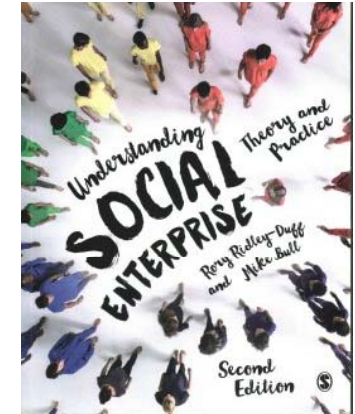


# Developing *socially* enterprising, critical thinking students from academic theory to practice



**Developing Social Entrepreneurs in UK Higher Education**

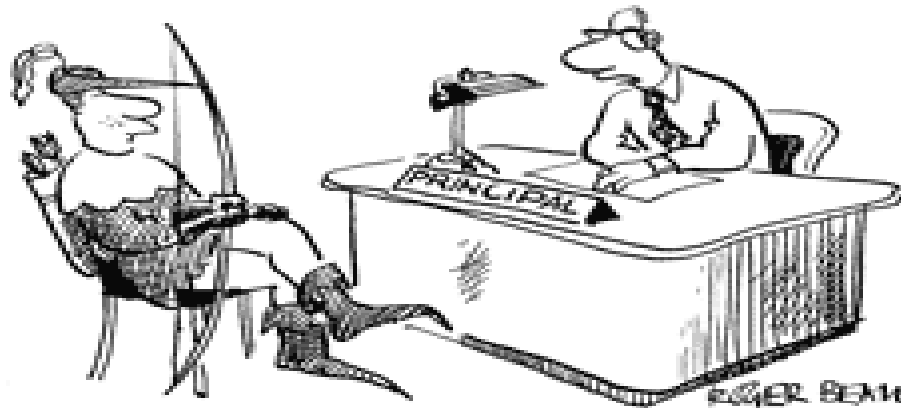
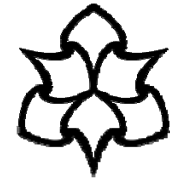
**Dr. Mike Bull**

**Dept of Strategy Enterprise Sustainability**

**Manchester Metropolitan University Business School**



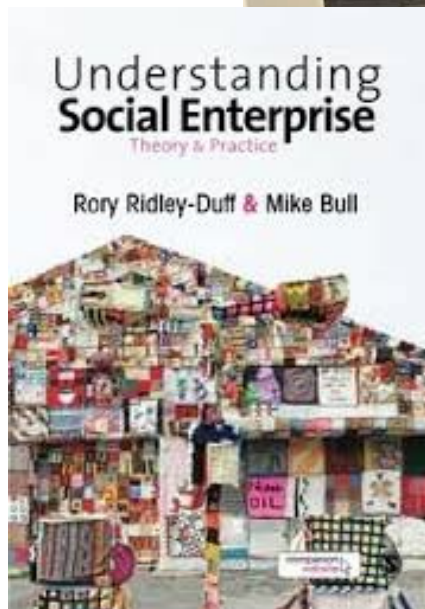
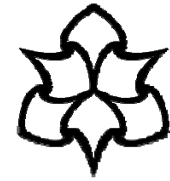
I'M AFRAID OUR 'SOCIAL ENTREPRENEUR' COURSE  
DOESN'T COVER ROBBING THE RICH TO FEED THE POOR



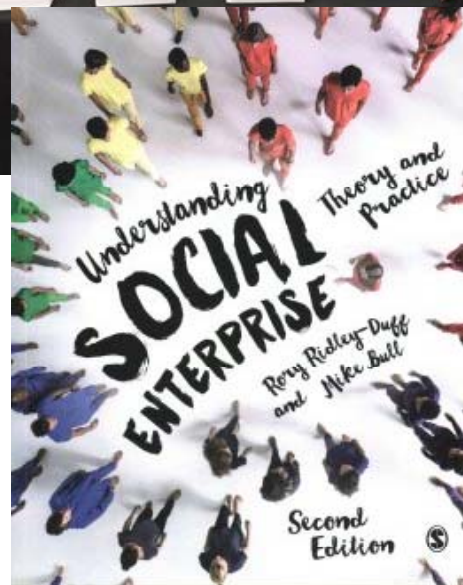
## Outline

- A decade of teaching
- From 1<sup>st</sup> year to Masters
- A journey from Friedman to Stacey
- Developing *socially* enterprising, critical thinking students from academic theory to practice

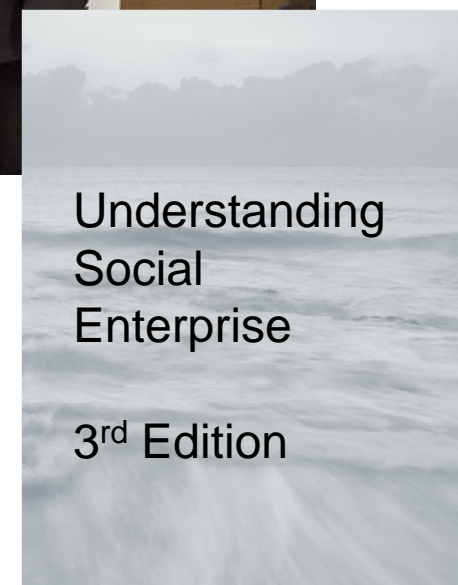




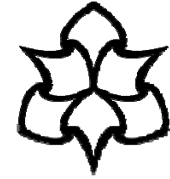
2011, 2013



2016



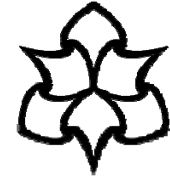
2019



## Understand Social Enterprise: Theory & Practice

- An important contribution to social enterprise scholarship that is also of considerable interest to practitioners and policy makers.
- *Alex Nicholls, Professor of Social Entrepreneurship, Saïd Business School University of Oxford*
- This book is a must read for scholars, practitioners, and students of social enterprise and/or social entrepreneurship to understand the theoretical, managerial, and practical complexities these firms embrace to achieve success.
- *Patsy Kraeger ISTR & John Hopkins University*
- It is a wonderful book which summarizes recent pieces of knowledge in a very constructive and innovative way.
- *Professor Dieter Bogenhold Sociology, University of Klagenfurt*





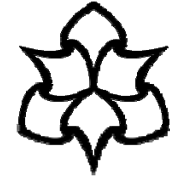
## **Journey – A Decade of development at MMU**

- 2007 – Final Year **Social Enterprise** (40 students)
- 2010 – 2<sup>nd</sup> Year **Business and Sustainability** (100 students)
- 2010 – Final Year **Entrepreneurs, Business & Society** (50 students)
- 2012 – 2<sup>nd</sup> Year **Responsible Business** (500 students)
- 2016 – 2<sup>nd</sup> Year **Responsible Enterprise** (500 students)
- 2017 – Masters **Critical Management Studies** (20 students)









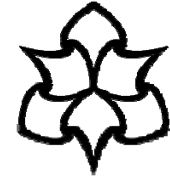
## Friedman v Freeman

*‘There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within **the rules of the game**, which is to say, engages in open and free competition without deception and fraud.’*

*(Friedman, 1970)*

Keller (2007) suggests this attitude has left society with a negative ethical base – no consideration has been given for the social costs of private enterprise.



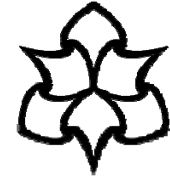


## Freeman (2017)

- The New Story of Business: Towards a More Responsible Capitalism
- The old story – the dominant narrative
  1. Business is about making money, as if it's the only thing that matters
  2. Shareholders are the only ones that matter
  3. We live on a planet with limitless resources
  4. People are self-interested – will lie, cheat to prosper
  5. People are competitive and greedy



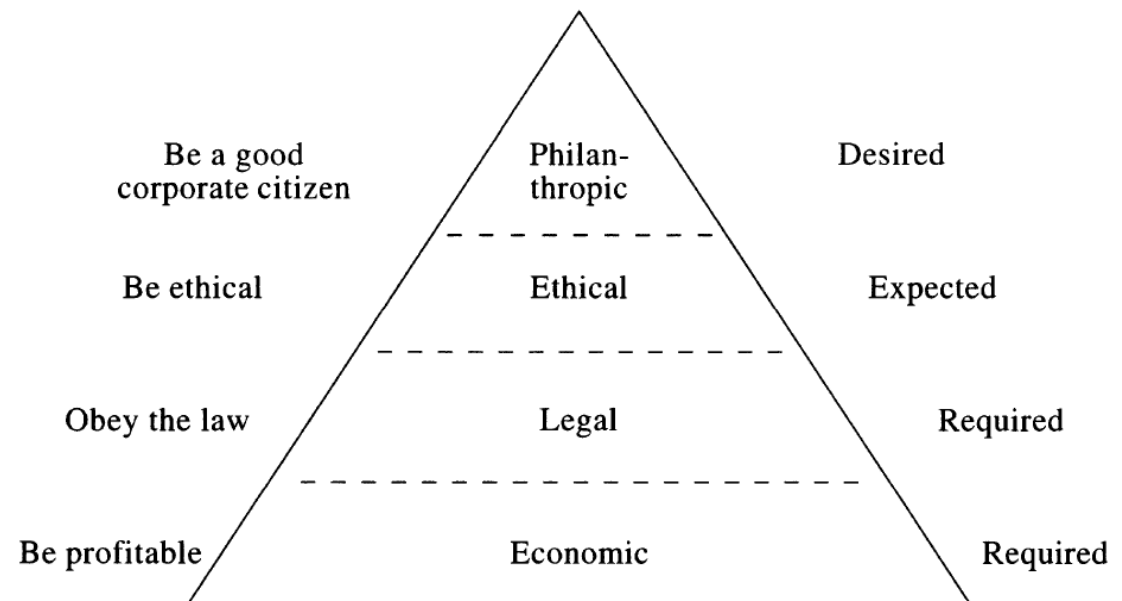


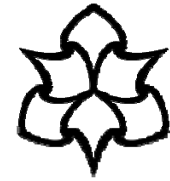


## Current ways of 'doing' business

- Is it bottom of the pyramid ?
- Or a journey to Responsible Business ?
- Is the top of the pyramid philanthropy ?
- Charity – giving *some* profits away ?
- Required
- Expected
- Desired

**Carroll's (1991) Pyramid of Corporate Social Responsibility**





## The Story of Stuff



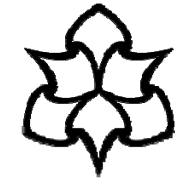
Story of Stuff

Share This!

Tweet This!



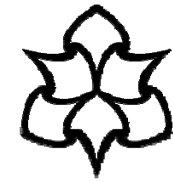
From a Movie to a Movement



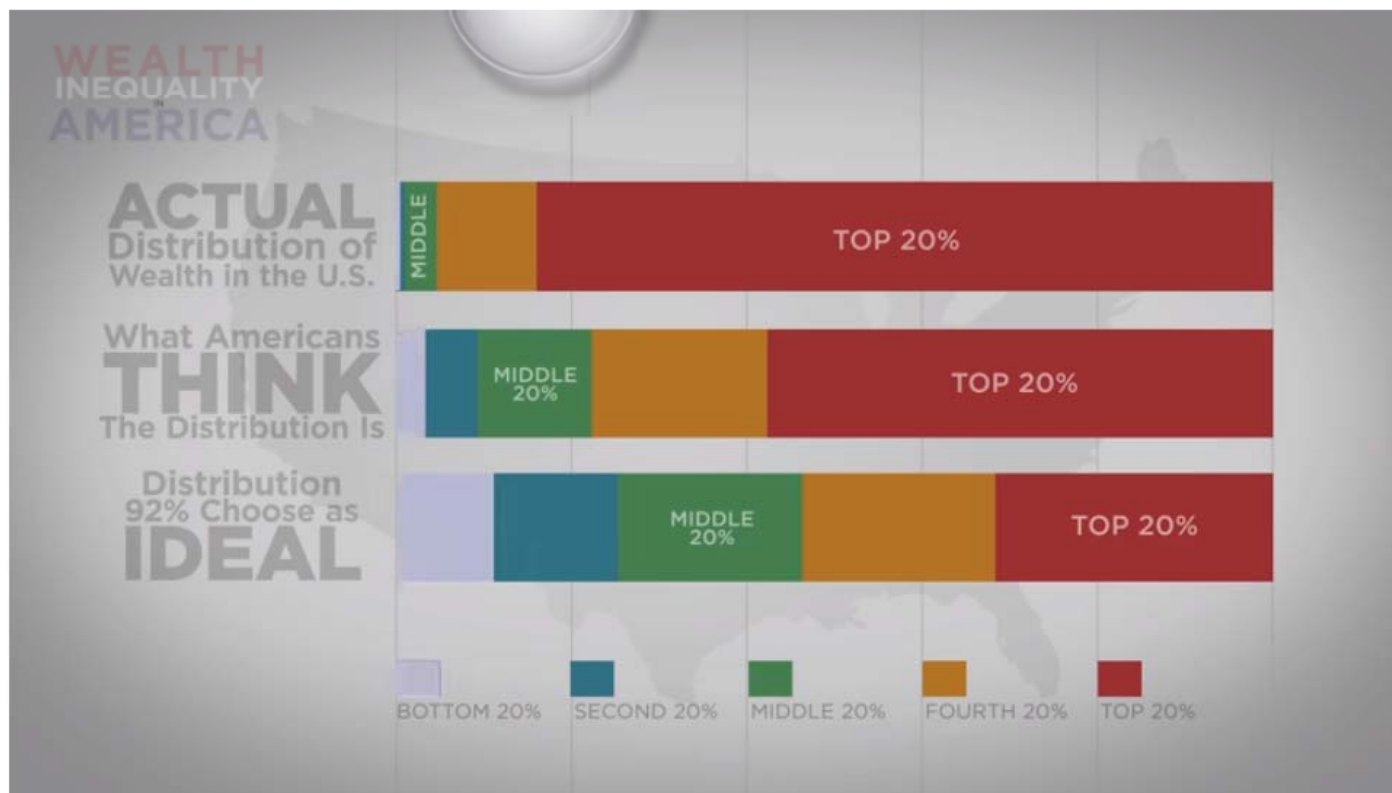
## UN Sustainable Development Goals







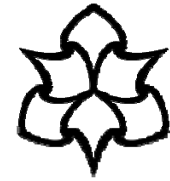
## Wealth inequality



Wealth Inequality in America

21,571,710 views

160K 13K SHARE SAVE ...

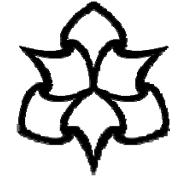


## From Shareholder to Stakeholder Theory? Has Adam Smith been mis-read?

From “*The Wealth of Nations*” to “*The Theory of Moral Sentiments*”

The first theme in *The Wealth of Nations* is that **regulations on commerce are ill-founded and counter-productive**. Smith’s third theme is that **a country’s future income** depends upon capital accumulation. **The more that is invested in better productive processes, the more wealth will be created.**

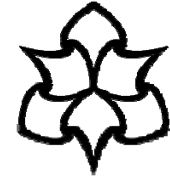
Virtues. Smith ends *The Theory Of Moral Sentiments* by defining the character of **a truly virtuous person**. Such a person, he suggests, would embody the qualities of prudence, justice, beneficence and self-command....**Prudence moderates the individual’s excesses** and as such is important for society. **Freedom and nature, Smith concludes, are a surer guide to the creation of a harmonious, functioning society.**



## Freeman (2017)

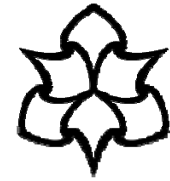
- The New Story of Business: Towards a More Responsible Capitalism
- The new story...
  1. The unit of analysis is stakeholders not shareholders
  2. Stakeholders are inter-dependent – whole system
  3. Trade-offs are failures of creativity – collaborative solutions are required
  4. Purpose, values & ethics must be embedded in businesses – social enterprises are working at this
  5. Business exists in a physical world - finite resources
  6. People are complicated – and can resolve complex problems - social entrepreneurs are people working on solutions





## Freeman (2017)

- The New Story of Business: Towards a More Responsible Capitalism
- Towards a more Responsible Capitalism...
  1. Principles of responsibility – responsible businesses
    - a) Respect people, planet, ethics at the same level as profits
    - b) Think purpose front and centre
  2. We need competition, not monopolies – relationships/partnerships
  3. The role of government is key in facilitating rights



## The Story of Solutions

THE STORY OF  
**STUFF**  
PROJECT

ABOUT ▾

MOVIES

TAKE ACTION ▾

RESOURCES ▾

BLOG

DONATE



The Story of Solutions

Share This!

Tweet This!



From a Movie to a Movement

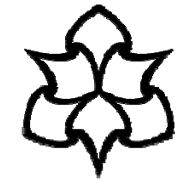
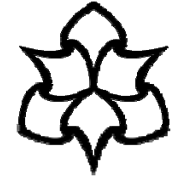


Image Source: <https://socialenterprise.us/about/social-enterprise/>

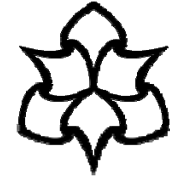




## Responsible Enterprise or Social Enterprise?



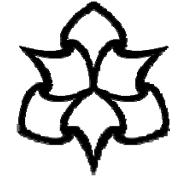
**Appreciating typologies and hybridity**



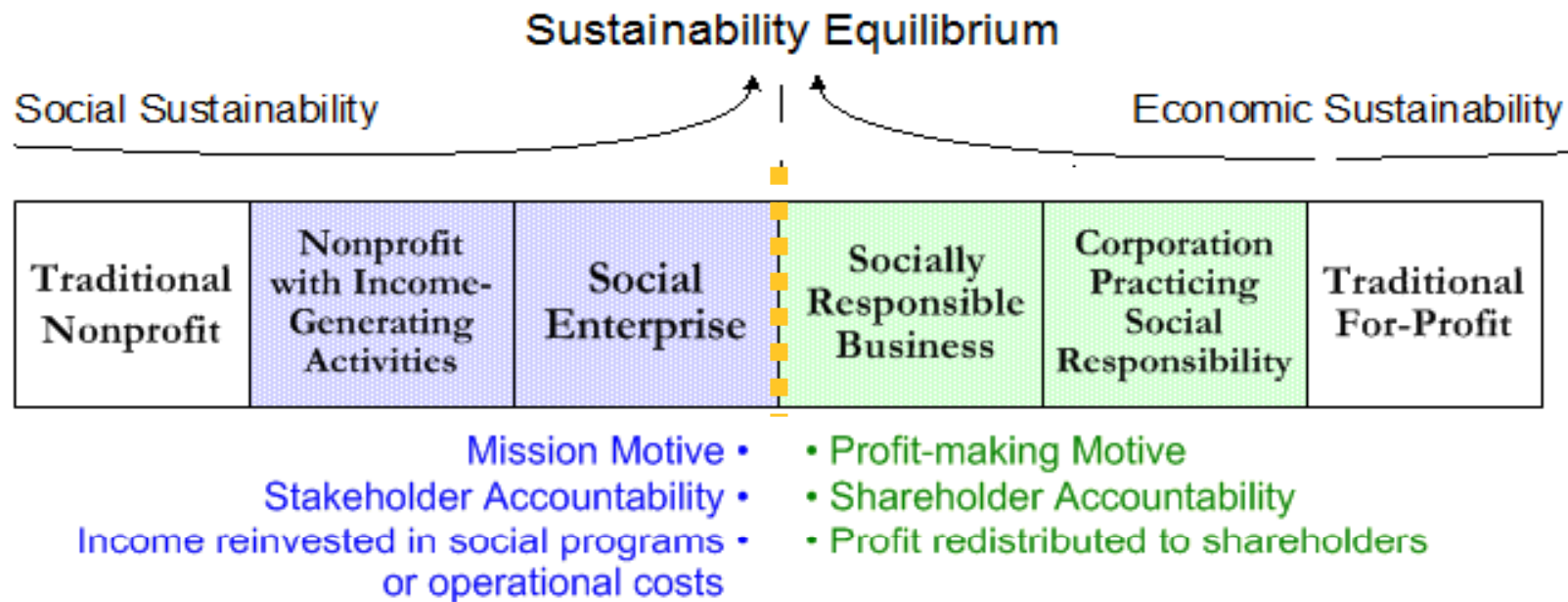
## Defining Responsible and Social Enterprise ?

- "Social enterprise: A strategy for success" (Department of Trade and Industry, 2002).
- *"A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners" (p. 7).*

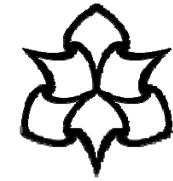
Social enterprise is about redressing the balance... The average pay ratio between social enterprise CEO pay and the lowest paid is just 3.6:1 – for FTSE 100 CEOs, this ratio stands at 150:1.



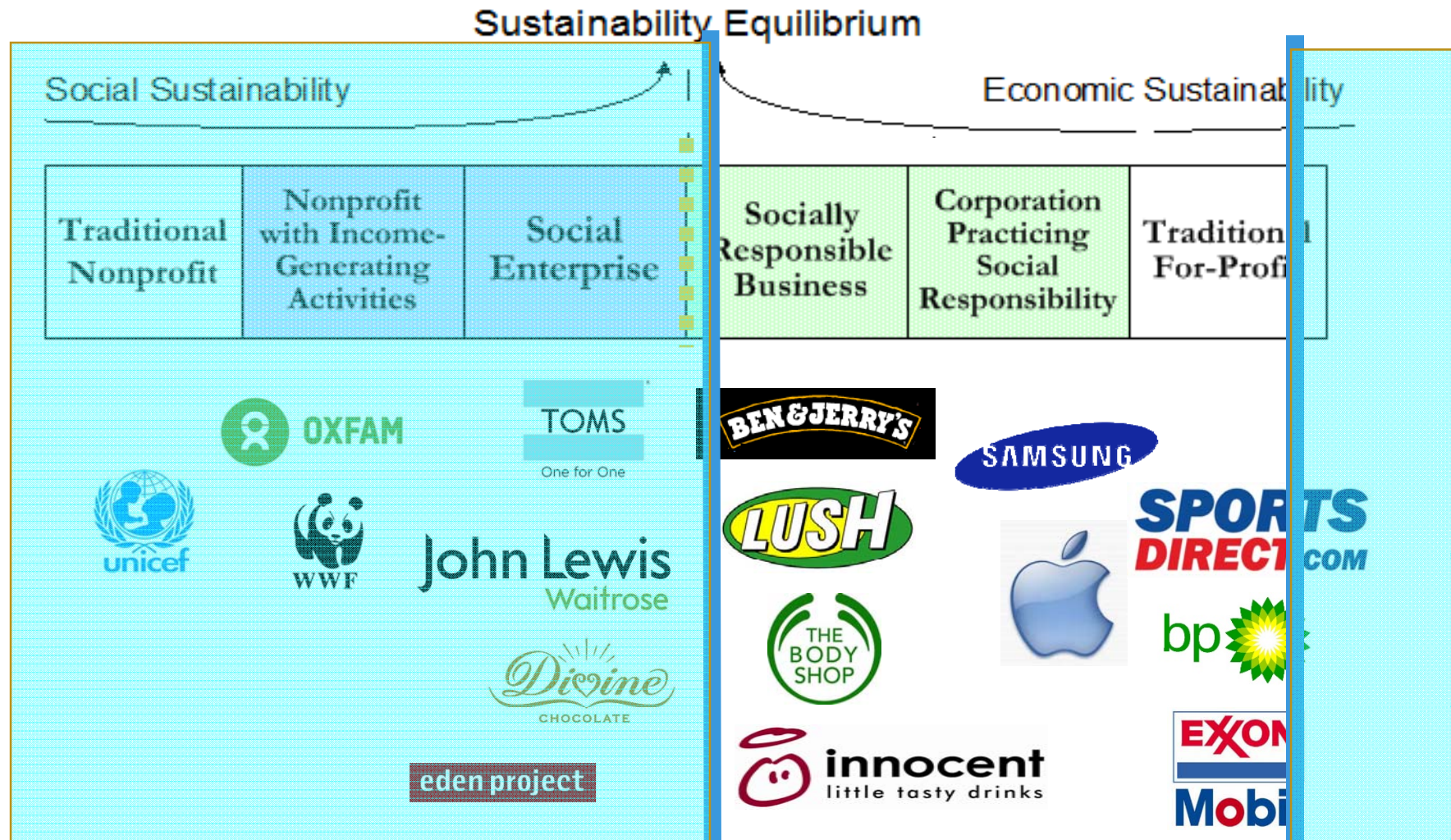
## Alter (2007) Sustainability Spectrum

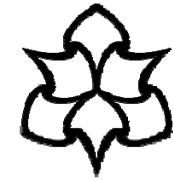




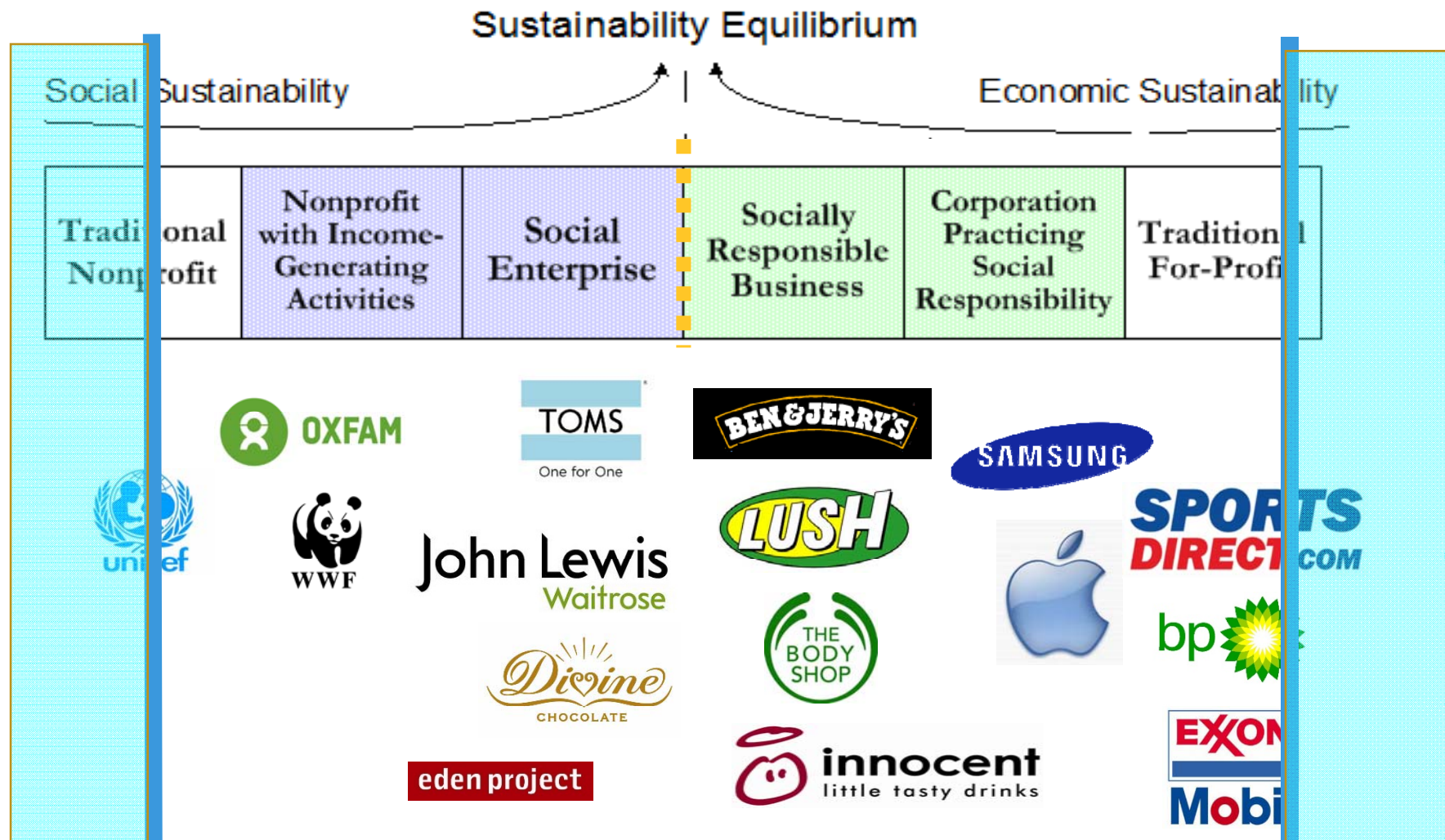


## Responsible Enterprise? Conventional view?





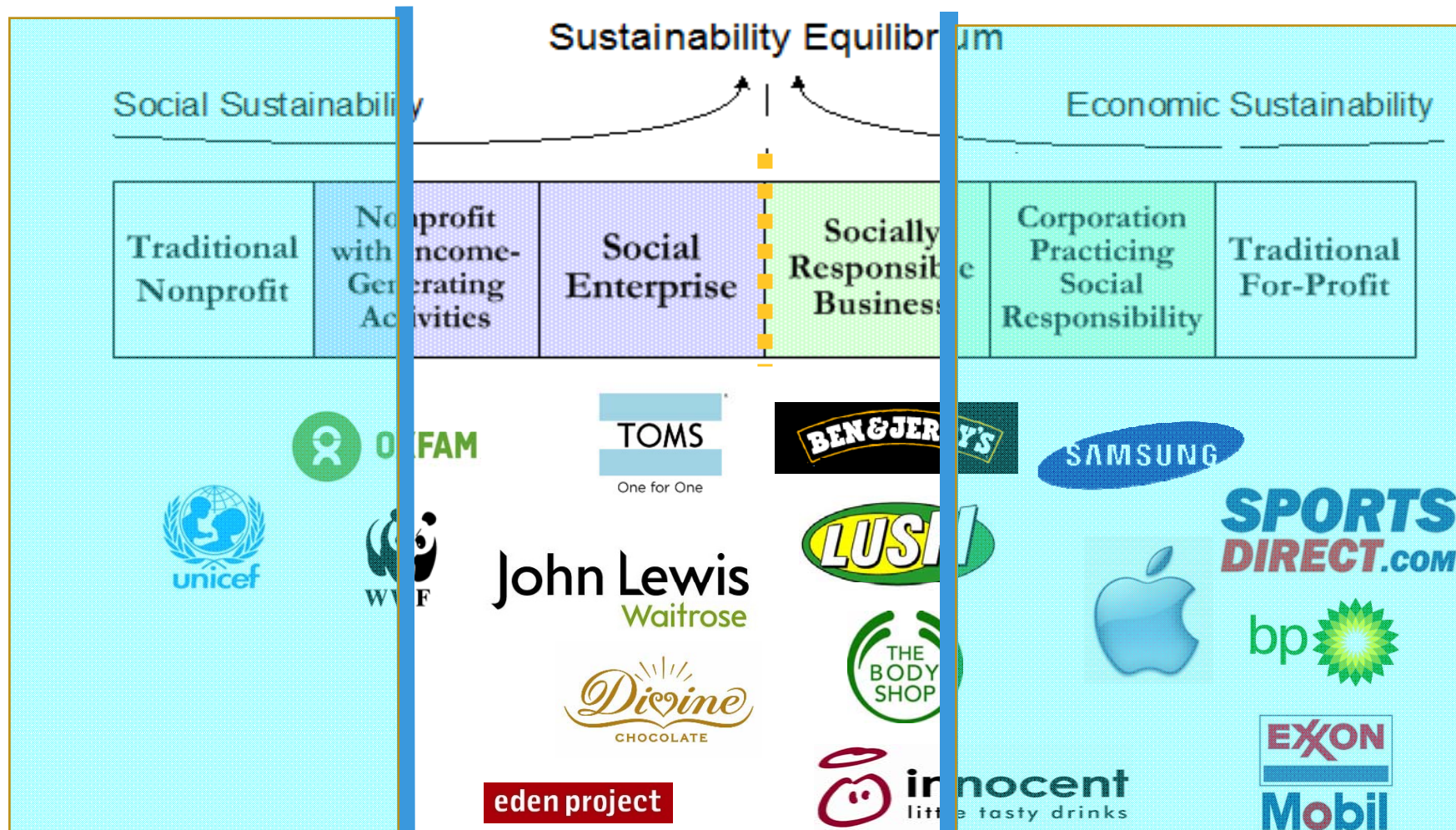
## Responsible Enterprise? Broad view? (inclusive view)







## Responsible Enterprise? Radical view? Or not radical enough?





Two types of social businesses that would end poverty

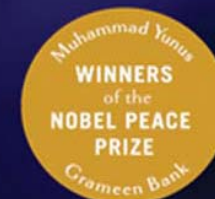
Type 1: A profit driven business where the profits are reinvested in the business

Type 2: A profit driven business which is owned by the poor

MUHAMMAD  
YUNUS

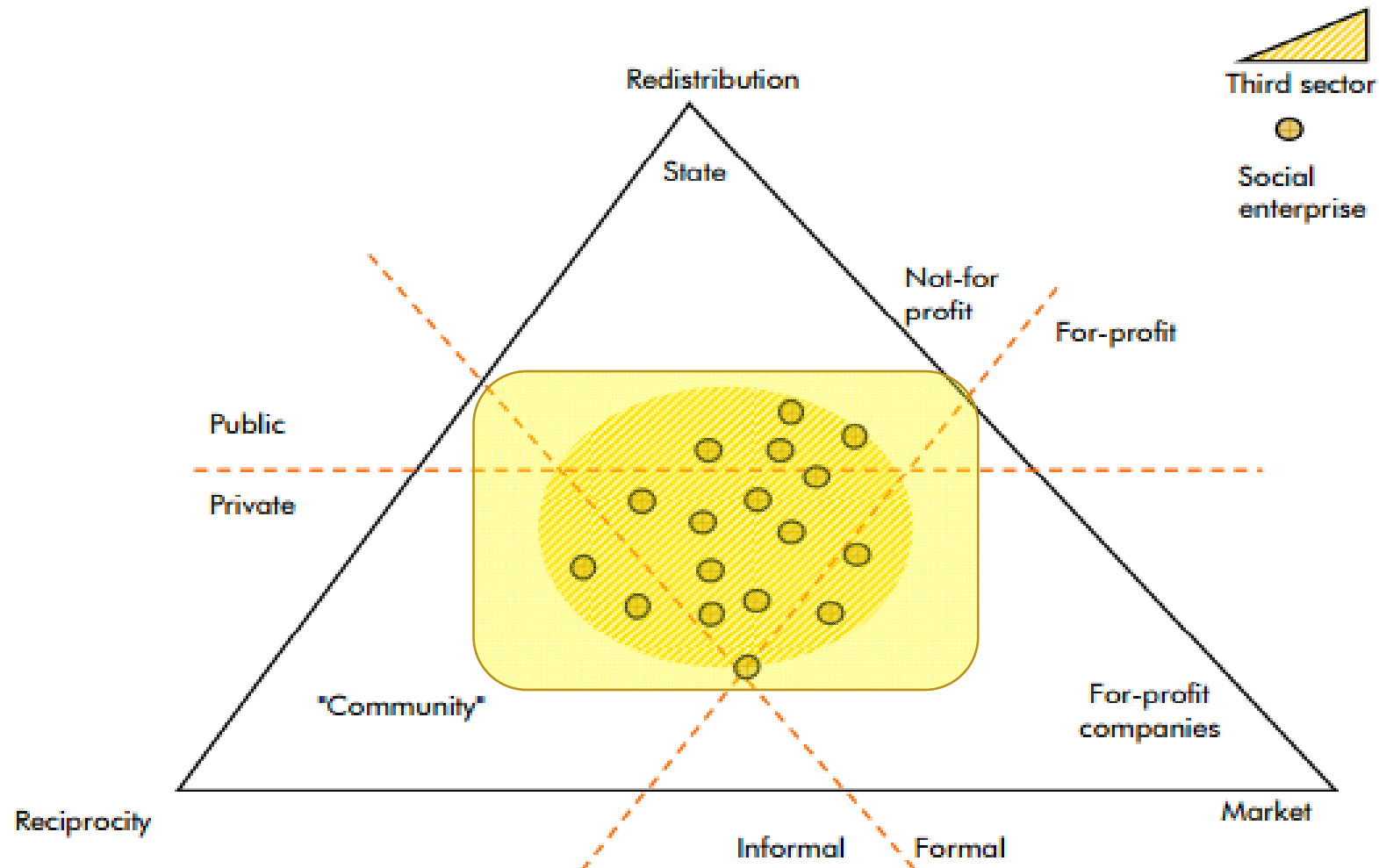
creating a world  
without poverty

How Social Business Can Transform Our Lives

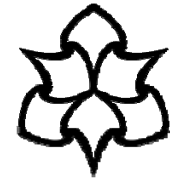




## Social enterprise as a combination of various actors, logics of action and resources (Pestoff, 1998)

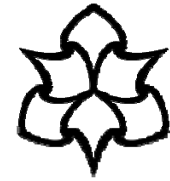




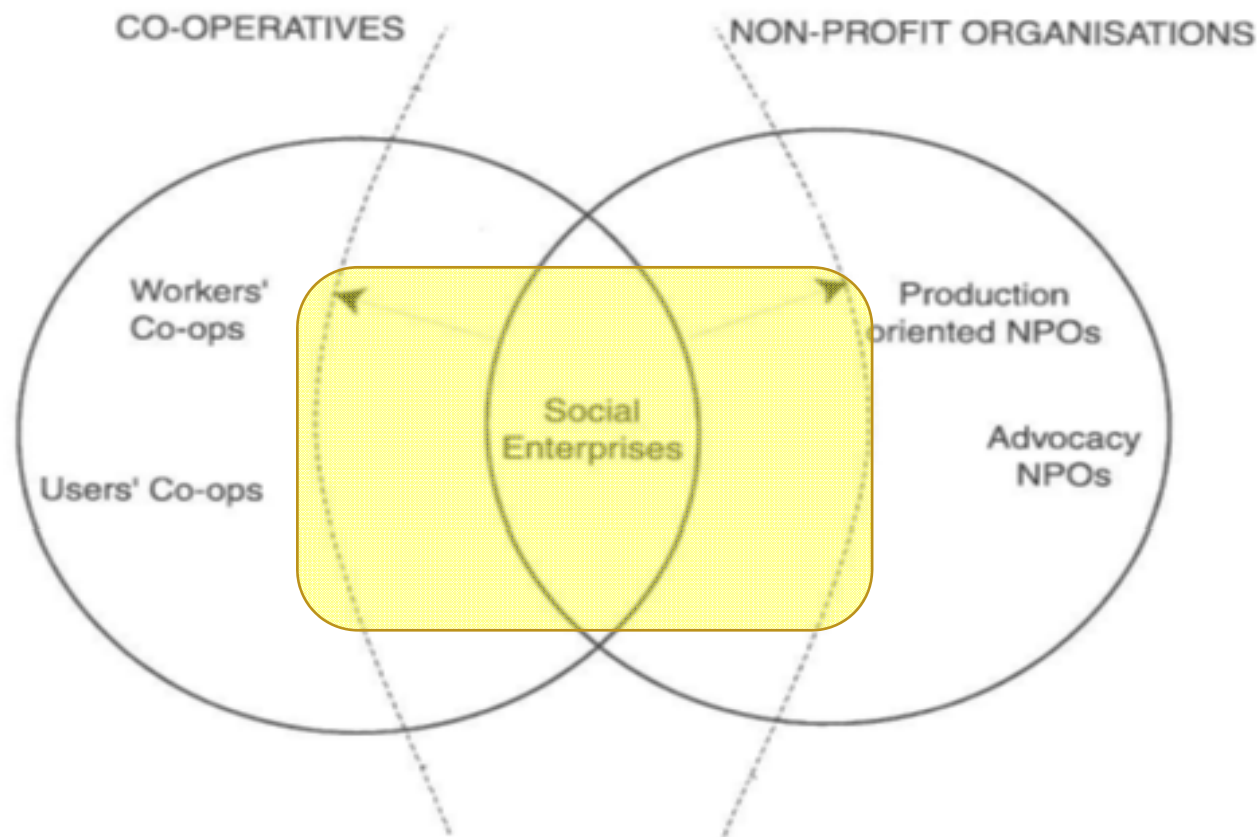


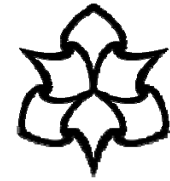
## Social Enterprise Hybrid Spectrum (Dees, 1998)

Motives, methods, and goals		<div> <div>Purely philanthropic</div> <div>←</div> <div>→</div> <div>Purely commercial</div> </div>		
		Appeal to goodwill Mission driven Social value	Mixed motives Mission and market driven Social and economic value	Appeal to self-interest Market driven Economic value
Key stake-holders	Beneficiaries	Pay nothing	Subsidized rates, or mix of full payers and those who pay nothing	Market-rate prices
	Capital	Donation and grants	Below-market capital, or mix of donations and market-rate capital	Market-rate capital
	Workforces	Volunteers	Below-market wages, or mix of volunteers and fully paid staff	Market-rate compensation
	Suppliers	Make in-kind donations	Special discounts, or mix of in-kind and full-price donations	Market-rate prices

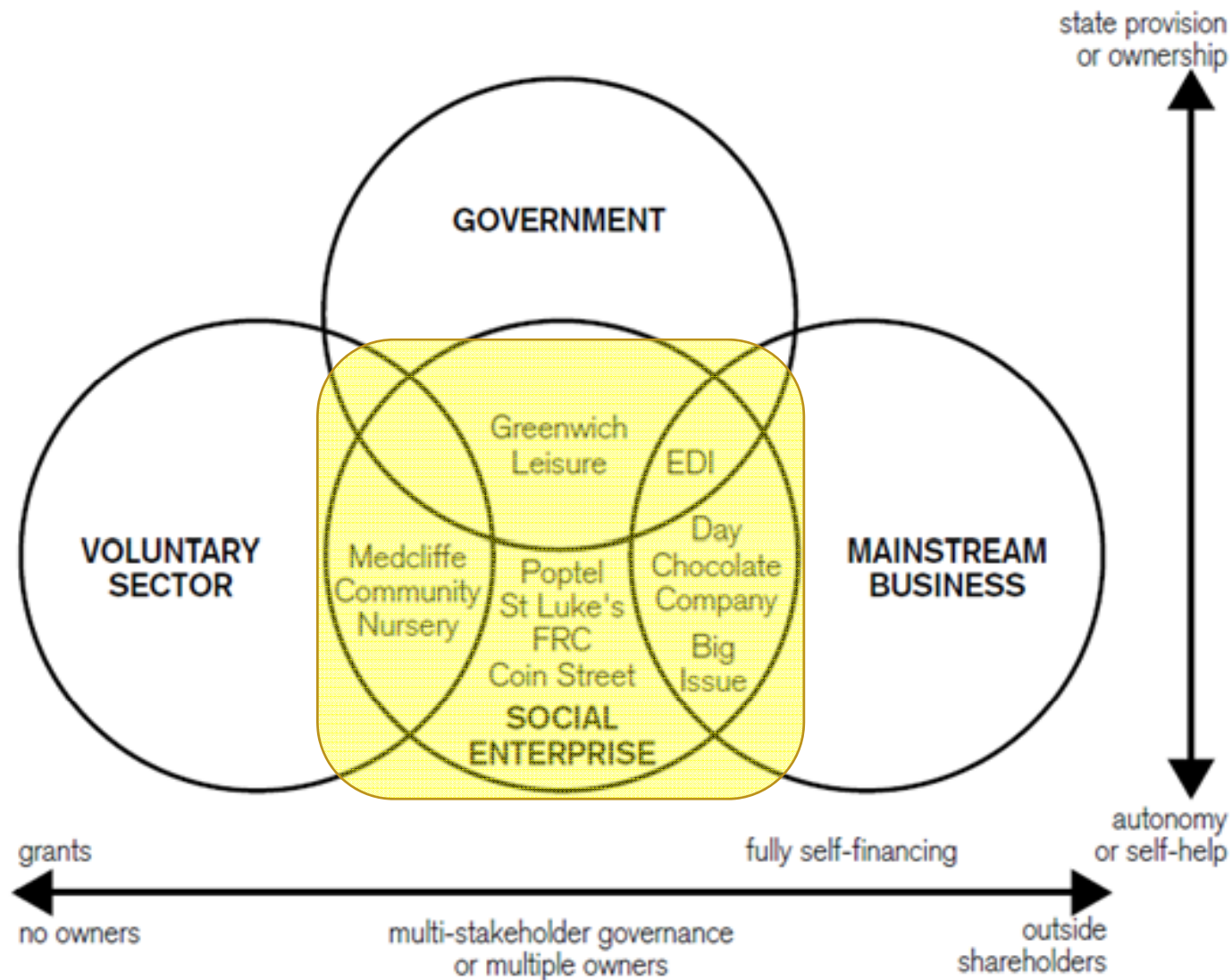


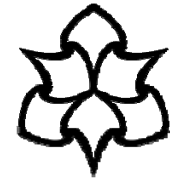
## Social Enterprise at the crossroads of non-profit and co-operative economies (Defourny, 2001)



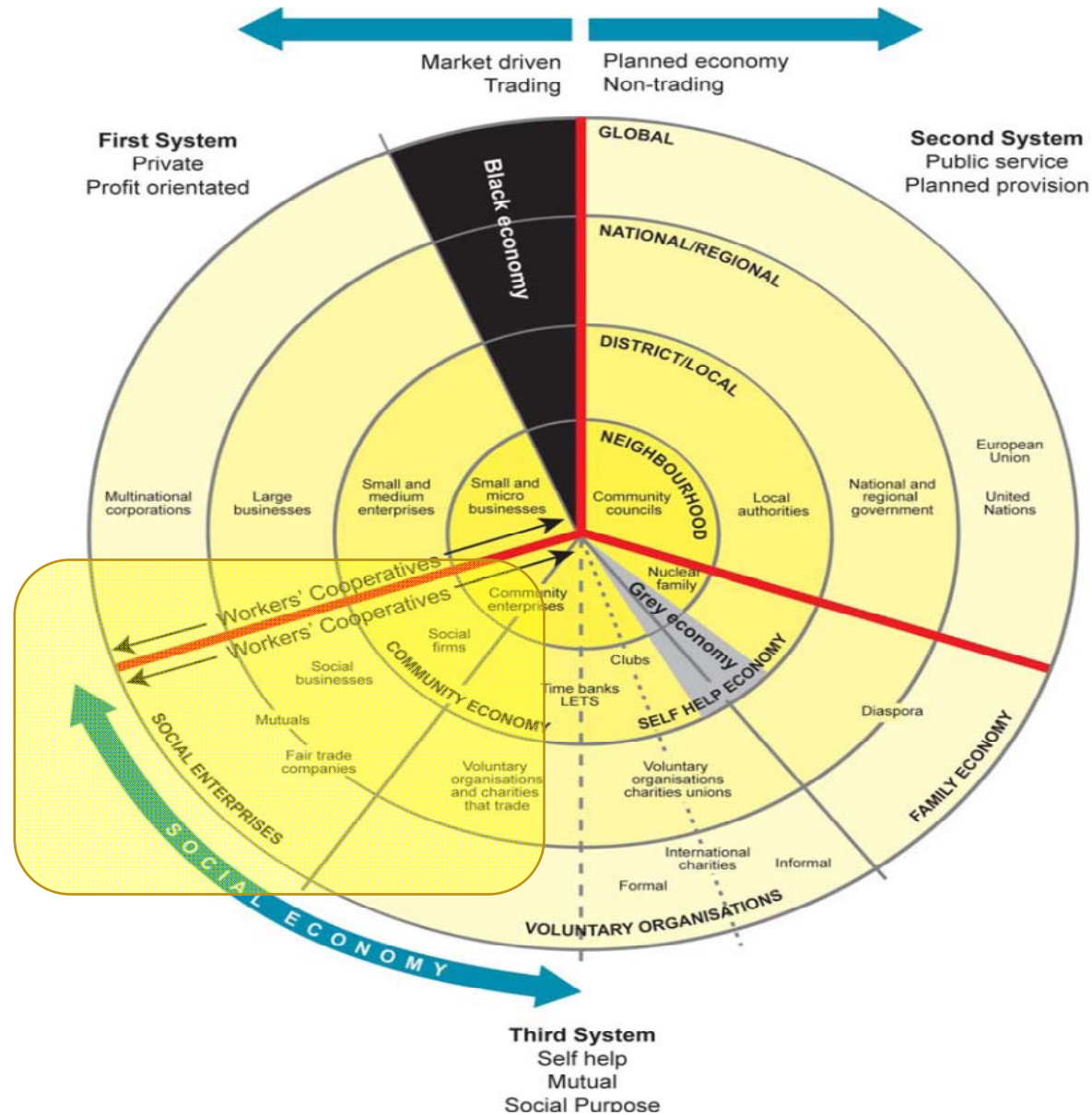


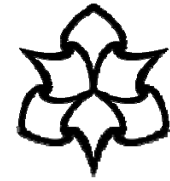
## Four sectors of the economy (Westall, 2001)



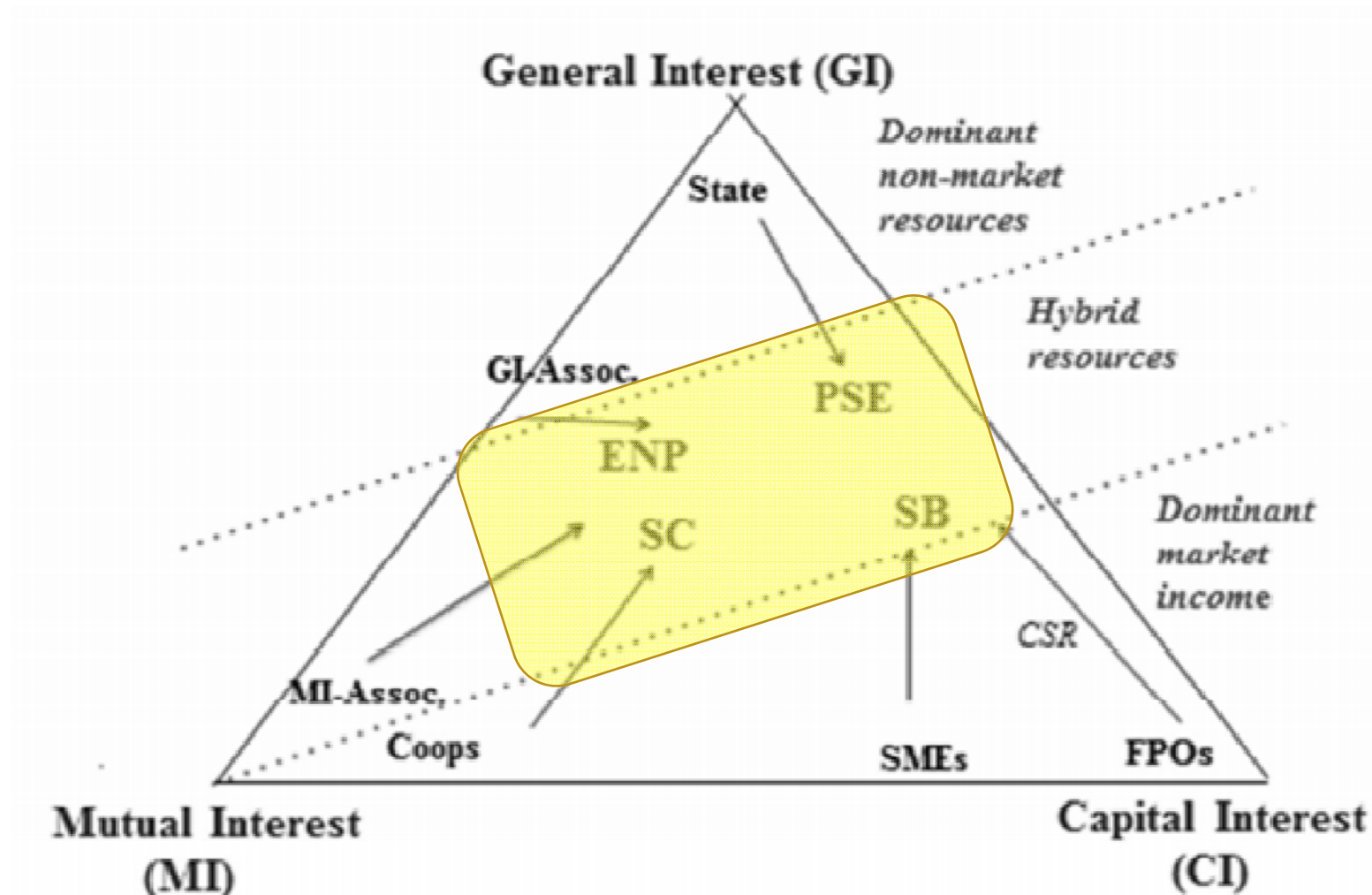


## Three systems of the economy (Pearce, 2003)

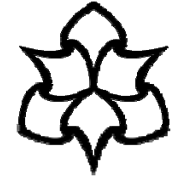




## Institutional trajectories and resulting SE models (Defourny & Nyssens, 2016)







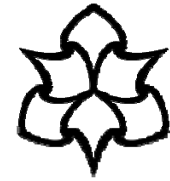
## Responsible Enterprise or Social Enterprise?



**Appreciating heritage and identities**



Year	UK social enterprise development timeline
1981	Beechwood College, Leeds. Delivering social audit training package to co-operatives, which Spreckley' coins as a manual for social enterprise
1997	The Labour Party came into Government
1997	UK think tank publication by Charles Leadbeater - ' <i>The Rise of the Social Entrepreneur</i> '
1998	UK Government sponsored the emergence of Social Enterprise London (A collaboration between several co-operative businesses and CDAs)
1999	UK publication by Amin <i>et al.</i> - first UK academic reference to 'social enterprises'
1999	National Strategy for Neighbourhood Renewal Policy Action Team (PAT) 3 Business - within the strategy was the first policy reference to social enterprise. " <i>Enterprise and Social Exclusion</i> " HM Treasury
1999	The Phoenix Development Fund unveiled to support the development of enterprise and entrepreneurship in disadvantaged communities
2001	UK think tank publication by Andrea Westall – " <i>Value Led Market Driven</i> "
2001	UK Social Enterprise Unit set up within the Department of Trade and Industry
2002	First UK Social Enterprise policy " <i>Social enterprise: A strategy for success</i> " (for England only)
2002	Social Enterprise Coalition set up by Co-operatives UK and Employee Ownership Solutions Limited
2003	UK Practitioner publication by John Pearce - " <i>Social Enterprise in Anytown</i> "
2006	UK Government creates The Office of the Third Sector
2006	The Office of The Third Sector unveils " <i>Social enterprise action plan: Scaling new heights</i> "
2010	Change of Government from Labour to Conservative and Liberal Democrat Coalition. A change in Cabinet Office to The Office of Civil Society

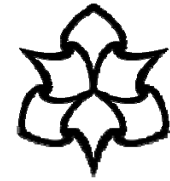


## The emergence of social enterprise

Social enterprise in the UK was born out of three inter-related contexts in the 1990s:



(1) Influential radical left wing movements within cooperatives and community development institutions (Leadbeater 1997; Pearce 2003; Ridley-Duff and Bull 2011), taking influence from the emergence of social co-operatives (*cooperative sociali*) in Italy in the 1980s (Sepulveda 2014).



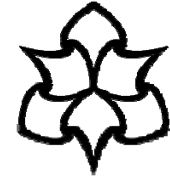
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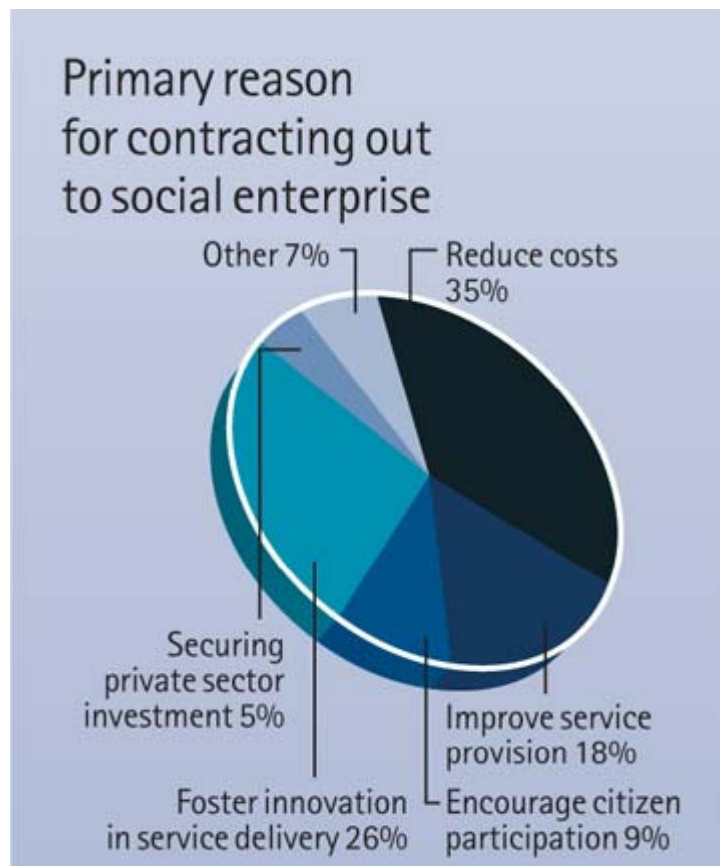
(2) A tool for economic growth within deprived communities, increasing social cohesion, tackling worklessness and social deprivation (Leadbeater 1997; Amin, *et al* 1999)





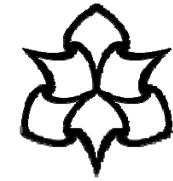
## The emergence of social enterprise

Social enterprise in the UK was born out of three inter-related contexts in the 1990s:



(3) A reshaping and expansion of government funding models for the voluntary sector, namely opportunities to compete for delivering public sector contracts (Leadbeater 1997; Westall 2001).

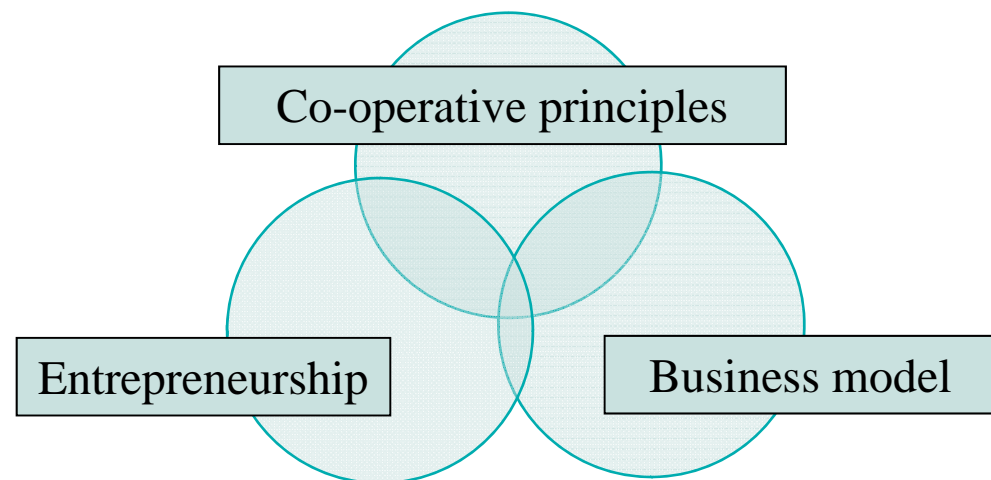


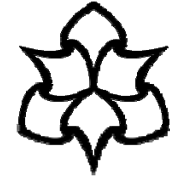


## The emergence of social entrepreneurship



“Banks (1972:53) first coined the term ‘social entrepreneurship’ in the context of an analysis of different approaches to management and their values orientation with reference to Robert Owen.

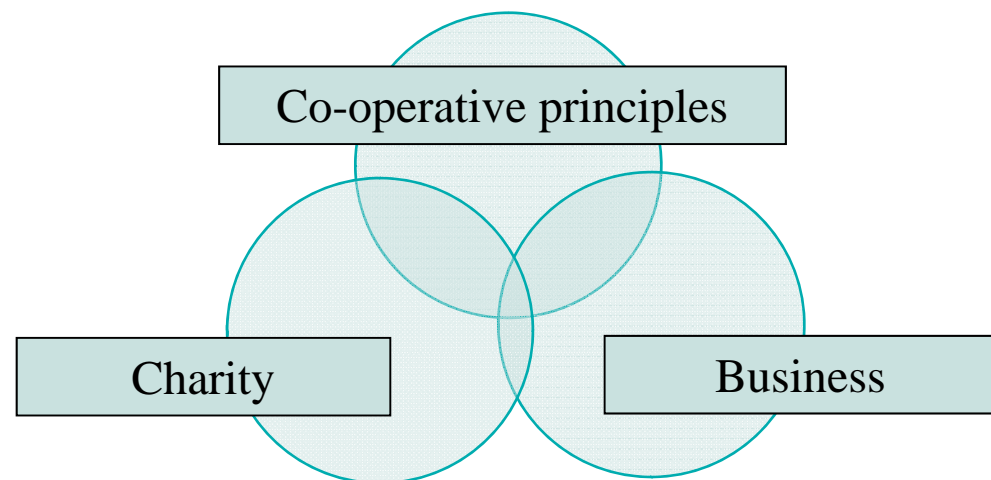


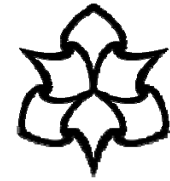


## The emergence of social entrepreneurship



Nicholls (2006:2) - Driven by a new breed of pragmatic, innovative, and visionary social activists and their networks, social entrepreneurship borrows from an eclectic mix of business, charity and social movement models [co-operatives] to reconfigure solutions to community problems and deliver sustainable new social value.

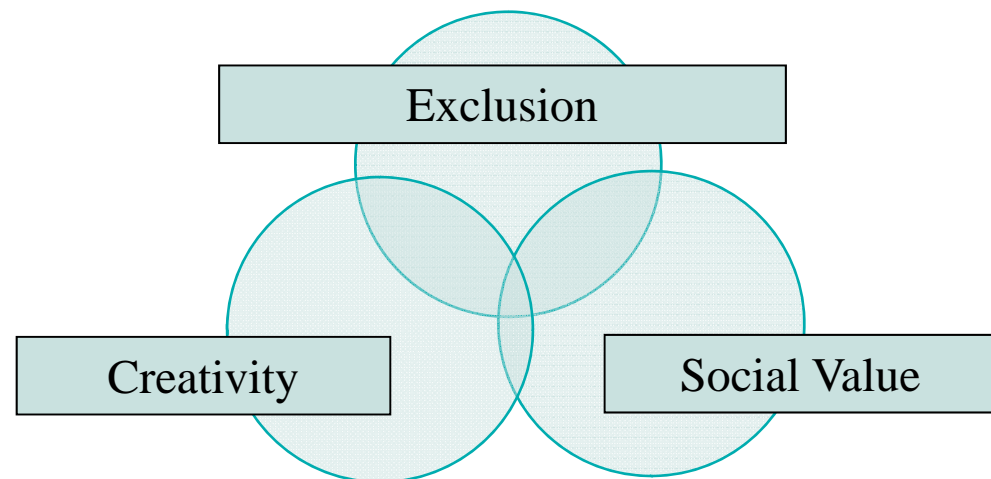


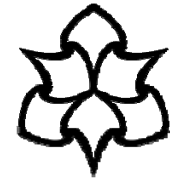


## The emergence of social entrepreneurship



Martin & Osberg (2007) –  
(1) unjust exclusion, marginalization, lacks the financial or political clout;  
(2) opportunity, developing a social value proposition, inspiration, creativity,  
(3) alleviates the suffering of the targeted group,



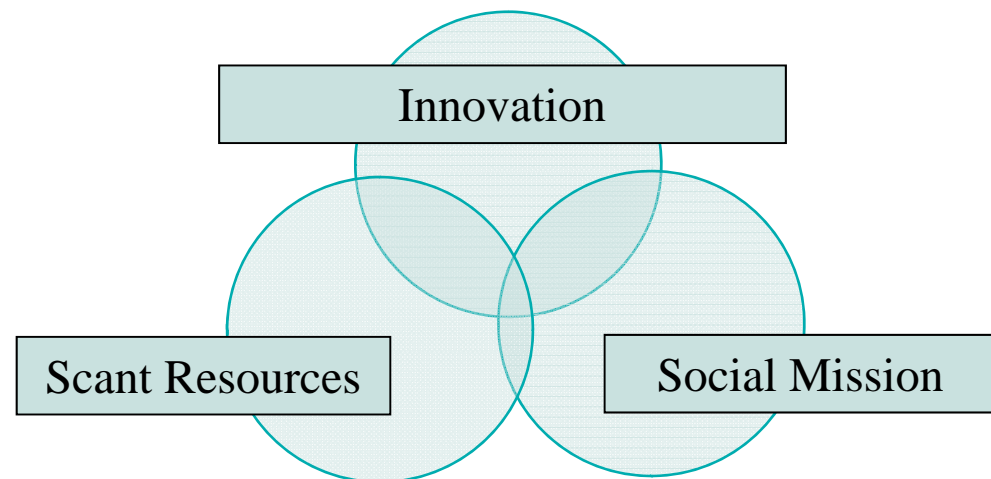


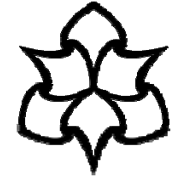
## The emergence of social entrepreneurship



Burns (2007:458) - Socially driven, ambitious leaders, Capable of creating impressive schemes with virtually no resources, a culture of creativity.

Their prime motivation, aims and mission are social, than commercial. They still pursue opportunities and continually innovate, but for the purpose of serving social mission.

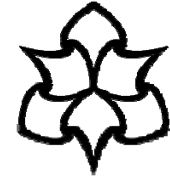




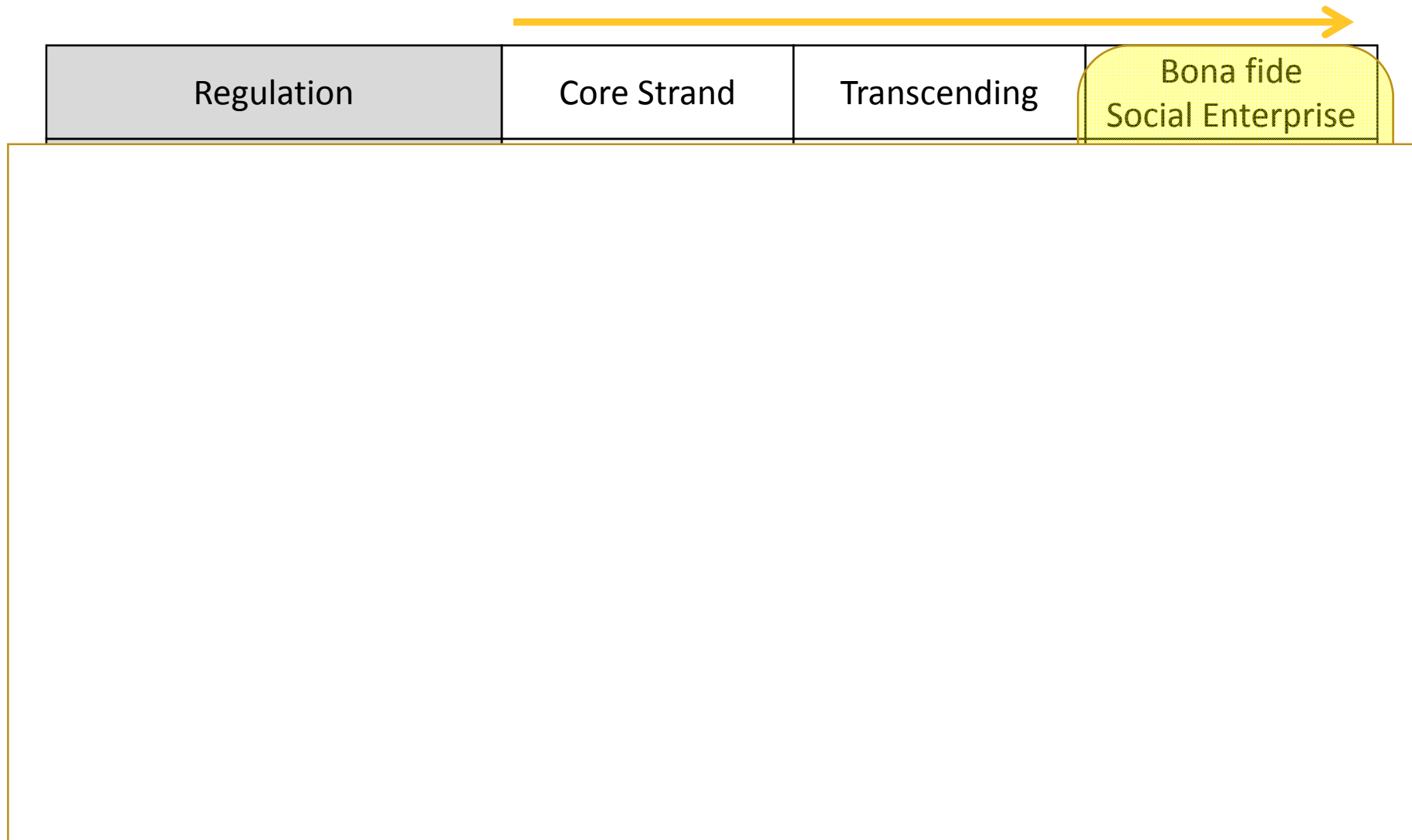
## Movement from core strand to 3 types of Social Enterprise in the UK

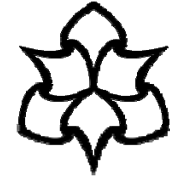






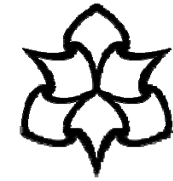
## Movement from core strand to 3 types of Social Enterprise in the UK





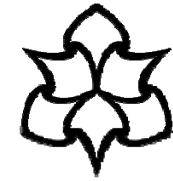
## Movement from core strand to 3 types of Social Enterprise in the UK

Regulation	Core Strand	Transcending	Bona fide Social Enterprise
CHARITY LAW: Regulation of Charitable Activities (Foundations, Charities, Charitable Trusts)	Charitable Organisations	Minimal Trading (Social Enterprise seen as an 'Activity')	Charitable Trading Types (Social Enterprise seen as a 'noun')



## Movement from core strand to 3 types of Social Enterprise in the UK

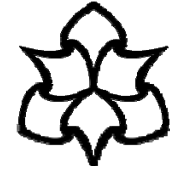
Regulation	Core Strand	Transcending	Bona fide Social Enterprise
CHARITY LAW: Regulation of Charitable Activities (Foundations, Charities, Charitable Trusts)	Charitable Organisations	Minimal Trading (Social Enterprise seen as an 'Activity')	Charitable Trading Types (Social Enterprise seen as a 'noun')
COMPANY LAW: Regulation of Private Companies (by Guarantee, by Shares, PLCs, CICs)	Mainstream Businesses ↑	Responsible Businesses	Socially Responsible Business Types



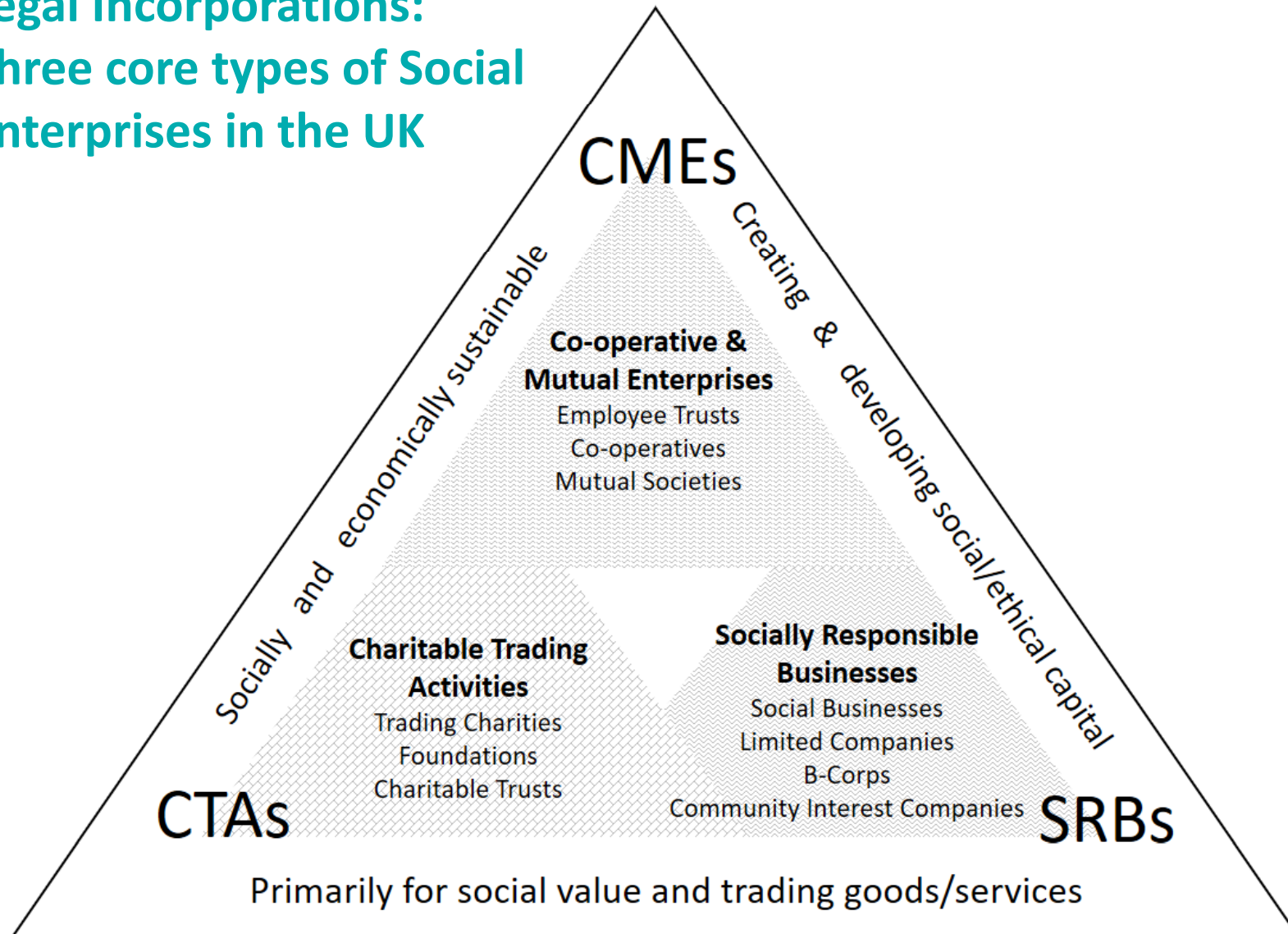
## Movement from core strand to 3 types of Social Enterprise in the UK

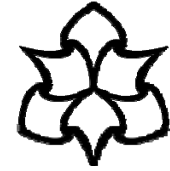
Regulation	Core Strand	Transcending	Bona fide Social Enterprise
CHARITY LAW: Regulation of Charitable Activities (Foundations, Charities, Charitable Trusts)	Charitable Organisations	Minimal Trading (Social Enterprise seen as an 'Activity')	Charitable Trading Types (Social Enterprise seen as a 'noun')
COMPANY LAW: Regulation of Private Companies (by Guarantee, by Shares, PLCs, CICs)	Mainstream Businesses	Responsible Businesses	Socially Responsible Business Types
SOCIETY LAW: Regulation of Democratic Businesses (Employee Trusts, Cooperatives, Mutual Societies)	Employee Representation	Single Stakeholder Shared Ownership	Democratic Types (Multi-Stakeholder)



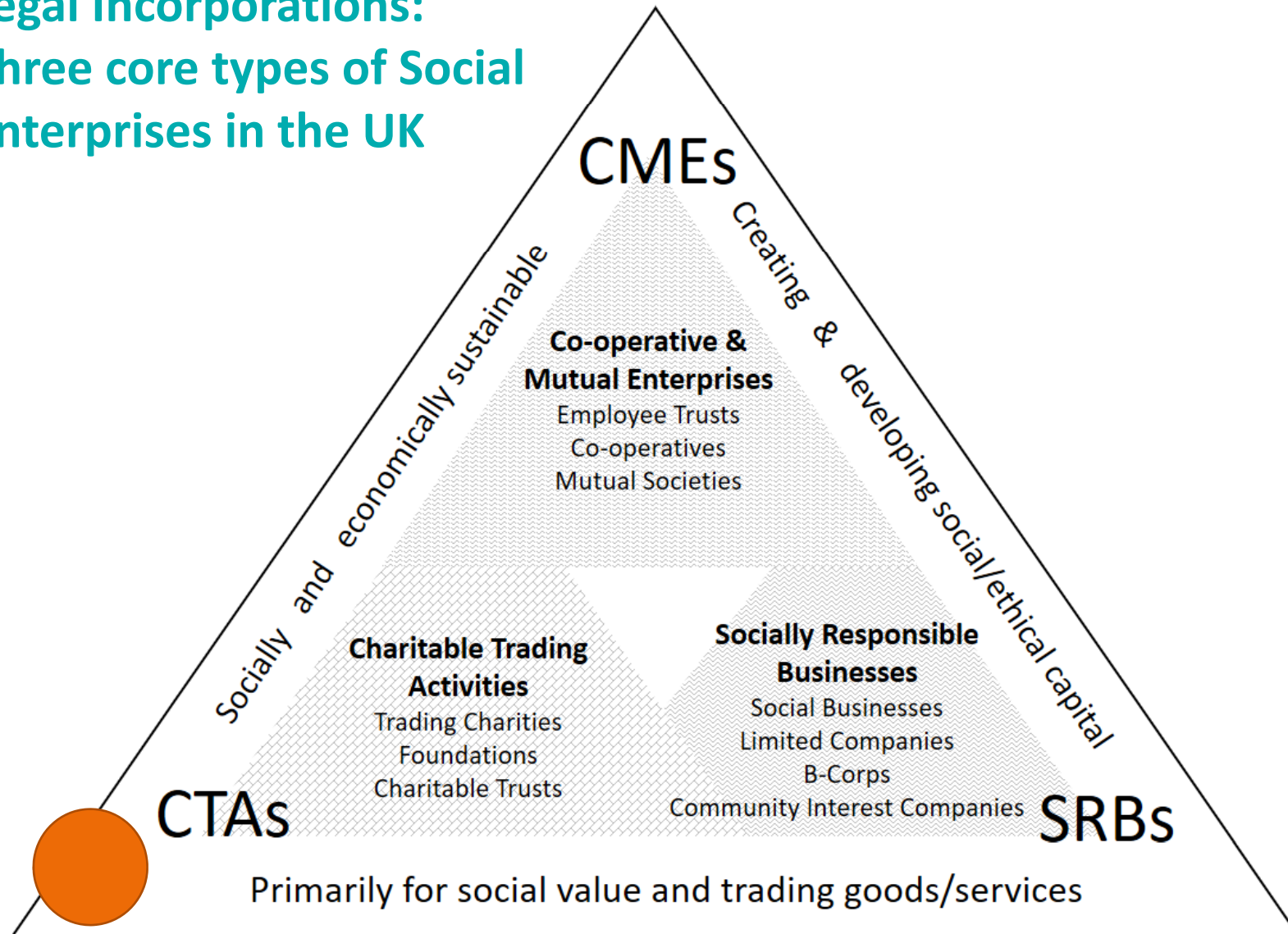


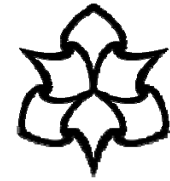
## Legal Incorporations: Three core types of Social Enterprises in the UK



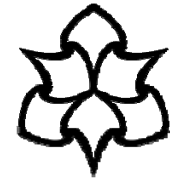


## Legal Incorporations: Three core types of Social Enterprises in the UK





Charitable Trading Activities	
Acronyms	CTAs
Legal forms	Foundations, Charities, Community Benefit Cooperatives, Non-Profit Enterprises, Charity Trading Subsidiaries
Character	More entrepreneurial than traditional non-profits Protecting assets for community / public benefit They mix grant/donor income with trading
In Detail	CTAs aim to generate a surplus/profit - they reinvest in social value creation. A 'common good' perspective, 'public interest'. Boards are (by law) required to be voluntary and external (in the sense that they comprise people who are not paid employees). Work is oriented to external clients, service users.



## Developing Social Entrepreneurs (CTA)

YouTube

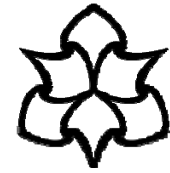
The video thumbnail shows a close-up of a hand holding a spoon, pouring a dark liquid into a white bowl. The bowl contains a dish with meat and vegetables. A red speech bubble in the top left corner says 'Visit FifteenTV'. The logo 'FIFTEEN' is overlaid on the image.

What Jamie Oliver's Restaurant Fifteen Is All About

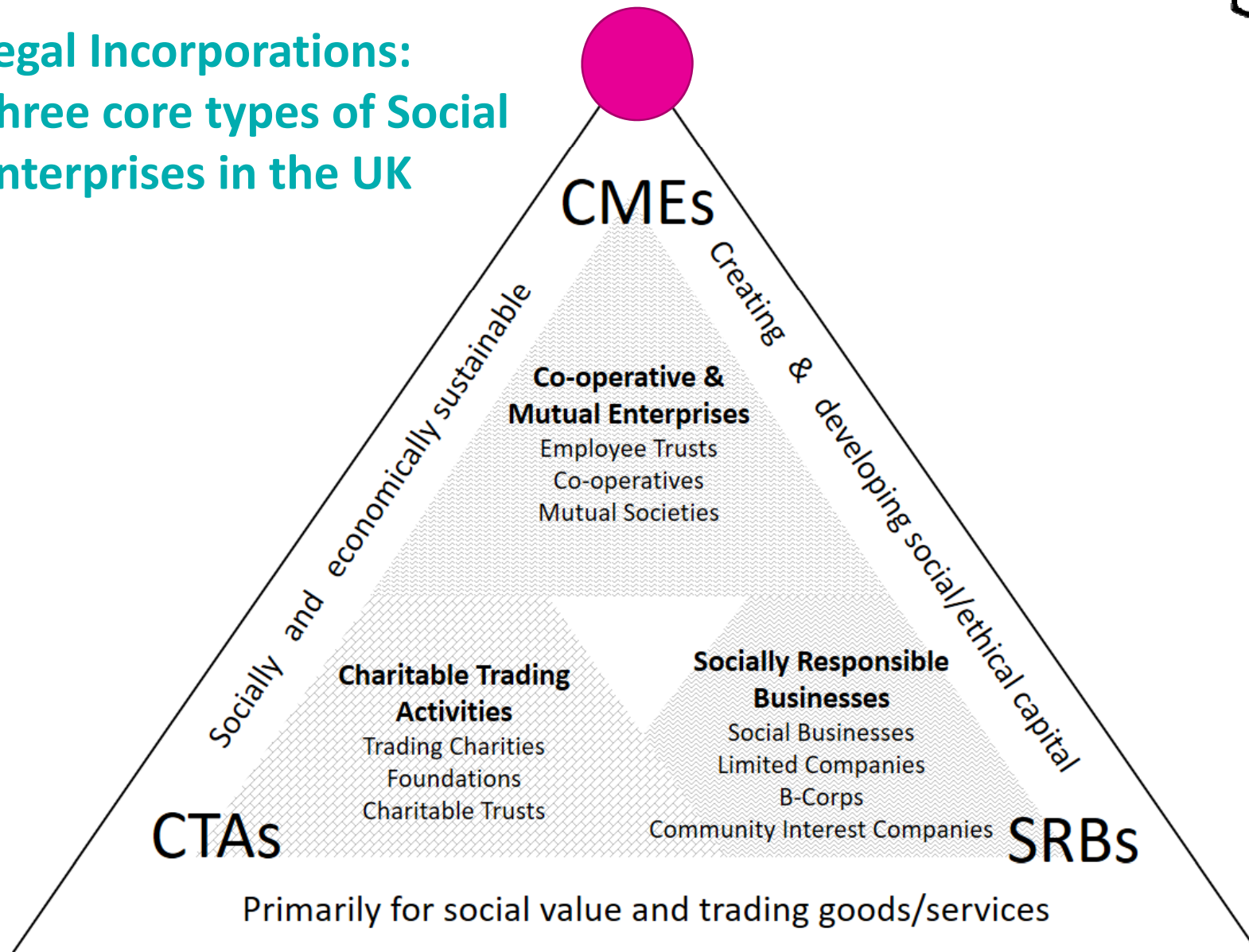
96,745 views

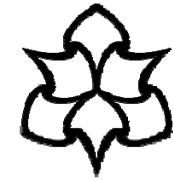
👍 106 💬 12 ➦ SHARE ➦ SAVE ...



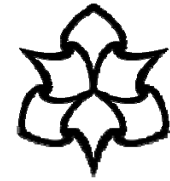


## Legal Incorporations: Three core types of Social Enterprises in the UK






Co-operative and Mutual Enterprises (includes social cooperatives and solidarity enterprises)	
Acronyms	CMEs
Legal forms	Co-operative Societies, Mutual Societies, Credit Unions, Building Societies, Social and Solidarity Co-operatives, Worker Co-operatives, Consumer Co-operatives
Character	Led by member-owners Elected governors Democratic participation
In Detail	Defined by their commitment to socialized, democratic/inclusive ownership, management and governance. Transforming patterns of ownership, power and wealth. Their products and services may be indistinguishable from the mainstream – This is, however, to miss the point. Trading is the means by which a different social mission is achieved.







## Developing Social Entrepreneurs (CME)

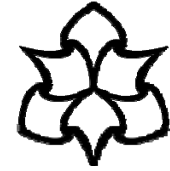
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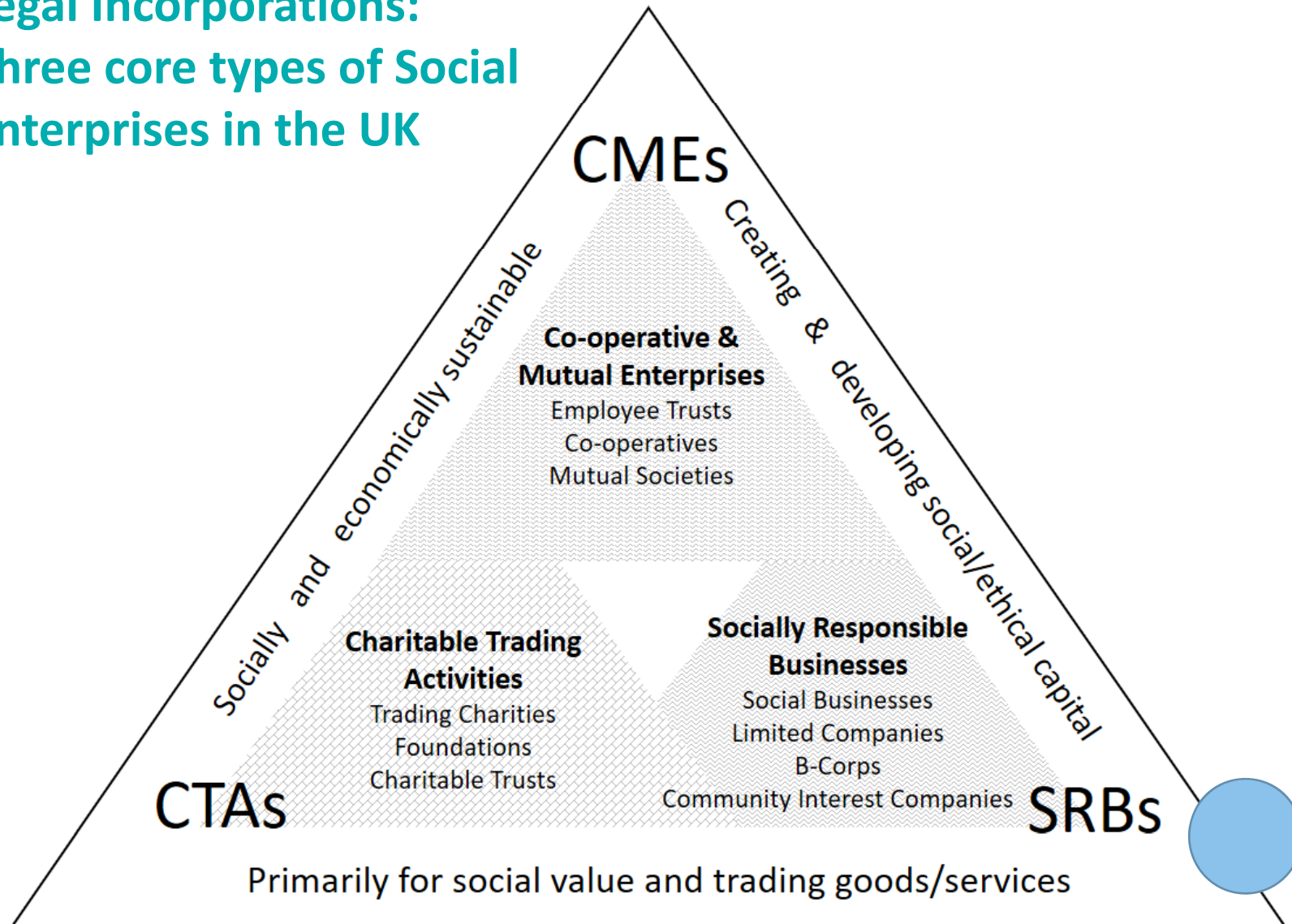
FC United of Manchester

385 views

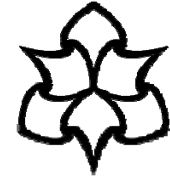
 3  0  SHARE  SAVE ...



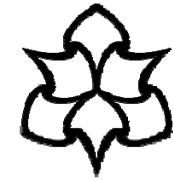
## Legal Incorporations: Three core types of Social Enterprises in the UK







Socially Responsible Businesses	
Acronyms	SRBs
Legal forms	Company / Business with social objects, Community Benefit Corporations, Community Enterprises, Community Interest Company (CIC)
Character	Led by member-owners Leadership Governance Capped dividends
In Detail	Defined by their commitment to shared value.  Adapting private sector practices and business models to make the well-being of individuals, communities and the natural environment a higher priority than profit-maximisation.  SRBs retain private sector characteristics.  A managing director can be a full member of the Board. This follows the private sector norm of supporting founding entrepreneur(s) who wish to maintain control over the organisations they create.

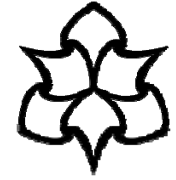


## Developing Social Entrepreneurs (SRB)

A screenshot of a Vimeo video player. The video shows a close-up of a yellow tag with black text that reads: "Your purchase today guarantees a child shoes for Tomorrow". Below this, in smaller text, it says "Some retailers make purchases with shoes for a child in need / www.TomsShoes.com". The tag is resting on a green and white patterned surface. The Vimeo interface includes a top navigation bar with links like "Join", "Log in", "Pricing", "Features", "Watch", and "Stock". A search bar and an "Upload" button are also visible. Below the video, the title "Tom's Shoes One for One" is displayed, along with a "Related Videos" section featuring an "Autoplay next video" toggle.

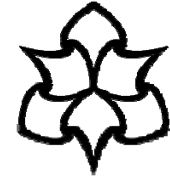
Tom's Shoes One for One

Related Videos  
☒ Autoplay next video



**Appreciating complexity; society and economies**





## Critical Management Studies - & Re-designing the Economy

- Capitalism
- Neoliberalism
- Responsible Capitalism
- The tragedy of the Commons
- Moral Economy
- Socialised v Privatised economy
- Inclusive Society
- Social Solidarity Economy
- Complexity Theory

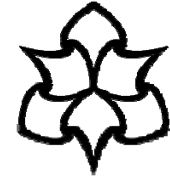
Is social enterprise an end of pipe solution?

Picking up the problems of the public and private sectors?

Or is it redesigning the economy?

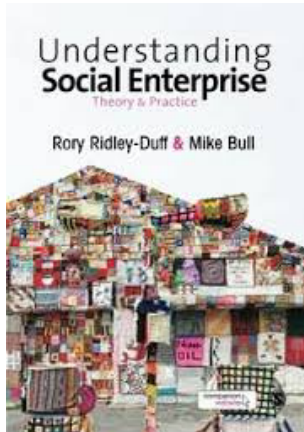
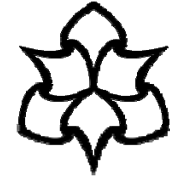




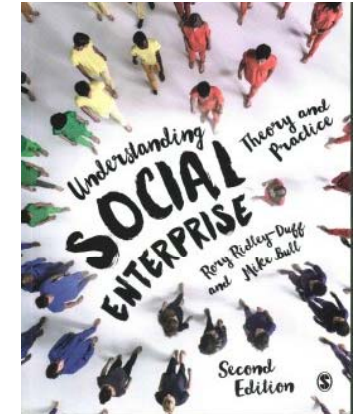


## Undergraduate to Post-Graduate Journey

- Circa 1200 students on our Business Management related Degrees
- 3 or 4 year programmes (inc; placement, overseas & M-degrees)
- Our students learning to be *socially enterprising and critical beings*:
  - 1<sup>st</sup> year – Introducing UNSDGs
  - 2<sup>nd</sup> year – Irresponsible v Responsible Enterprise
  - 3<sup>rd</sup> Year – Entrepreneurs, Business & Society
  - 4<sup>th</sup> Year/Masters – Critical Management Studies
- 1<sup>st</sup> year – Awareness
- 2<sup>nd</sup> year – Questioning the ‘Rules of the game’ v CE, C2C, GE
- 3<sup>rd</sup> Year – CTAs, CMEs & SRBs - community/solidarity/ethical
- 4<sup>th</sup> Year/Masters – Socio-political/eco & economic critical beings



Developing *socially*  
enterprising, critical thinking  
students from academic  
theory to practice



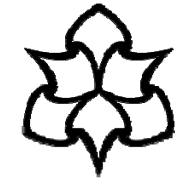
**Thank You**  
**Dr. Mike Bull**



Enterprise  
Educators  
UK



**ENTERPRISE  
WITH  
PLYMOUTH  
UNIVERSITY**



## References

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