

**SOCIAL
ENTERPRISE
UK**

Peter Holbrook

**Chief Executive
Social Enterprise UK**

**Chair
Social Enterprise World Forum 2012-15**

“An expert is somebody who is more than 50 miles from home, has no responsibility for implementing the advice he gives, and shows slides.”

Edwin Meese

















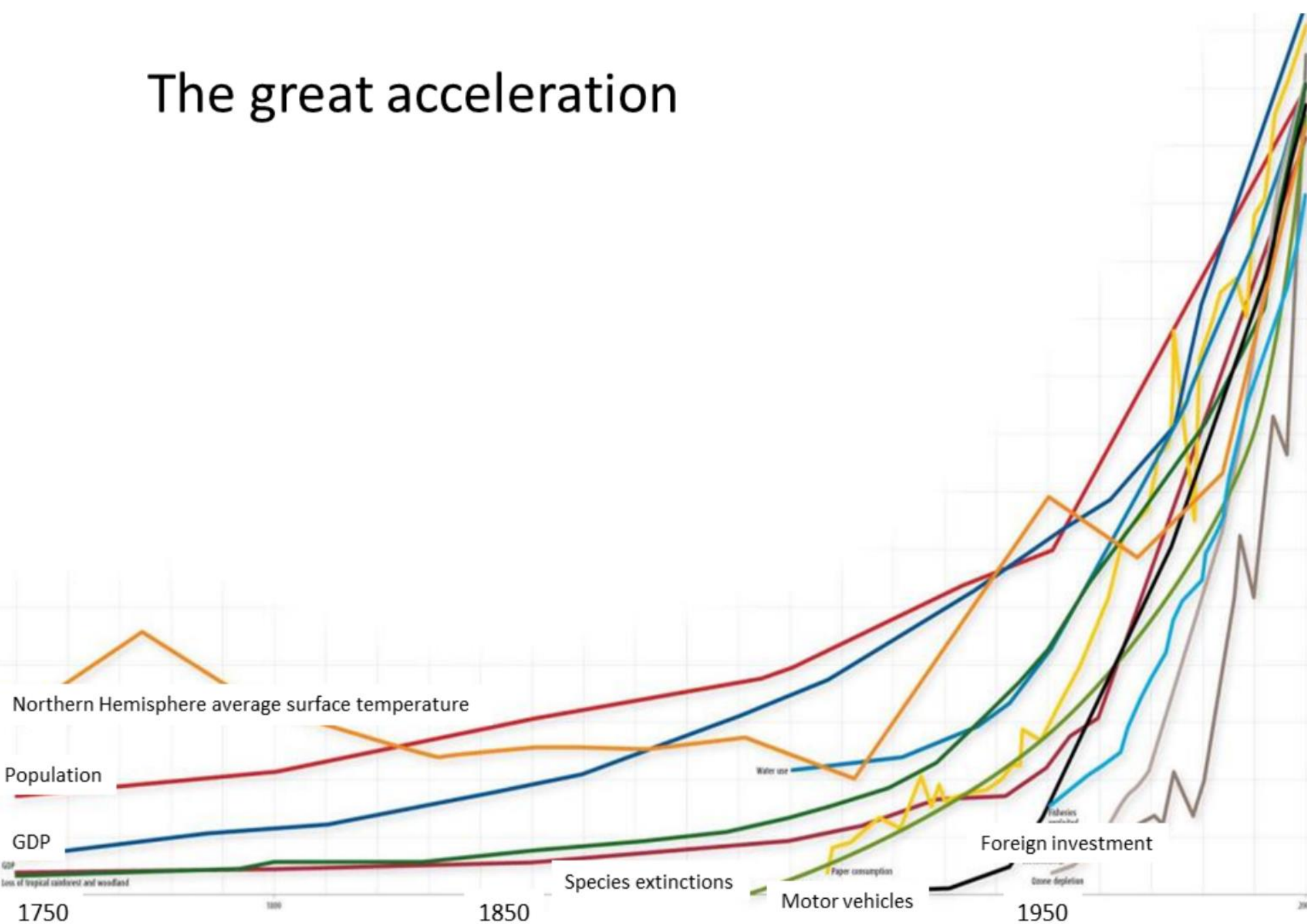




“We need social businesses to couple the human heart to the capitalist system. This is a sure way of meeting needs that either remain unmet or are met extremely inadequately through the efforts of philanthropy, charity, or welfare.”

Bill Gates

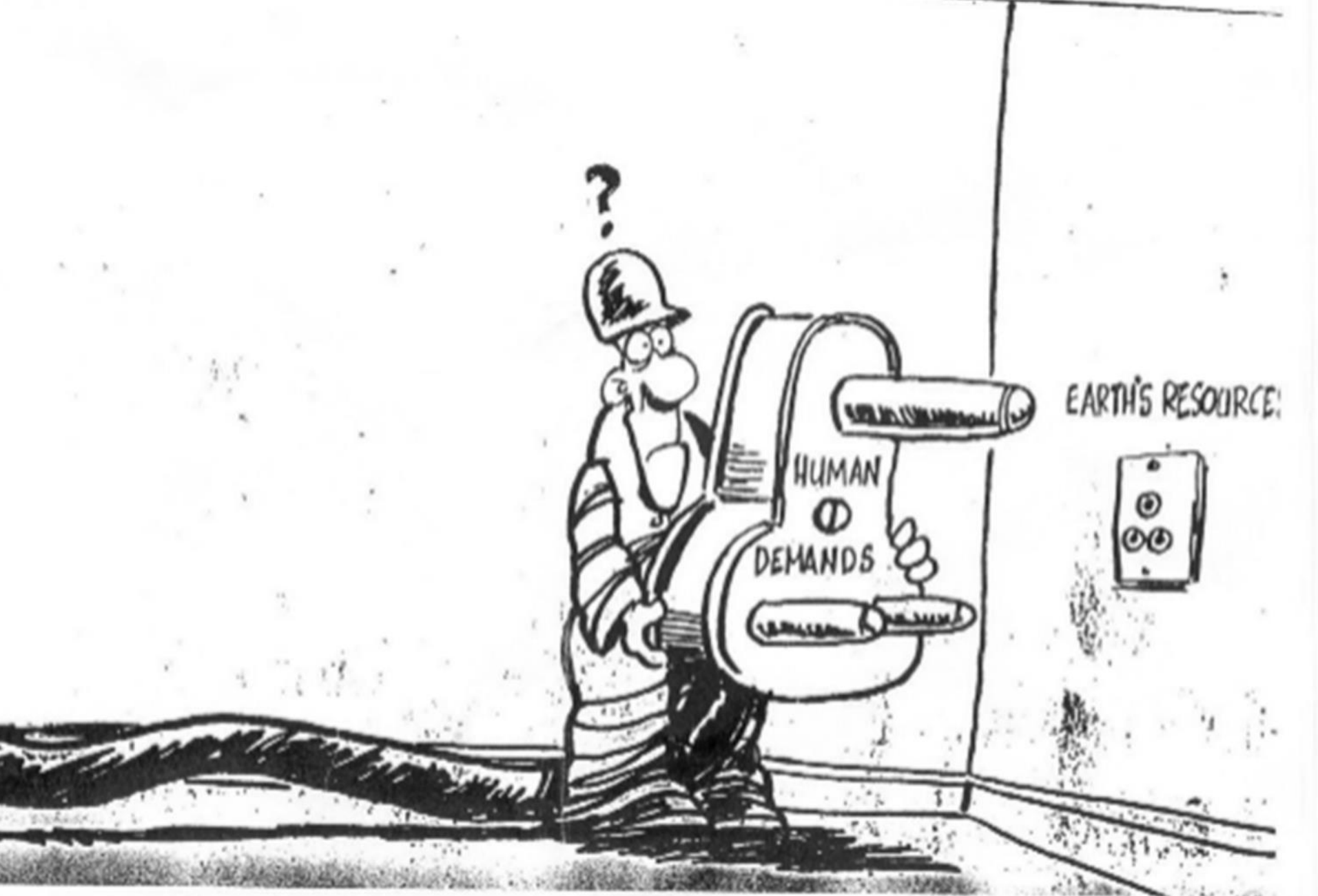
The great acceleration



"There is one and only one social responsibility of business - to increase its profits."

Milton Friedman



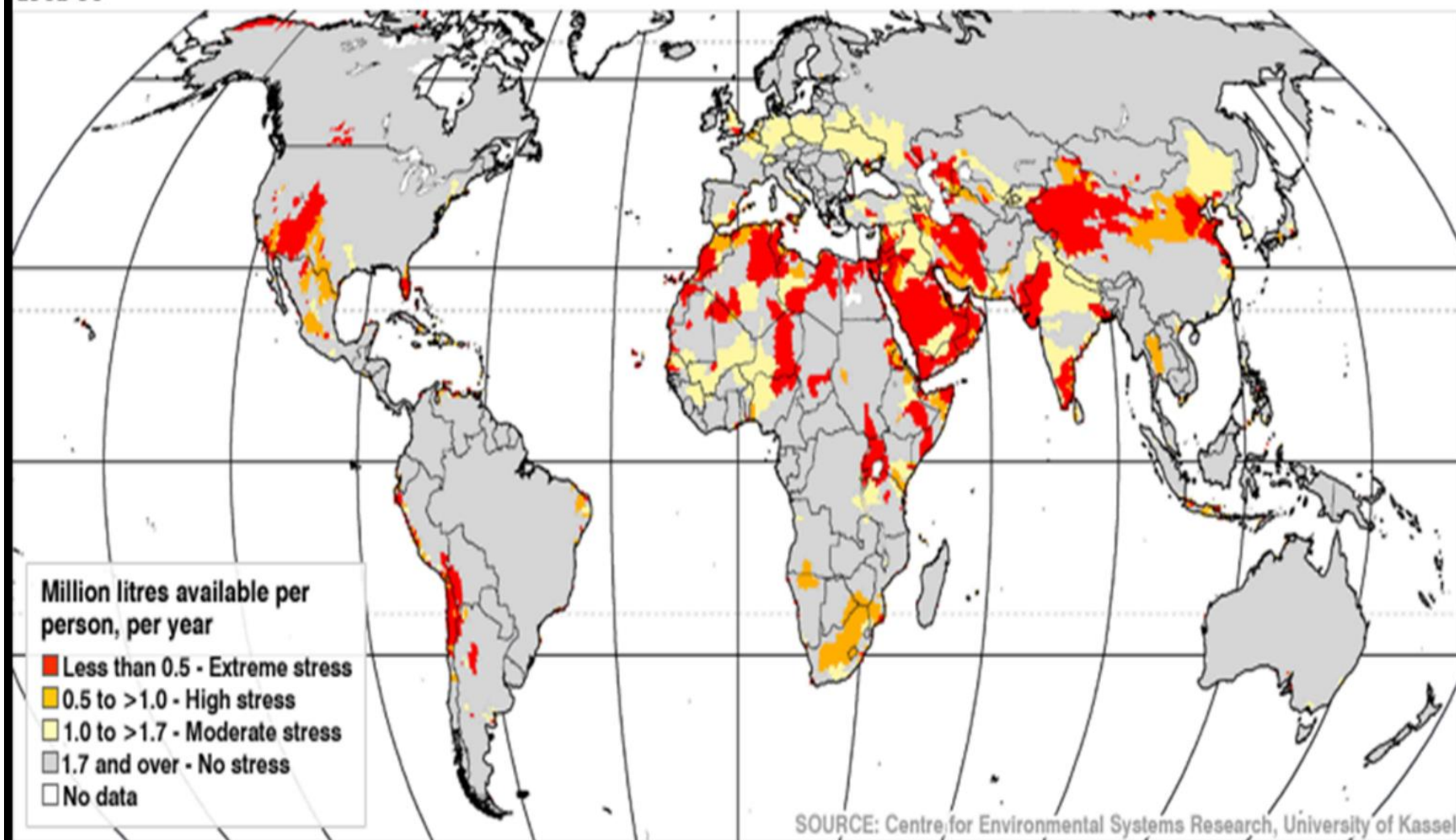


EARTH'S RESOURCE!

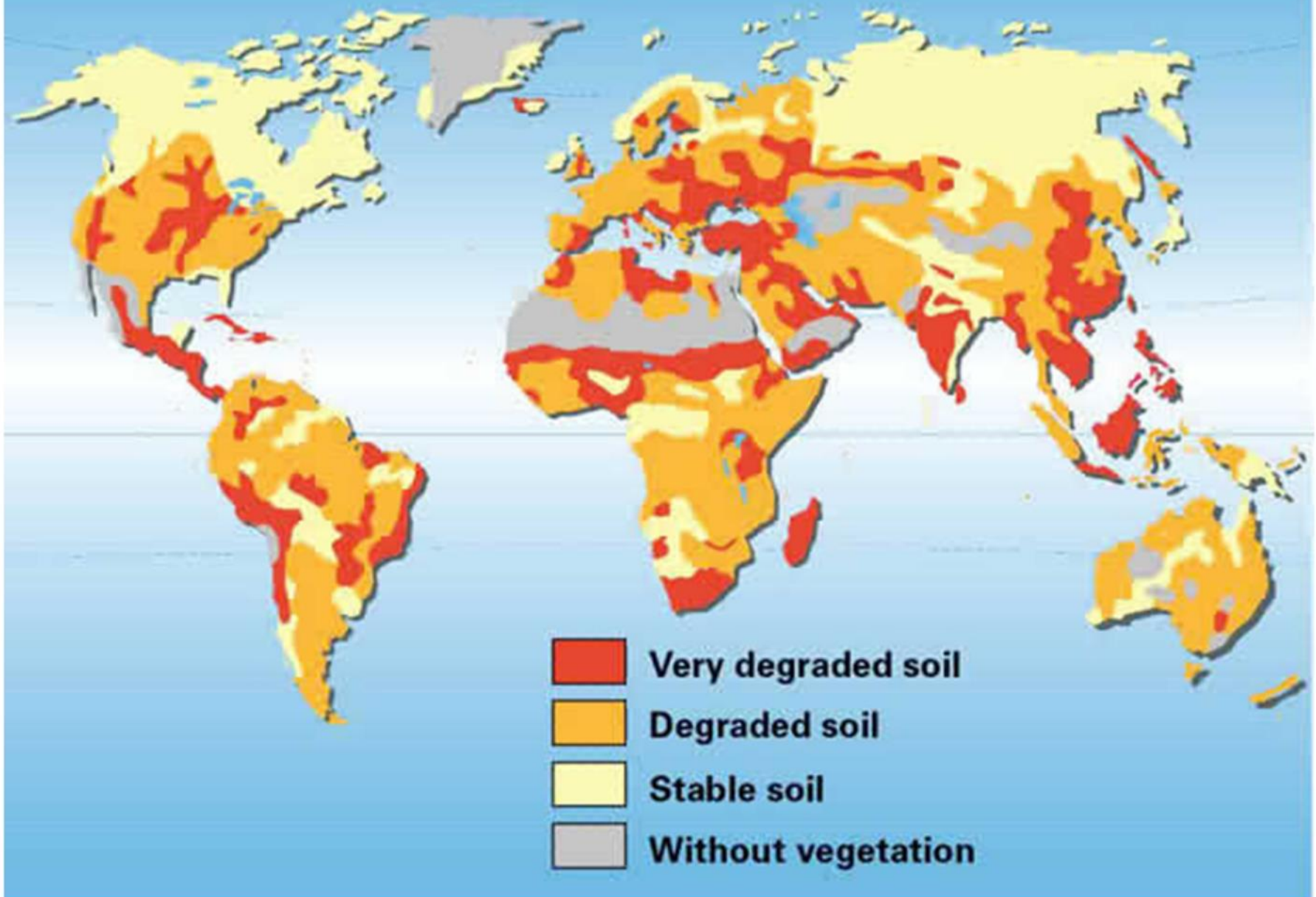
HUMAN
DEMANDS

Worsening per capita water availability

1961-90

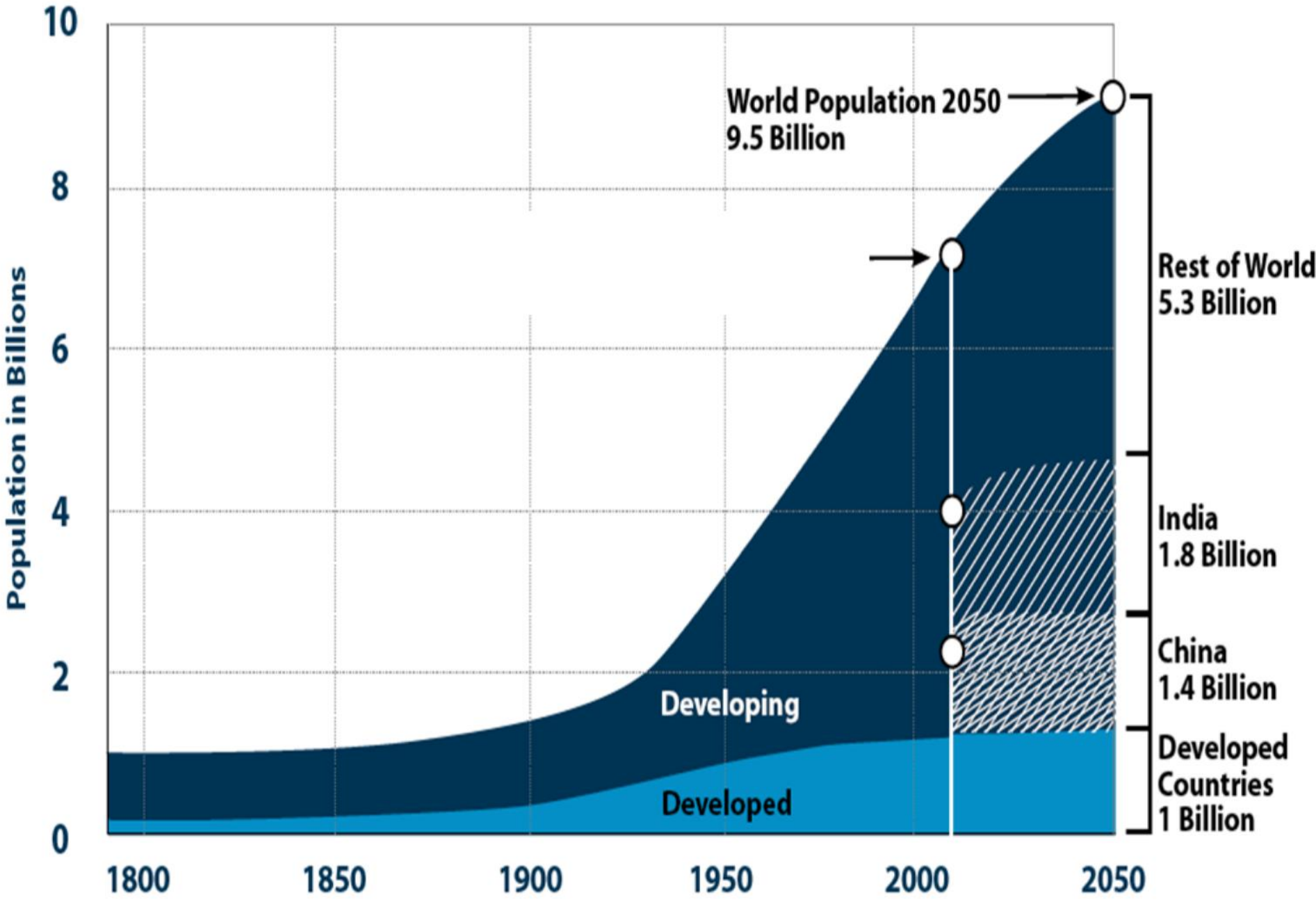


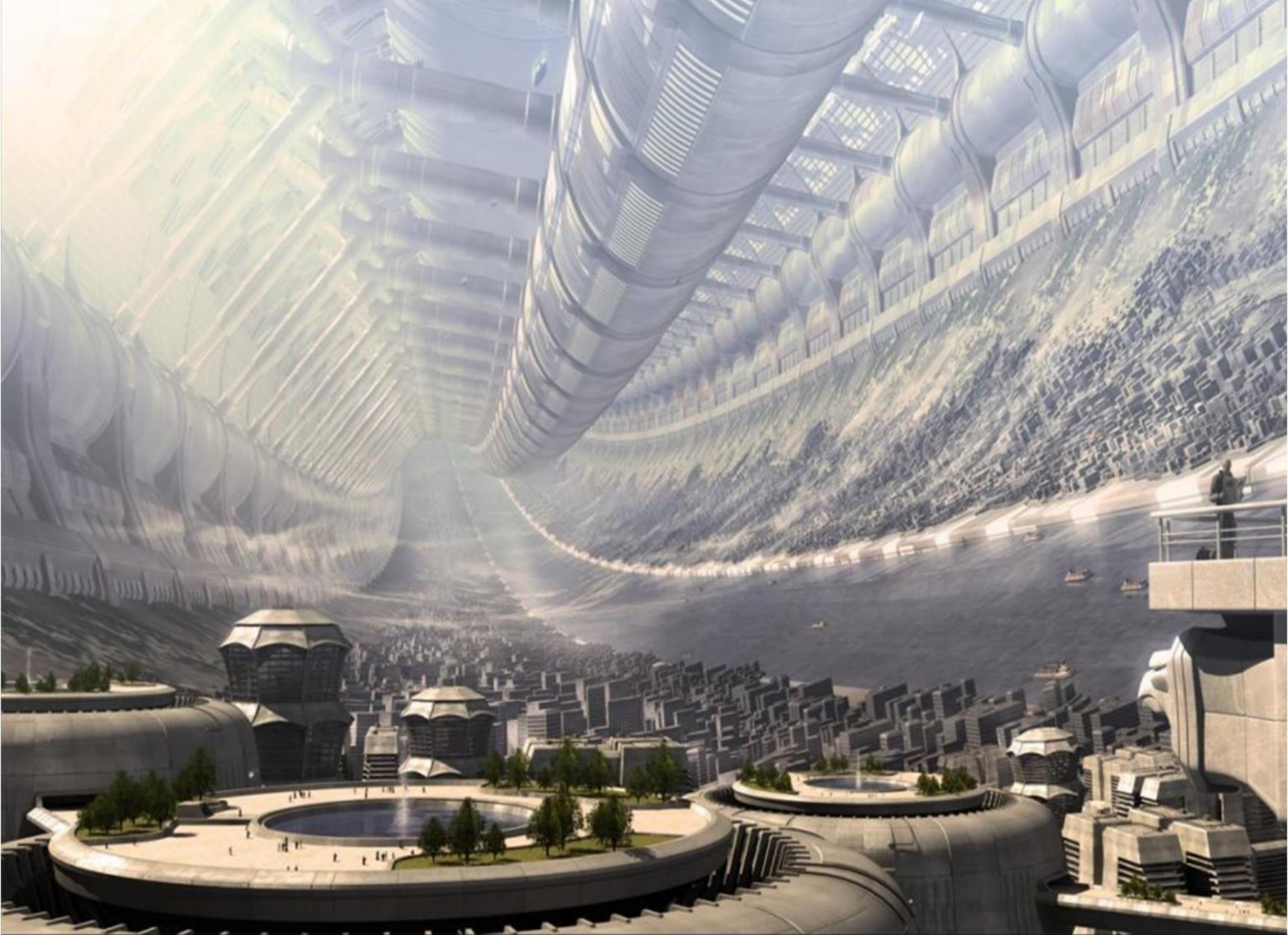
Soil degradation



To meet the increasing demand from a growing population we will need to produce more food in the next 40 years than has been produced in the previous 8,000 years.

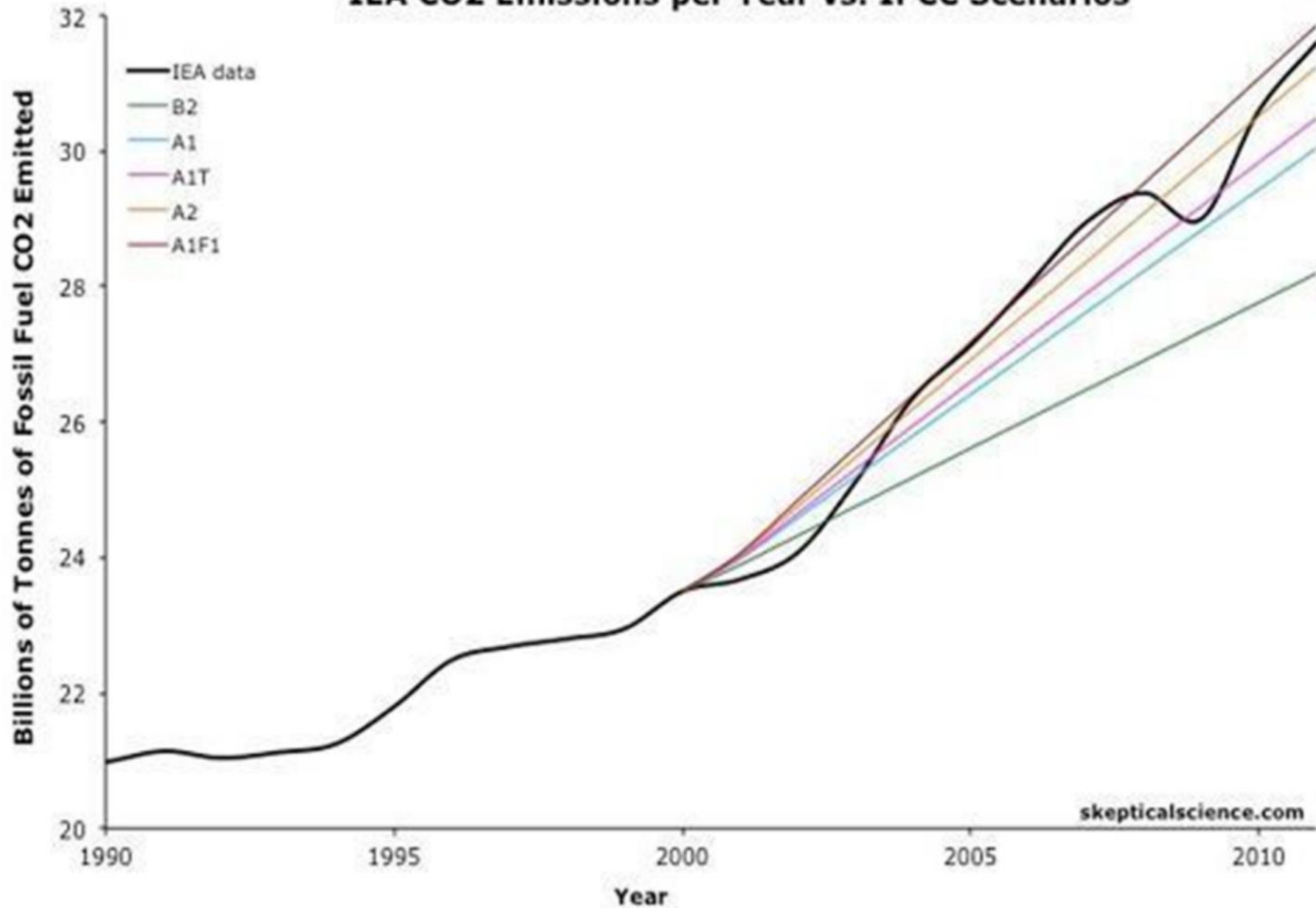
Jason Clay, Senior Vice President WWF



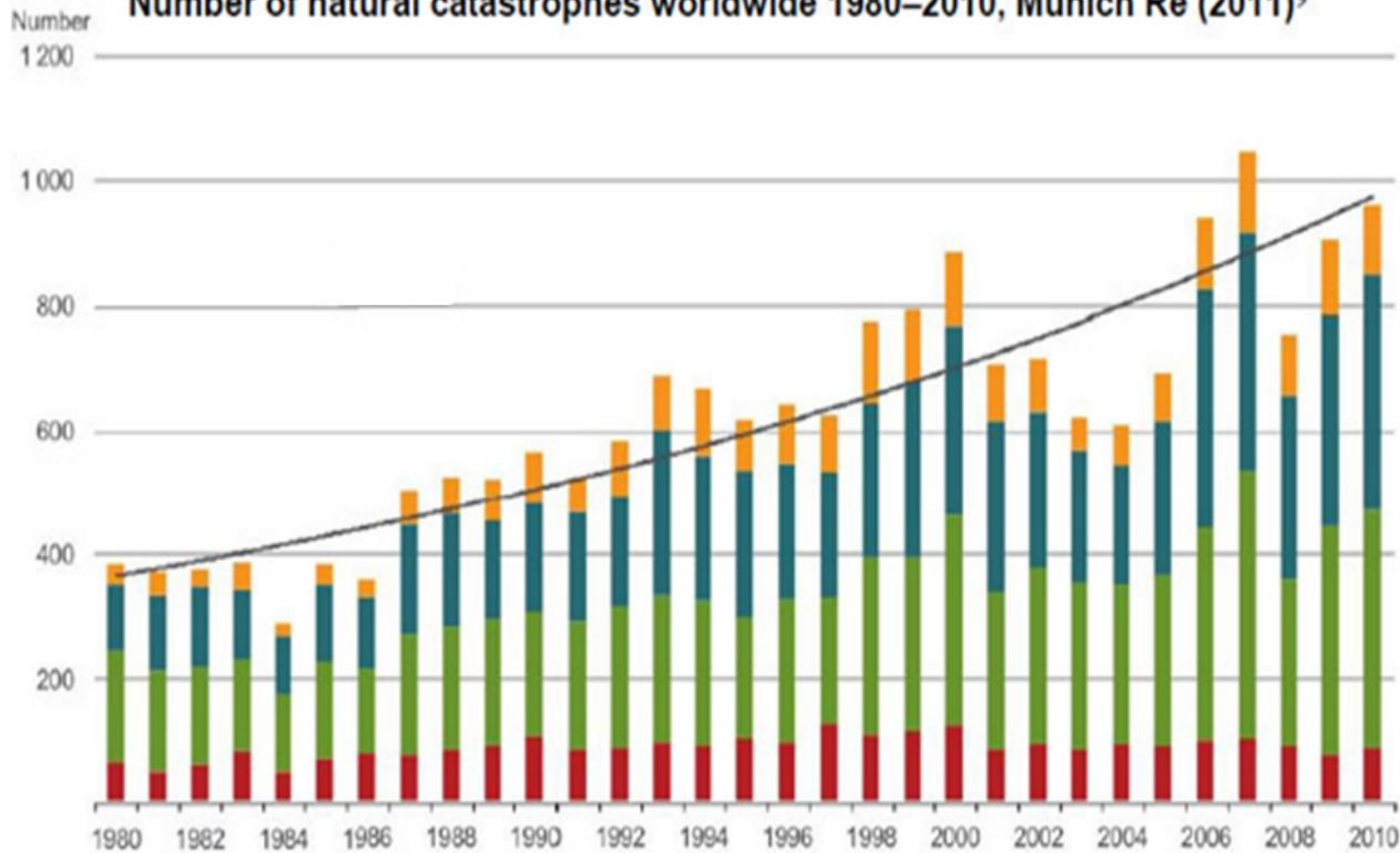




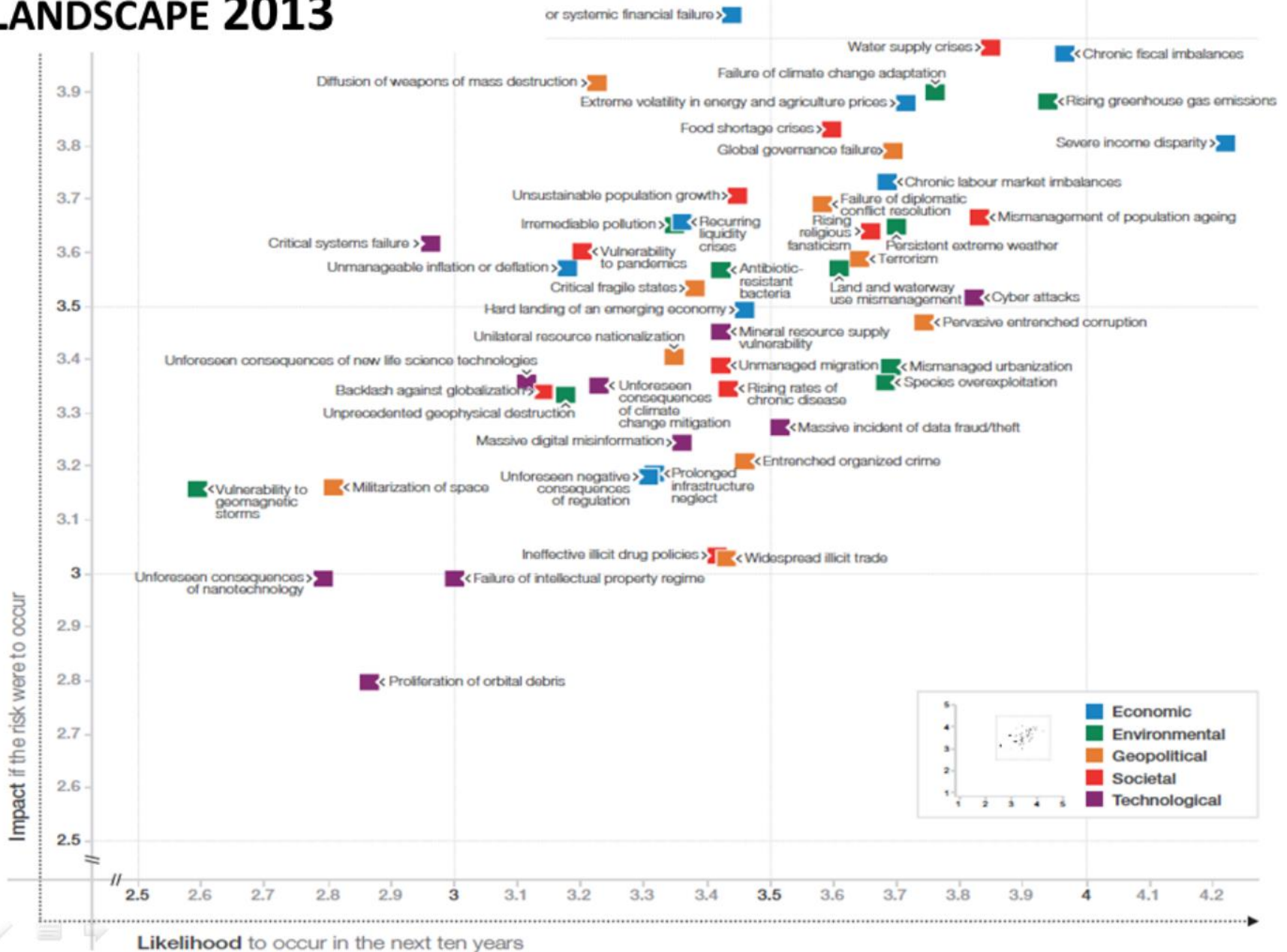
IEA CO2 Emissions per Year vs. IPCC Scenarios



Number of natural catastrophes worldwide 1980–2010, Munich Re (2011)⁹

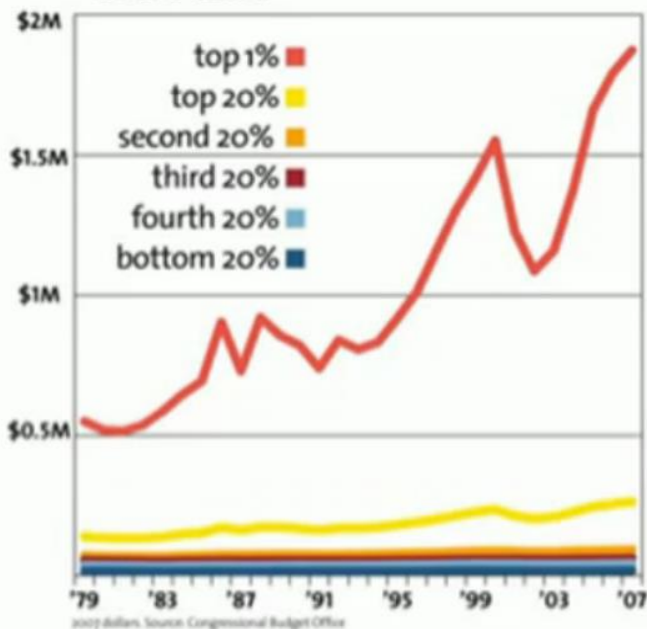


WEF GLOBAL RISKS LANDSCAPE 2013

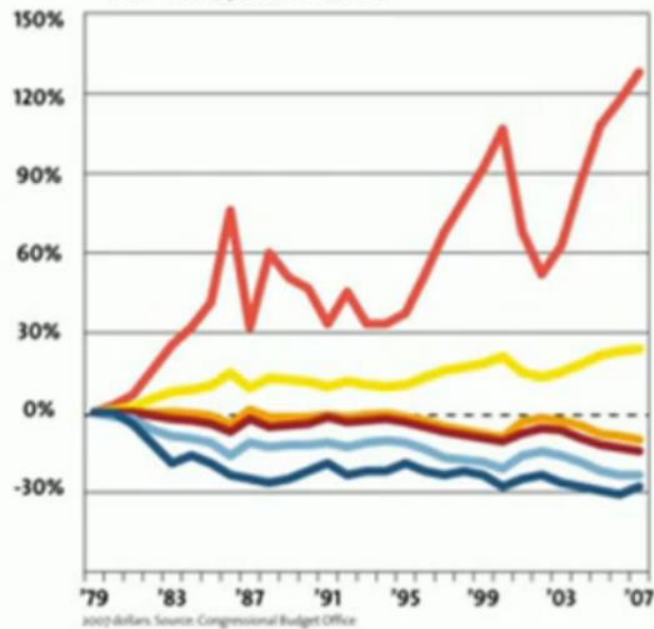


The superrich have grabbed the bulk of the past three decades' gains.

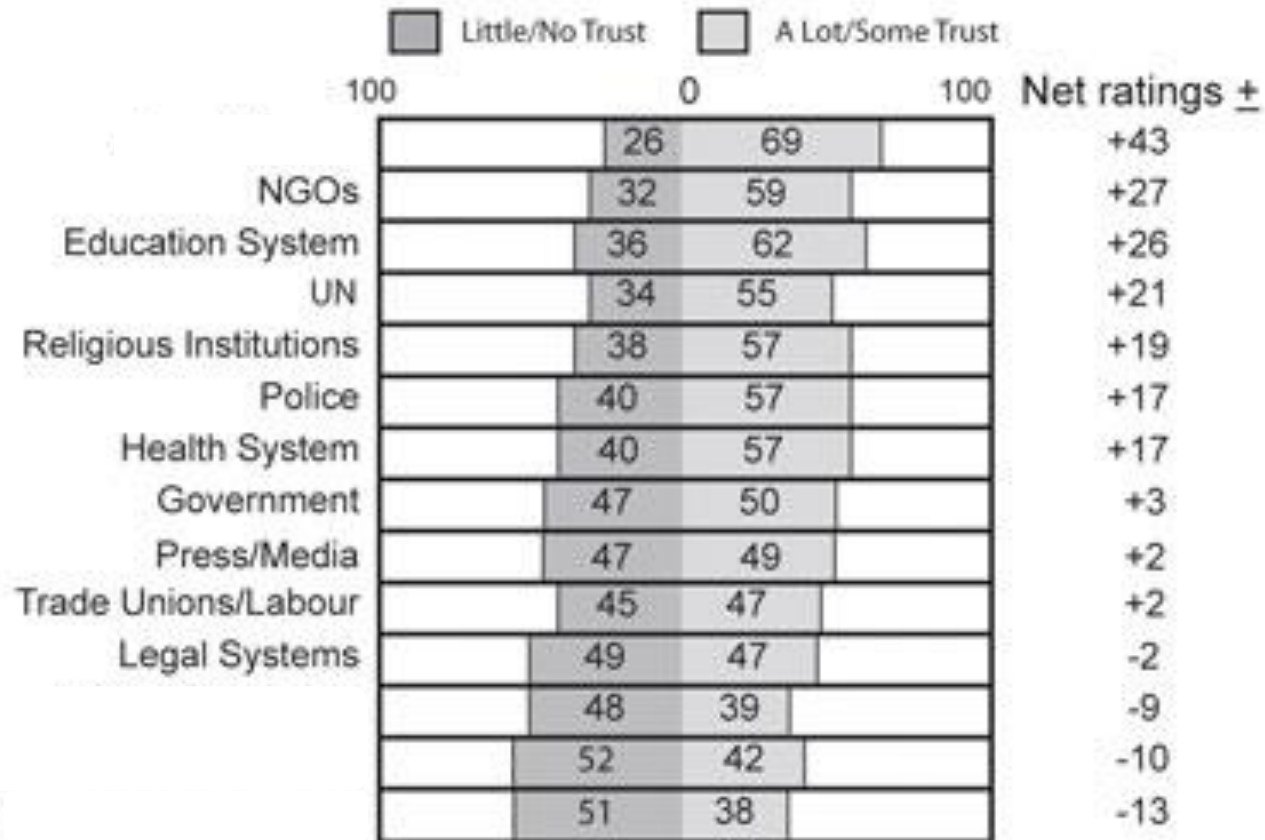
AVERAGE HOUSEHOLD INCOME
before taxes



CHANGE IN SHARE OF INCOME
Vs. 1979, after taxes



Trust in institutions to operate in society's best interest



* % trust minus % distrust = net rating

Source: WEF - - Voice of the People, 2002





optimism

“Not all profit is equal. Profits involving a social purpose represent a higher form of capitalism, one that creates a positive cycle of company and community prosperity”

Michael Porter

“A business that trades for a primary social purpose and that reinvests a majority of profits to achieve its social goals”



History of the UK movement - grassroots

1844	<ul style="list-style-type: none">• Rochdale pioneers
1900s	<ul style="list-style-type: none">• Co-operative movement expands around the world
1950s	<ul style="list-style-type: none">• 'Social firms' or sheltered workspaces established to provide employment for disabled soldiers
1950s	<ul style="list-style-type: none">• Fair trade movement begins
1970s	<ul style="list-style-type: none">• Different business models begin to use business for social good.
1980s	<ul style="list-style-type: none">• Term social entrepreneur begins to be widely used
1990s	<ul style="list-style-type: none">• Ashoka, SSE, Development Trusts, Leisure Trusts
1998	<ul style="list-style-type: none">• Social Enterprise London established
2000s	<ul style="list-style-type: none">• Public services open up to charities - commercialisation of much of charitable sector
2002	<ul style="list-style-type: none">• First fair trade international mark
2002	<ul style="list-style-type: none">• Social Enterprise UK
2008	<ul style="list-style-type: none">• Global banking crisis – people increasingly recognising the need for value based capitalism



UK State of social enterprise 2015:

78,000 social enterprises

2 Million staff employed

39% based in deprived areas

59% grew compared to 28% of SME's

57% predict growth next year

40% led by women

75% actively involve beneficiaries in governance

£37billion to the UK economy



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●●● MISS MACAROON







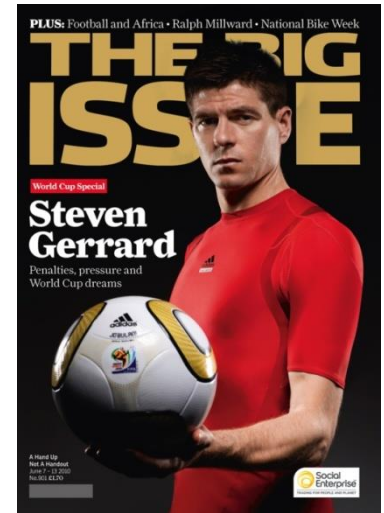
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UK



Coin Street 
community builders

Building a thriving community
on London's South Bank







Why has this happened?



Developing countries

Loss of corporate taxes
to the developing world:



£80bn a year

It is predicted that
illegal, trade-related tax
evasion alone will be
responsible for

5.6m deaths

of young children in the
developing world between
2000 and 2015

Britain

Amount of unpaid tax
in 2010/11:

£32bn

Cuts announced in 2010
from the welfare bill:

£18bn

Further cuts to be implemented
by 2016-17:

£10bn

Sources: Christian Aid,
HMRC, Starbucks

Starbucks

Sales in the past
three years:

£1.2bn



Reported profits and
taxes paid in these three
years:

0 0

What can governments do to support social enterprise?



**No more
business
as usual**

A social enterprise manifesto

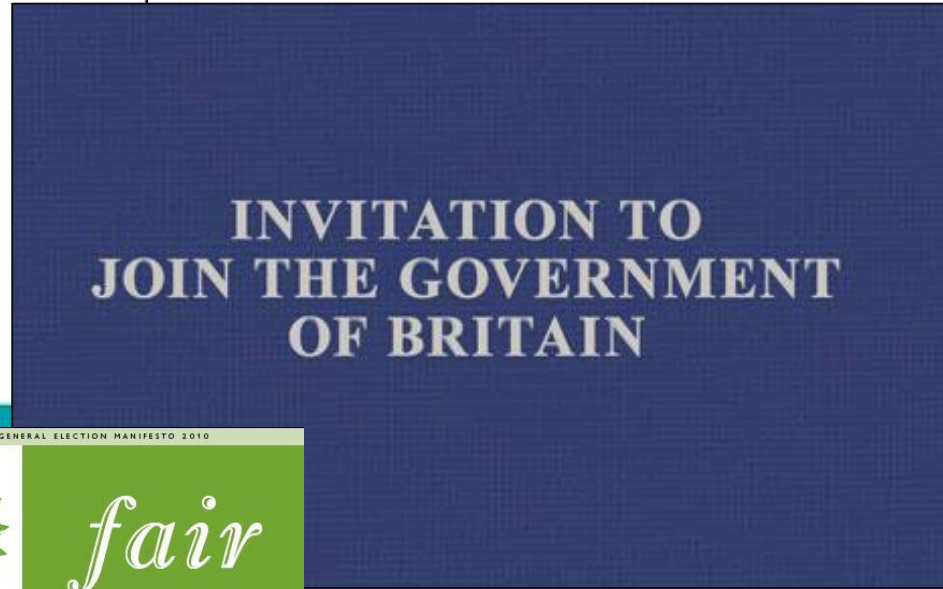


**THE BEST IDEAS FROM
THE LEFT & THE RIGHT.**
SOCIAL ECONOMY ALLIANCE

MANIFESTO
GENERAL ELECTION 2015

**SOCIAL
ECONOMY
ALLIANCE**





History of the UK movement – UK government

1997

- Prime Minister Tony Blair commits to supporting social entrepreneurs in his first policy speech

2000

- **UNLTD*** launched to promote and develop social entrepreneurs with £100m endowment

2001

- **Social Enterprise Unit** formed as part of the Department for Trade and Industry

2002

- Social Enterprise Coalition (now **Social Enterprise UK**) established

2005

- **Community Interest Companies (CICs)** - legislation to create a new form of corporate entity introduced

2009

- **Social Enterprise Investment Fund** - £100 million fund established for investment in new and existing social enterprises delivering health and social care services

2009

- **Right to request** introduced to support **National Health Service** staff establish social enterprises

2010

- **All main parties manifesto's have strong commitments to social enterprise –**
- **Social Enterprise features in the Queen's speech.**

2011

- Government commits that **1 in 6** public sector employees will work for **staff owned social enterprises** and mutuals

2011

- **Community Rights to Challenge**, to Bid and to Build enshrined in the **Localism Bill**
- **First ever Social Impact Bond** launched

2012

- Launch of **Big Society Capital** with **£600m** of investment for social enterprises and charities.

2012/3

- Passing of the **Public Services (Social Value) Act**
- **Prime Minister** David Cameron launches the **G8 Social Investment Taskforce**

History of the UK movement – public policy

2013

- European Commission establishes **Social Business Initiative** across 3 DG's - a top EC priority to 2022

2014

- **EU procurement directives amended** - thresholds increased, health, social care markets can in part be pro-social enterprise / mutual, social value principles reinforced.

2014

- **Social Investment Tax Relief** - 30% personal tax relief for investors in CICs and charities up to £5m

2014

- Social Value Act review by UK Government, Procurement Reform Act enacted in Scotland



“I want these difficult economic times to achieve more than just paying down the deficit and encouraging growth. I want them to lead to a socially responsible and genuinely popular capitalism. One in which the power of the market and the obligations of responsibility come together”

“We need to recognise the full potential that social enterprise has. It’s not just about helping to tackle social problems at the community level; it’s about mainstream businesses delivering public services with a distinctive focus on quality, serving the community, and employee pride. You showed us that social enterprises are not just creating social good, but creating jobs and opportunity.”

Prime Minister David Cameron

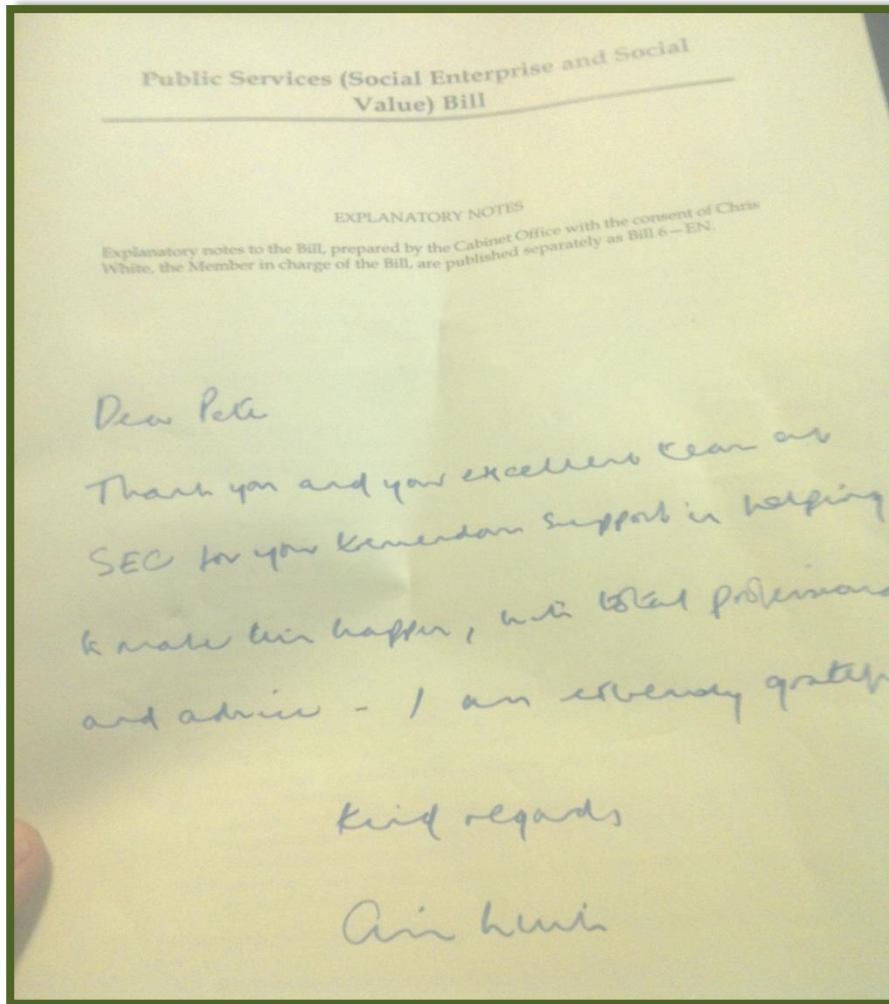


“I believe that over the next decade we will see a growing proportion of our services provided by independent public service providers and social enterprises.”

The Rt Hon Gordon Brown MP

Public Services (Social Value) Act 2012

Establishing 'social value' principles in public procurement



UK = £100bn per year on Government procurement





The role of social enterprises and co-operatives in our public services will be enhanced.



Governments can and should:

Raise awareness

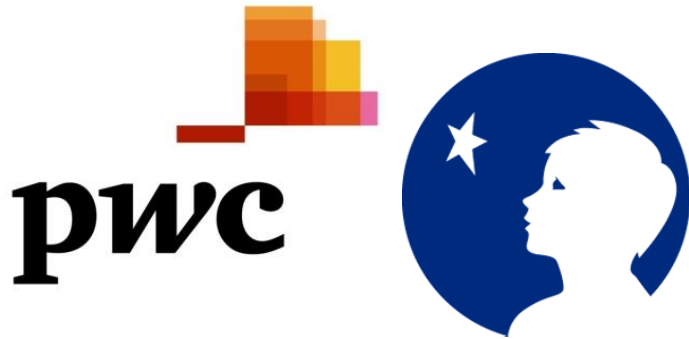
Buy socially

Support investment into the sector

**Develop policies that reward sustainable,
pro-social businesses**



What can businesses do support social enterprise?









Grameen Danone Model

INVESTMENT

Danone provides investment to create a company to produce a yoghurt containing the 12 nutrients missing from malnourished children in Bangladesh



REFUND

All investment monies will be returned to Danone

REINVESTMENT

- With the profits from the sale of yoghurt cups, the company can expand and reach more people



LOCAL DEVELOPMENT

- Decrease in the number of malnourished children in Bangladesh
- Provide a nutritious and cheap food for poor children



Combating malnutrition through the sale of a cheap yoghurt cup



Average growth of Deloitte Social Innovation Pioneers

wates



“Today, successful businesses must play a catalytic role, not only managing our own economic, social and environmental impact; but creating value for all our myriad of stakeholders in collaboration with others...and responsible business and commercial success can be driven simultaneously”

Paul Walsh, CEO Diageo

“Any business that does not internalise social and environmental challenges is talking to itself and will, eventually, be rejected by its customers and its staff”

Paul Polman, CEO Unilever

Management is doing things right;
leadership is doing the right things

Peter F Drucker



What can you and I do to support social enterprise?

Start?

Buy Social?

Work for?

Invest?

Campaign?



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Community Wind Financing



CONFLICT FREE
TIN & TANTALUM
(D.R. CONGO)

REPLACEABLE
BATTERY

ROOTABLE
OPERATING
SYSTEM

E-WASTE
PROGRAM

WORKER
WELFARE

DUAL SIM





Summary:

A growing global movement

An ecosystem of support is necessary to achieve scale and momentum

Governments can and must help – whatever the political ideology

Corporate business can help

But most of all it takes citizens and social entrepreneurs to do their bit too....and that's where you come in....





Are you now inspired to take action?

- a) Yes, yes, yes! I've found my inner, socially entrepreneurial self, things are going to change.***
- b) We're already doing it but we're going to do even more...***
- c) I'm going to quit my job and start a social enterprise, but please don't tell my boss / partner / mother yet...***
- d) I've given up, who gives a crap about society? Nothing ever changes, what's the point, I'm off for a beer***

**“Coming together is a beginning;
keeping together is progress;
working together is success.”**

Henry Ford

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www.socialenterprise.org.uk

peter.holbrook@socialenterprise.org.uk

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