

Communitarian Perspectives on Social Enterprise

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Introduction

- Social Enterprise
 - Current Debates, Policy and Practice
- Governance Theory/Practice
 - Philosophical Foundations
 - Systems of Governance
- Critical Reflections
 - Social Enterprise, the CIC and Co-operatives

Social Enterprise Debates

- Government Discourse
 - Not-for-profit, asset locked, social exclusion focus (Haugh, 2005)
 - Market solutions, 100% trading income, entrepreneurial (Wallace, 2005)
- Practitioner Discourse
 - More-than-profit, surplus sharing, social inclusion focus (Brown, 2004; Allen, 2005)
 - Mixed investment funding, multiple sources of income, participatory (Wallace, 2005)

Philosophical Foundations

- Individualist

- Focus on personal development (Smith, 1776)
- Individual as autonomous and rational
- Focus on 'rights' (Rawls, 1999)

- Communitarian

- Common interests, shared goals (Tam, 1999)
- Individual as socially embedded and controlled
- Focus on responsibility for others (Starrat, 2001)

Philosophical Foundations

- Unitarist (Consensus)

- Establish and follow 'best practice'
- Scientific universal truths (Lutz, 2000; Coats, 2004)
- Conflict avoidance (conflict seen as "negative")

- Pluralist (Diversity)

- Duplication / competition
- Emergent (competing) truths
- Co-operative conflict (conflict seen as "positive")

Philosophical Foundations

| Society served by... | Consensus (Unitarism) | Diversity (Pluralism) |
|----------------------|--|---|
| Individualism | <p>1. Governance by a sovereign, rules created to impose social order, allocation of property, adjudicate conflicts between subjects.</p> <p>(Hobbes, Skoble)</p> | <p>3. Accommodation of individual conflict, legal and democratic rights, and market economics.</p> <p>(Rawls, Friedman)</p> |
| Communitarianism | <p>2. Governance by an elite, rules embody shared values, collective property, elite adjudicates conflicts according to collective interests.</p> <p>(Weber, Keynes)</p> | <p>4. Accommodation of individual and collective conflict, participatory decision-making, direct democracy.</p> <p>(Habermas, Nové)</p> |

Individualist Unitarism

- Dominant Discourse
 - “Conformance and performance” (IFAC, 2003)
 - Neutrality and Economic Rationality
- Expressed Through...
 - Entrepreneur-led and controlled business
 - Individually driven philanthropic ventures
 - Line Management / Patronage

Communitarian Unitarism

- Alternative 1 – Bureaucracies
 - Elite Governors / Subordinate Employees/Beneficiaries
 - Standards Based Governance (e.g. TQM, ISO)
 - Board led / accountability to law
- Expressed Through...
 - Charities, Trusts, and CICs
 - Governance through “Plans”
 - “Degenerated” associations, societies and co-operatives

Individualist Pluralism

- Alternative 2 – Collectives
 - Participatory discursive democratic governance
 - Elected governors subject to immediate recall/removal
 - Accountability to collective bodies
- Expressed Through...
 - “Democratic” co-operatives (IPS etc.)
 - Member associations / societies (activist)
 - Informal social networks

Communitarian Pluralism

- Alternative 3 – Stakeholders
 - Stakeholder groups / representatives
 - Discursive democratic governance (within each group)
 - Accountability to group and collective bodies
- Expressed Through...
 - Multi-stakeholder businesses and co-operatives
 - Modified Community Interest Companies (CIC)
 - Organisation Networks / Alliances

Democratic Claims

| | Consensus (Unitarism) | Diversity (Pluralism) |
|------------------|--|---|
| Individualism | Entrepreneur-controlled Right to property/trade Hierarchical control (Dictatorship) | Choice driven Right to Voice Emergent standards (Dictatorship of Majority) |
| Communitarianism | Elite-controlled Equal Opportunity Imposed standards (Dictatorship of Minority) | Stakeholder driven Protection of Voice Competing standards (No Dictatorship) |

Critical Reflection

- Social Enterprise

- Diversity inevitable - affected by philosophy of founder(s)
- Philanthropic model (unitarist orientation)
- Co-operative models (pluralist orientation)

- Charities / CICs (Unmodified)

- Trustee/Board not shareholder/stakeholder controlled
- Modified individualist assumptions on entrepreneurship
- Unitarist assumptions in governance?

Critical Reflection

- Co-operatives / CICs (Modified)
 - Collective action/recursive control structures
 - Can be unitarist (degenerated) or pluralist (activist)
 - Moving toward multi-stakeholder governance?
- Three competing perspectives
 - Social enterprise as a 'non-profit' business
 - Social enterprise as a 'more-than-profit' business
 - Social enterprise as a 'socially rational' business