YUNUS CENTRE FOR SOCIAL BUSINESS AND HEALTH, GLASGOW CACEDONIAN UNIVERSITY

Named after the 2006 Nobel Peace Laureate, the Yunus Centre for Social Business and Health at Glasgow Caledonian University (GCU) was established in 2010 to explore new pathways to health and well-being. Given enduring challenges with respect to health inequalities in Scotland, the Centre has focussed on devising and implementing frameworks for evaluating community-based initiatives operating through social enterprise, microfinance and other parts of the third sector. This work has been funded by UK Research Councils, the European Commission and Scottish Government (Chief Scientist Office); the Centre now comprises some 35 researchers and is the largest Centre of its kind in the world.

We work closely alongside social enterprises in Scotland and further afield: for example, working with Inverclyde Development Trust, we are one of 28 partners in a new project called FAB-MOVE funded by the European Commission and designed to facilitate innovative practice through the mobility of social enterprise researchers and practitioners across the world to share knowledge of social enterprise policy 'ecosystems'.

GCU is an institution with a long-standing commitment to supporting the development of social enterprise in Scotland as part of its mission ‘for the common good’. GCU was the first university in Scotland to develop a Masters Programme on Social Enterprise and, in 2014, became the first university in Scotland to be awarded Changemaker Campus status by AshokaU in recognition of excellence in social innovation research, teaching and learning, and reflecting initiatives such as the Caledonian Club, bringing Grameen Bank to the UK and the establishment of Grameen Caledonian College of Nursing in Bangladesh. From September 2016 all GCU students will be exposed to the concept of social innovation as we build these principles into our Common Good Curriculum.

1. Understanding the scale and growth of social enterprises and employee-owned businesses in Scotland

Relatively little is known about the scale, and particularly growth, of social enterprise in Scotland compared to England and Wales, where considerable public resources have been expended in mapping the social enterprise sector over the last 15 years. It is to be hoped that the recent government investment into the Social Enterprise in Scotland Census 2015 can be continued over an extended period in order that we can begin to understand patterns of change over time. Social Value Lab should be commended for an excellent piece of work, particularly in making clear the methodology behind the survey. We know that survey work in England purporting to show dramatic growth is severely flawed, and that almost all of the growth in social enterprise in England can be explained by changes in the way that social enterprise is defined and measured (Teasdale et al. 2013). It is therefore important that a consistent methodological approach is followed in any future census of social enterprise in Scotland and that decisions for any changes to methodological procedures are clearly described and justified.

2. Hearing examples of innovation from businesses, for example employee involvement in developing new products, services or processes and innovative partnerships within communities

Over the course of the Yunus Centre’s lifetime we have come across numerous examples of innovation from social enterprises. What is important to recognise here
is the incremental value of numerous small-scale and localised innovations which, when examined together, undoubtedly have huge impact upon Scotland’s communities. Here we list just four lesser-known inspiring examples we have come across in our research:

- **Transport for Tongue**: There was no local bus service for rural areas around Tongue, therefore older people could not get to doctors/hospitals, young people could not get to college, and folks in general had limited social interaction because of this. Locals set up a bus service and charge 60p a journey. They offer pick-up services from people’s homes, even if only to drop them on a main highway so they can then get a city link bus. This initiative has empowered locals and allowed them to feel less socially and physically isolated.

- **West Highland College** has 10 different college campuses across the West Highland area to allow access to education for young people living in rural/remote areas. The college offers courses that are beneficial to keeping young people within rural populations, e.g. Chain-sawing and felling, deer stalking, eco-tourism, outdoor adventure, powerboat and Day Skipper courses. This helps keep rural populations from depleting through youth migration, and prevents inequalities in access to education.

- **REBOOT**: This employee-owned organisation recycles old electrical appliances and makes them into an array of different household accessories or restores them. REBOOT employs both young and old people so that youth can teach older folk about computers and technology, and older people can teach youth skills and attitude for the workplace. This serves to empower people of all ages, whilst also contributing towards environmental sustainability.

- **WEvolution**: Influenced by the Indian Self Help Group model Self Reliant Groups (SRGs) are small community based groups working together with the aim of income generation and business development. Members are typically unemployed or in low-paid work. WEvolution supports member SRGs to access start-up grants, skills development programmes and business advice. With regard to innovation, particularly in the policy arena, a general observation derived from our research would be that in recent years Scotland has not necessarily been an early adopter, but tends to learn from and effectively develop innovations occurring in the rest of the world, tailoring these to the particular Scottish context.

3. **Assessing the sources of funding and support available**

Research suggests that Scotland has a highly developed system of support for social enterprises with intermediary bodies such as CEIS, SENSCOT, Social Enterprise Scotland, and Social Firms Scotland all providing organisational and sectoral support at national and regional levels. This support enables the sector to support and provide input to Scottish Government policy initiatives and exert influence at the level of local government (Roy et al 2015). As pressure on government budgets grows, it is important to maintain this support to the sector, particularly given the role that social enterprise might play in alleviating the symptoms of austerity measures, which are likely to be felt most keenly within our most vulnerable communities.

The Scottish government also provides direct financial support, and can help boost the legitimacy of social enterprises such as WEvolution (described above). For example John Swinney attended the official launch of WEvolution and met with a number of the SRGs. Ethnographic research undertaken by the Yunus Centre as
part of the Commonhealth project (funded by the ESRC and MRC UK Research Councils) suggests that this support has helped facilitate productive relationships between SRGs and various governmental departments and services. In turn this helps SRGs navigate bureaucracy and red tape and enables them to scale up their activities and generate increased employment opportunities.

The UK has been portrayed as a ‘trailblazer’ in the development of social impact bonds, although it should be noted that these are primarily an English phenomenon. Social impact bonds (SIBs) are a new form of Payment by Results which aim to harness private investment to finance public sector delivery and third sector organisations, such as social enterprises. This innovative financial investment model is framed as having the potential to transform the provision of social services during this time of budget constraints. While undoubtedly an interesting development, research undertaken at the Yunus Centre raises concerns about their possible effects in relation to potential outcomes, unintended consequences for the third sector, governance and impacts on citizens’ rights (McHugh et al., 2013; Sinclair et al., 2014). These critiques call for more empirical research to expound on the implications and outcomes, both negative and positive, of embracing such funding approaches.

4. What public bodies are doing and should be doing to encourage these business models

Research undertaken by Dr Gill Murray at the Yunus Centre to understand historical links between social enterprise and wellbeing suggests that, historically, community owned businesses and social enterprises managed to work with communities to come up with a wide variety of trading enterprises (from gardening firms, to hairdressers, laundrettes and many in between). But, because funding models have come to prioritise replicating and scaling up rather than consolidating and branching out, it has been difficult for these enterprises to maintain themselves over time. This problem is not confined to Scotland, but nonetheless it should be noted that a funding focus on short term innovations may perversely have worked against ‘innovation’ in the sector.

Government interest in social enterprise internationally has tended to focus upon how these organisations might better deliver public services, rather than on the wider economic and societal benefits they may confer as a complement to public provision. There is a systematic bias within open competition in the procurement of public services in favour of organisational forms that satisfy only ‘private desires’ such as income maximization (Smith and Teasdale, 2012). A recent emphasis has therefore been on social procurement, particularly how commissioners of public goods and services might introduce social benefit clauses in order to take into account the wider social and environmental benefits which can be derived through procurement. England and Wales is widely portrayed as leading the way in this regard through the establishment of the Public Services (Social Value) Act. However it should be noted that the Bill was considerably ‘watered down’ as it passed through parliament and that the Act itself does not define social value, nor convey any meaningful duties beyond taking considering whether to take into account wider social value where proportionate (Teasdale et al. 2012). The development of Community Benefit Clauses by some public contractors (such as Glasgow City Council) follows earlier similar initiatives in England. Similarly the Procurement Reform (Scotland) Act 2014 can be seen as improving upon the Public Services Act in England with (slightly)
stronger and more clearly specified duties placed upon procurement officers. We particularly welcome the focus on reducing inequality and strongly recommend research to better understand the impact of these reforms. This would certainly make for an interesting comparison with England.

Research has found that social enterprises tend to ‘under-claim’ the value they create, to pay living wages where possible, aspire to decent working conditions, and are realistic about the associated costs involved. This means that they will often be outbid by private companies (Smith and Teasdale, 2012). A notable example here would be the allocation of prime contracts for the UK Work and Pensions ‘Work programme’ which, despite UK government rhetoric around the Big Society, were primarily won by private sector providers. In a similar vein to community benefit clauses outlined above, public authorities could use similar clauses to require organisations in receipt of public funding to adhere to minimum standards of democratic functioning. Such organisations seeking to deliver publicly-funded services would have to demonstrate that their governing documents and structures enable the required degree of democracy. This would require fairly extensive regulatory activity, but would certainly be in an interesting site for a pilot study.

At the European level, significant sums of money have been invested to better understand how to promulgate social enterprise ecosystems (as opposed to a narrower focus on public service delivery). The Yunus Centre is a partner in the EFESIIS (Enabling the Flourishing and Evolution of Social Entrepreneurship for Innovative and Inclusive Societies) project, funded by FP7, along with 11 other countries across Europe. Preliminary findings from this project indicate that social enterprises welcome the broad policy direction of the Scottish Government – particularly with reference to sustainable procurement – but at the local level, implementation by local authorities is inconsistent. Somewhat understandably from the viewpoint of commissioners, there may be a tendency to favour larger organisations and larger contracts. A policy recommendation here would be to examine supporting the development of consortia of smaller social enterprises to enable them to bid for larger contracts. At present, the ‘ecosystem’ of support probably has too much emphasis upon start-ups, and those with ambition to reach ‘scale’, and not enough emphasis upon recognising that a range of different models of social enterprises to develop ways of solving very specific, local problems. Relatedly, for some social enterprises at least, it is unrealistic to expect financial ‘sustainability’ solely through trading income. Many social enterprises in Scotland employ the most disadvantaged members of society but require external financial assistance to do so if they are to remain financially viable. Internationally, there is a movement towards recognition, and subsequent subsidisation, of the welfare and wellbeing function of these organisations, but in Scotland there remain unrealistic expectations as to the prospects of social enterprises becoming financially sustainable and less recognition of their wider contribution to community wellbeing.

Our Commonhealth research project thus focuses more on the indirect impact of social enterprise on social vulnerability in Scotland, particularly as a means of addressing the social determinants of health. Systematic reviews of academic literature suggest that aggregate levels of social enterprise activity can impact indirectly on future population health (Roy et al. 2013, 2014) via their direct impacts at the individual level on consumption (the capacity to purchase goods and services); production (participation in socially valuable activities); political engagement (involvement in local or national decision making); and social interaction (integration
with family, friends and community) (Teasdale, 2010). We know that different types of social enterprise impact on different dimensions of vulnerability in different ways. For example employee owned businesses and community enterprises have a greater impact on meaningful work, the opportunity for people to have more control over aspects of their lives, and on the development of bridging and bonding social capital, but may be comparatively less ‘efficient’ in delivering public services. Conversely those social enterprises established to deliver a particular service may prove better able to provide paid employment and deliver services effectively, but without the wider societal benefits of more participatory types of social enterprise (Teasdale, 2010). This suggests that public funding for social enterprise should derive from an appropriate blend of sources. Contracts can be effective where a particular service is required, but indirect funding of infrastructure bodies, and subsidies and grants to other types of social enterprises, can help create the ‘social glue’ which binds communities together, delivering longer-lasting and inclusive prosperity.

Finally Scotland has an opportunity to lead the world not only in the development of social enterprise, but also in terms of research; understanding their impact and aiding policy and practice. Going forward, much more research is required on specific aspects which take a more-holistic view of the contribution of social enterprise and other third sector bodies to individual and collective wellbeing, and also to combating the forms of inequality that stubbornly persist in Scotland.

References


