on the idea of 'intermediary bodies' at the local and national levels".

Rochester reports (Rochester, 2013, p. 49) that as early in the process as 1981, a working party on 'Improving Effectiveness in Voluntary Organisation', set up by NCVO and chaired by the management 'guru' Charles Handy, pointed to the need for the sector to embrace the management practices of business and led to the establishment by NCVO of a Management Development Unit (National Council for Voluntary Organisations, 1981).

Deakin Commission and Concordat

- Before New Labour in 1997, because Thatcher and Major Conservative Governments were wary of further involvement in the voluntary sector, National Council of Voluntary Organisations itself took the initiative to set up a Commission on the Future of the Voluntary Sector under Nicholas Deakin (Deakin 1996).
- Commission key recommendation was a Concordat between the voluntary and community sector and Government, which later formed a basis for New Labour's channelling increased funding into the sector "by recommending that partnership could actually be operationalised through a Concordat between the third sector and the state" (Kendall, Knapp 1995). New Labour built on this.

New Labour Developments

- Social enterprise and third sector structures now provide platforms for the implementation of “roll out neoliberalism”, especially during the 1997 New Labour administration (Peck and Tickell, 2002b).
- By the time of the Department of Trade and Industry’s social enterprise definition as “a business” in 2002 (Department of Trade and Industry 2002) much third sector territory had been completely transformed. This process was completed by the Treasury’s Cross Cutting Review (HM Treasury, 2002).
- Osborne and McLaughlin argue (Osborne and McLaughlin, 2004, p. 580) that the Review “encapsulates a future for a targeted part of the VCO (Voluntary and Community Organisation) sector as a professionalized and modernized service delivery agent for local public services, within a new agenda for the government of selective engagement with these targeted VCOs”.

EU Social Innovation – from utilitarian interpretation

“new barriers to social innovation emerge when considering a systemic approach — the approach that aims to reshape society towards greater empowerment and participation.

“The first such barrier is an administrative culture that is still rooted in a top down approach whereby policies are designed and tested at the political level, then applied and used at the citizens’ level. Only the failure of a policy leads to its revision. Another such barrier lies in a general culture that views the solution to social demands as a prerogative of public institutions, thereby giving only a passive role to citizens, stakeholders and users, who thus are not involved in defining and designing social policies”

EU Commission Speak

“it is tempting to see Social Innovation policy discourse not so much as ‘an ideological reaction against an economistic and technologist view of socioeconomic and socio-political development’ (Moulaert et al., 2013: 14–15) but rather as a discourse that is largely in line with contemporary neoliberal hegemony (see, for example, Peck and Tickell, 2002)”. (Fougere, Martin et al., 2017, p. 2)

“This project of course entails a move to self-governing citizens who are responsabilised for different social risks they may face, related to for example health or unemployment (it is up to citizens to make sure they remain employable so there is no need for a too demanding law on job security).The clear UK origins of this policy discourse, which we have exposed here, are only alluded to in the EU documents, which reinforces the suspicion that the aim is to normalize neoliberalism and neoliberal governmentality through elements of all three moments of neoliberalization” (Fougere, Martin et al., 2017, p. 17)

EU Commission Speak II

“Such measures have weakened key sectors of the welfare state during a period of economic distress that demanded stronger social protection. Therefore, the promotion of ‘innovative forms of solidarity’ at the community level is simply not enough. Instead, a strengthening of institutional responsibilities to society’s weakest members stands essential in combating new forms of poverty and social exclusion”
(Nanni, 2014).

“To conclude, we do not consider social innovation per se able to substantially tackle pressing social needs. Rather, the all-innovating and self-empowering jargon currently in vogue might disguise a dangerous inattention to structural inequalities, adversely affecting health outcomes across the board, but especially of the poorest”
(Ferragina & Grisolia, 2015, p.9)

Conclusion

Berkhout gives a description of how social innovation now works in practice (Berkhout, Remko, 2014)

“And so the social innovation community gets busy devising ingenious volunteering schemes in hospitals and facilitating communities to re-organize their depleted assets”. Scaling up is the problem (Berkhout, Remko, 2014) He continues “little deep digging is happening in the social innovation world to get at the underlying factors that perpetuate inequality and plunder the planet”.

In UK most social enterprises and third sector organisations not formed to operate in a fully marketised economy as public service deliverers

Social innovation now a sticking plaster for market economy and severely limited.

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Thank you

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