

Social Entrepreneurship and its Implications for Social Work¹: Preliminary Findings of Research into Business and Social Sector Relationships in Newcastle and the Hunter Region of New South Wales, Australia

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This paper explores two key questions: (1) What ideas are embodied in the concept of social entrepreneurship and how do these ideas resonate with or differ from more traditional notions of social work practice? (2) Should social work educators engage in teaching the theory and practice of social entrepreneurship and, if so, how might this be developed? In addressing these questions, the authors focus on an initiative arising from current research being undertaken jointly between the Department of Social Work at the University of Newcastle and the Newcastle and Hunter Chamber of Business. (Newcastle is a large regional centre on the east coast of New South Wales, Australia.) The research explores the nature of business and social sector relationships at the local level. The particular initiative arising from the networks established through business research is to develop short courses in social entrepreneurship in partnership with the University's Graduate School of Business. As social work educators contributing to social entrepreneurship education

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programmes in partnership with business educators, our challenge is to ensure that the social mission of social entrepreneurship remains central and its implications are fully understood and explored.

The paper explores two key questions, namely, the ideas embodied in the concept of social entrepreneurship and how they resonate with or differ from more traditional notions of social work practice, and whether social work educators should engage in teaching the theory and practice of social entrepreneurship and, if so, how this might be developed. These questions have arisen through involvement in a social work research project in the Newcastle and Hunter Region of New South Wales, Australia. The project is exploring the nature of business and non-government community service sector relationships

Social Entrepreneurship

Social entrepreneurship is gaining increasing attention as a concept which challenges academic, bureaucratic and professional approaches to entrenched social problems. The notion of social entrepreneurship embraces the idea that business acumen can be applied to community causes in an empowering way such that there is a real transfer of economic power to significantly disadvantaged groups and individuals. The idea of social entrepreneurship places emphasis on people rather than structures; creative and innovative approaches which operate “outside the box”; the application of business acumen to social goals; accountability to constituencies served and for outcomes delivered; opportunities for combining for-profit and not-for-profit initiatives; improved economic prosperity for disadvantaged constituencies; individual capacities for problem solving; and responsibilities as well as rights as encompassed by the notion of mutual responsibility.

It represents a drastic paradigm shift away from welfarist models and traditional community development that is best encapsulated in the slogan *a hand up not a handout*. It is neither top down nor bottom up. Rather, it is inside out. Social entrepreneurship is critical

of welfare models that create dependency and do not achieve any real shifts in economic and social power to welfare recipients, most of whom are marginalised and oppressed people. It is also hugely critical of bureaucracy and governmentality, which ties resource provision in a complex web of rules and policies and endless committees, all of which delay decision-making and prolong people's disempowerment and welfare dependence.

Social work is intricately linked with government welfare provision. A social entrepreneurship perspective is consistent with critiques from within social work relating to its governmentality and allegiance to the *status quo* (Rossiter, 2001). Social entrepreneurship is equally scathing of all those, like policy-makers, researchers and academics, who study social issues rather than act to make change happen. In keeping with its *think local, act local* philosophy, it represents a hands-on approach to community economic development and stands in strong contrast to social development, which essentially concerns the creation of a social policy context or framework within which multilevel, multisectoral and multidisciplinary development can be carried out (Gray, 1997; Midgley, 1997). Since it is almost impossible to create the ideal social conditions for such grand scheme change, the social entrepreneurship model appears far more grounded and feasible in light of the less than ideal context in which change must happen.

Social entrepreneurship is, however, subject to critique from those who promote a rights perspective and believe it is the government's responsibility to provide jobs and social services for those who are unemployed. They point out that real economic empowerment means the creation of adequate and sustainable jobs for the unemployed, or, in the absence of jobs, an adequate social wage. There is also criticism from those who interpret social entrepreneurship to mean that welfare and services agencies have to be run more like businesses and be tied to outcome rather than need. Insofar as social entrepreneurship promotes notions of mutual obligation and individual responsibility, it is seen to have the

potential to be aligned with the interests of conservative politics. For example, a key proponent of social entrepreneurship in Australia, Peter Botsman (2000), in an address to the Australian Council of Social Service Congress, noted

What is being stolen from people, even when we increase the size and power of the social wage, is people's capacity to think and act and work and solve their own problems for themselves. At the moment, by being primarily an advocate to an increased social wage, ACOSS puts itself on the side of the health care professionals who insist on having absolute control of the health problems they cannot solve; and the silos of the social wage bureaucracies in police, social security departments, education departments, housing departments who want to see social inadequacy solely in terms of what they have the capacity or responsibility to deliver. But none of this is attacking inequality.

The concept of social entrepreneurship thus raises significant questions of relevance to social work practitioners and educators regarding social service provision. It challenges current ideological thinking about welfare provision. Does it represent a conservative push to exonerate government from current cutbacks in services and their abdication of social responsibility? Or does it challenge academics and practitioners to rethink models of welfare provision and their real outcomes in terms of empowering disadvantaged groups cut off from the economic mainstream? These questions have arisen from involvement in a social work research project being undertaken by the University of Newcastle, which is exploring the relationship between business and the non-government community services sectors in a regional community in New South Wales, Australia.

Business and Community Research Project

Background to the Study

The Australian Federal Government, through its Business and Community Partnerships Programme, is calling for greater levels

of social investment by business through partnerships with the social and community services sector. While there is initiative at the national level to foster business social investment, little research has been done at a regional level to establish the current role and contribution of the business sector to social and community issues and programmes. Regional development has traditionally been dominated by economic considerations without due regard for related social processes (Cheers, 1995). Similarly social planning and human services provision is often conducted in isolation from economic forces. Cheers (1995) argues that this separation retards regional development.

This social work research project thus set out to establish the current activities and potential interest, demands, needs, restraints, and capacities of the business community for social investment at a regional level. It was believed that by using the Newcastle and Hunter Region as a case study, we could explore the possibilities for a developmental approach to business social investment at a regional level. The need for such research was identified at the Federal Government's *Summit on Regional Issues* held in 1999 where it was noted that a key priority was to "invest in capacity building in regional and local communities, in order to better understand, manage and grow philanthropy" (Department of Transport and Regional Services, 2000).

As well as gaining an understanding of current patterns of contribution from business, through a developmental approach the research aimed to explore the scope for business to embrace corporate social investment as a planned initiative strategically directed towards the integration of economic and social goals, which would lead to well distributed gains in economic and social well-being (Midgley, 1995). In other words, it questioned whether business involved itself in corporate social investment to achieve social justice goals.

The Study's Context

Newcastle and the Hunter Region of New South Wales

Newcastle and the Hunter Region of New South Wales are undergoing significant economic and social change resulting from restructuring in manufacturing and mining and diversification towards knowledge, technology and service-based industries (Hunter Regional Development Organisation, 2000). The Regional Economic Strategy (HRDO, 2000) incorporates a strengthening of the social fabric of the region as an important element in a philosophy of sustainable regional development. The Hunter Region thus provided an ideal context for the study.

Core Concepts

Business Social Investment and Citizenship

Business social investment or corporate citizenship are terms used to describe the range of social support strategies undertaken by business in association with social and community service organisations. The concept reflects a move in philanthropy away from a tradition of patronage and gratitude towards the notion of social investment to build social capital (Greaves & Sandilands, 2000; Timmons, 1999). Through the Australian Federal Government's *Business and Community Partnerships Programme*, businesses are being encouraged to consider a more strategic approach to charitable giving whereby philanthropic contributions deliver strategic benefits for firms (Burke, 1996; Greaves & Sandilands, 2000). Research has also identified the need for businesses to examine the local environment to anticipate social problems that can damage economic infrastructure and performance and to develop partnerships to address the causes and consequences of, for example, violent crimes (Vidaver-Cohen, 1998). There is thus a growing interest in the capacity for business social investment to deliver returns directly in terms of business performance and indirectly in terms of producing social

environments conducive for the operation of businesses. This perspective is informed by the theory of social capital.

Social Capital

Social investment by business is thought to be one means by which the social capital of a region may be enhanced through the development of ties and networks across economic and social systems. Since Robert Putnam (cited by Gittell & Vidal, 1998) identified the role of social capital in regional governance and economic development in Italy, there has been a growing interest in its definition and measurement (Cox 1998; Gittell & Vidal, 1998). The main elements of social capital for Putnam are trust and co-operation, developed through networks, and norms which foster collaborative effort to achieve shared objectives. Putnam concluded that regional differences in economic and social well-being could, in part, be attributed to the presence or absence of social capital. The research seeks to explore whether business social investment activities in the Newcastle and Hunter Region of New South Wales are currently or potentially able to contribute to enhanced levels of social capital. This objective is being addressed in specific questions about the nature, experience and outcomes of business and social and community sector relationships and networks.

Social Development

A theory of social development has emerged within social work literature to provide guidance as to how social and economic development can, do and should inter-relate. Within this theory, social development is viewed as an approach to social policy that brings together insights from economics, sociology (specifically development studies) and political science (Midgley, 1994). It proposes comprehensive solutions to social problems involving all social sectors including health, housing, work, welfare, education, and in this case, business. It recognises the

relationship between these sectors in providing for the well-being of people and societies. Midgley (1994) points out that broad, comprehensive definitions of social development such as this (used in development studies) best approximate the political economy approach and transcend disciplinary boundaries. Of particular relevance to the present study is the inextricable link between social and economic development: "Social development cannot take place without economic development and economic development is meaningless unless it is accompanied by improvements in social welfare for the whole population" (Midgley, 1993, pp. 1-2). The study aims to add to this body of knowledge by examining ways in which the interests of the business and community sectors can be harnessed to address social problems and issues in the area under study. It also aims to use a developmental research model to facilitate dialogue and joint problem solving by these two sectors.

Research Design

The research design is based on a developmental model of research (Rothman & Thomas, 1994) that incorporates a number of phases leading towards the possible design of a practice model for community-business partnership development at a regional and local level. The developmental research model has emerged from industry research and development processes that incorporate phases of using research data to develop, diffuse and adopt new technology and/or approaches (Thomas, 1978). Developmental research differs from traditional social science research in its goal of generating interventions as opposed to generating knowledge *per se*. The significance of the developmental research model thus lies in its emphasis on the application of data collection and analysis to new forms of practice, in this case, business investment in social issues and programmes. It promotes the development of new and innovative forms of "social technology", the term used by Thomas (1978) to describe the technical means by which social work objectives are achieved. Business social investment in social

programmes requires assessment of proposals, development of relationships, and potentially, an organisational framework by which social investment can be harnessed to address strategic and developmental goals. These components of business social investment can be classified as types of social technology. The phases of the research model have been adapted and are identified here as analysis, development and evaluation. The objectives for each stage are outlined in Table 1. Underlying the study are the assumptions that:

- Increased demand for social and community services is leading to increased demand on the private sector to contribute.
- Businesses in the Newcastle and Hunter Region donate on an *ad hoc* basis without due regard to positive business outcomes.
- There is no correlation between social issues of primary concern to business and the causes it supports.
- The capacity of social and community service organisations to effectively engage with business reflects the size and function of the agency.

In order to progress the study and to involve key stakeholders in the research process, regional organisations for each sector were invited to establish reference groups for the first stage. These two organisations are the Newcastle and Hunter Business Chamber and the Hunter Regional Organisation of Councils. The Chamber has a membership of 1100 business organisations ranging in scale from sole trader (up to five employees), small business (up to 25 employees), medium business (up to 50 employees), to large companies (up to 75 employees). The Chamber has a stated interest in “applying business leadership to community benefit” (Newcastle and Hunter Business Chamber, 2000) and hence has the potential to carry forward recommendations and actions arising from the research.

The only organisation structured on a regional basis that represents the interests of the social and community services sector

is the Hunter Region Organisation of Councils Social and Community Services Planning Group. The membership of this Group comprises people employed in the local government who co-ordinate and plan for the delivery of social and community services in the local government areas that constitute the Hunter Region. The membership thus has a planning and development function with the sector and represents its interests at both local and regional levels. It is through the local government that organisations involved in the delivery of social and community service programmes are identifiable on a geographic and functional basis. The social and community services sector is difficult to define given its breadth and diversity. For the purposes of this study, the sector is defined in accordance with its not-for-profit and non-government status; the categories of service delivery such as personal care of older people in nursing homes, hostel and community settings, services for people with disabilities, community, individual and family support, and employment; and organisational size in terms of income levels and staffing.

Table 1: Research Plan

| Objectives | Questions | Research Method | Outcomes |
|---|--|---|--|
| Stage 1: Analysis | | | |
| Identify the extent and types of contributions businesses are currently making to the not-for-profit, non-government community welfare sector | What is the nature of current contributions (financial, labour, policy, expertise, board membership, advice, skill development, etc)? Are demands increasing? How are decisions made? What are the key social issues businesses want to see addressed? What assists or hinders | Establish advisory committee through Chamber Develop survey tool Mail survey of membership of Regional Business Chamber Interviews with major business sponsors Monitoring of local media to identify the range and nature of social issues that | Data on the current level and types of social contribution of business in the Newcastle and Hunter Region Data on issues for business |

Table 1: Research Plan (*cont'd*)

| Objectives | Questions | Research Method | Outcomes |
|--|--|--|--|
| Stage 1: Analysis | | | |
| | involvement in social support? | draw attention from the business sector and current ways in which business contributes to social development in the Newcastle and Hunter Region | |
| Explore the experience and issues for the not-for-profit, non-government community welfare sector in seeking contributions from business | What is the need for private sector contributions and has this changed? What kinds of business contributions are required? What is the experience of engaging with business? What assists or hinders involvement with business? | Establish advisory committee through the Hunter Regional Organisation of Councils Develop survey tool Mail or telephone survey of 10% cluster sample of not-for-profit, non-government community welfare sector (sample to incorporate representation from all council areas and to include range of organisational types and sizes) Interviews with major regional charities and service providers | Data on level and types of not-for-profit, non-government welfare organisations' need for business support Data on issues for not-for-profit, non-government welfare organisations in working with business |
| Stage 2: Development | | | |
| Identify features of business/social and community sector relationships | What is the nature of these relationships? What aspects, including outcomes, do parties value? What facilitates the relationships? What hinders relationships? Do these relationships | Interviews with business leaders, community leaders, economic development practitioners, social planners, and managers of leading agencies in the social and community services sector in the | Identification of features of mutually beneficial relationships Identification of issues associated with business and welfare sector relationships |

Table 1: Research Plan (*cont'd*)

| Objectives | Questions | Research Method | Outcomes |
|--|---|---|--|
| | build social capital and in what ways? | Hunter Region to identify features of business social investment, and to explore opportunities and constraints relating to a developmental approach to such investment. | |
| Develop an action strategy to address issues raised in Stage 1 | Is a developmental approach appropriate and feasible? What are key principles for social investment arising from the data from the two sectors? What are the significant features that should be accounted for in a model for social development? | As above Possibly a forum that workshops intersectoral discussion of possibilities and limitations | Draft principles and model for a developmental approach to social investment |
| <i>Stage 3: Evaluation</i> | | | |
| Review the development of a practice model | What are responses of participants in Stage 2 to the proposed model? | Survey of participants in Stage 2 re: feedback on the proposed model | |

Preliminary Findings of Stage 1: The Survey of Business

A total of 283 survey responses have been processed using the SPSS software. The following preliminary results are thus based on a response rate of 25.5%.

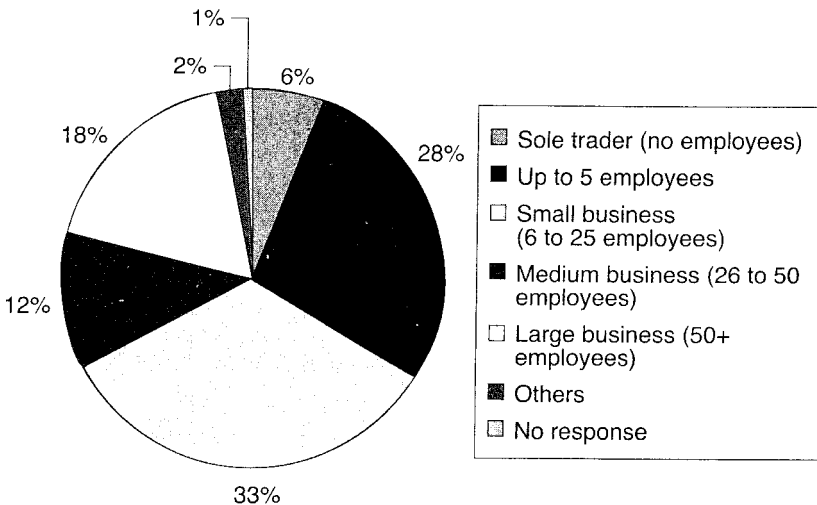
Profile of Respondents

Respondents were asked to classify the main income-producing activity of the business in accordance with a classification system

used by the Newcastle and Hunter Business Chamber for its membership. The classification system uses a large number of categories and hence numbers in each are quite small. Appendix 1 provides an initial indication of the diversity of the business respondents. It is interesting to note that the highest number of respondents were in the field of professional services and consultancies.

Figure 1 further demonstrates the diversity of the respondents in terms of business size as measured by the number of employees. Over two-thirds (71.1%) of the businesses participating in the study were small in that they employed up to 25 employees. Only 18% employed more than 50 people. The dominance of small businesses in survey respondents is consistent with overall trends in the structure of the Hunter economy. The Hunter Valley Research Foundation (2002) cites unpublished data from the Australian Bureau of Statistics (ABS) Business Register counts to report that in September 1998, approximately 95% of registered businesses in the Hunter Region employed less than 20 staff, and 72% employed less than five people.

Figure 1:Size of Business



Types of Contributions

Table 2 illustrates the level and range of contributions made by respondents in the year 2000. Respondents were able to identify more than one category. The most common forms of contributions were donations of money (81.6%), goods and services (61.5%), sponsorship (59.7%) and expertise (52.7%). Contributions involving ongoing inter-organisational relationships were less frequently reported. These included joint venture projects in association with not-for-profits and/or government agencies (22.3%), donation of staff time for regular volunteer work (22.3%) and cause-related marketing linking sales of particular products to specified causes (7.4%).

Table 2: Types of Contributions

| Types of Contributions* | No. | % |
|--|-----|------|
| Donations of money from the business to not-for-profit organisations | 231 | 81.6 |
| Donations of business goods and/or services to not-for-profit organisations | 174 | 61.5 |
| Sponsorship of community events, programmes or services | 169 | 59.7 |
| Donation of expertise to not-for-profit organisations | 149 | 52.7 |
| Discounts on services/materials | 112 | 39.6 |
| Employee fund-raising for not-for-profit organisations | 109 | 38.5 |
| Donation of staff time for regular volunteer work | 63 | 22.3 |
| Joint venture projects in association with not-for-profit and/or government agencies | 63 | 22.3 |
| Cause-related marketing linking sales of particular products to specified causes | 21 | 07.4 |
| Others | 3 | 01.2 |

*multiple responses possible

Two questions were specifically directed at the involvement of businesses in ongoing activities in the community. Results to these questions are provided in Table 3. Respondents were asked to indicate whether they were engaged in any ongoing partnerships with not-for-profit organisations aimed at both social benefits and business reputation in the longer term. Just a third (33.6%) of respondents indicated that the business is involved in ongoing partnerships. A higher proportion (nearly 50%) indicated that the business participated in committees, forums or events dealing with community matters such as civic issues, or social or environmental matters during the year 2000. This figure suggests that respondents to the survey take an active interest in community affairs.

Table 3: Community Participation

| | Number of Respondents | Yes | No | No response | Total |
|--|--------------------------|----------------|----------------|-------------|---------------|
| Involvement in ongoing partnerships with not-for- profit organisations | 279 (98.6%) | 95 (33.6) | 184 (65.0) | 4 (1.4%) | 283 (100%) |
| Participation in committees in the year 2000 | 279 (98.6%) | 134 (47.3%) | 145 (51.2%) | 4 (1.4%) | 283 (100%) |

Of interest to the researchers in light of the concepts of corporate social investment and business community partnerships were questions relating to business management of contributions to community causes. Respondents were asked to indicate whether a designated person was responsible for the management of requests for contributions to community causes. As shown in Table 4, of the 277 responses to this question, 210 (74.2%) indicated a designated person was responsible for management of requests. Respondents were also asked to indicate whether the business

quantified the financial contribution to community causes. Nearly two-thirds (175 or 61.8%) of those who responded to this question indicated that contributions were not quantified.

Table 4: Management of Contributions

| | Yes | No | No response | Total |
|--|----------------|----------------|-------------|---------------|
| Designated person manages requests | 210 (74.2%) | 67 (23.7%) | 6 (2.1%) | 283 (100%) |
| Quantifies financial contribution to the community | 99 (35.0%) | 175 (61.8%) | 9 (3.2%) | 283 (100%) |

Table 5 indicates the proportion of respondents who agreed with a range of statements relating to the management of contributions. The results suggest that the majority of respondents did not integrate contribution to community causes with overall business planning in terms of budgets, guidelines, review, promotion, or strategic alliances. For nearly half of the respondents (48.1%) personal networks influenced the choice of causes that were supported.

Table 5: Approach to Contributions

| Statement | Agree | Disagree | No response |
|--|----------------|----------------|---------------|
| Our business supports causes where we have personal networks. | 136 (48.1%) | 103 (36.4%) | 44 (15.5%) |
| Our business supports community causes because it is run by people who are involved in community causes in their personal lives. | 131 (46.3%) | 116 (41.0%) | 36 (12.7%) |
| Our business likes to support causes which provide a taxation benefit. | 96 (33.9%) | 137 (48.4%) | 50 (17.7%) |
| Our business responds according to how we feel on the day we receive a request. | 93 (32.9%) | 149 (52.7%) | 41 (14.5%) |

Table 5: Approach to Contributions (*cont'd*)

| Statement | Agree | Disagree | No response |
|---|---------------|----------------|---------------|
| Our business regularly reviews the benefits of our contributions to community causes. | 92 (32.5%) | 145 (51.2%) | 46 (16.3%) |
| Our business does not separate business from personal contributions to community causes. | 90 (31.8%) | 146 (51.6%) | 47 (16.6%) |
| Our business consults staff and makes decisions in accordance with staff views and interests. | 83 (29.3%) | 156 (55.1%) | 44 (15.5%) |
| Our business has established clear guidelines & processes for receiving & assessing requests for contributions to community causes. | 81 (28.6%) | 159 (56.2%) | 43 (15.2%) |
| Our business has an annual budget allocated for contributions to community causes. | 79 (27.9%) | 163 (57.6%) | 41 (14.5%) |
| Our business seeks opportunities for ongoing partnerships with not-for-profit organisations. | 71 (25.1%) | 164 (58.0%) | 48 (17.0%) |
| Our business has actively sought out relationships with causes which relate directly to our business interests. | 61 (21.6%) | 174 (61.5%) | 48 (17.0%) |
| Our business actively promotes our contribution to community causes. | 65 (23.0%) | 173 (61.1%) | 45 (15.9%) |
| Our business has a formal policy or written statement about its approach to contributions to community causes. | 46 (16.3%) | 188 (66.4%) | 49 (17.3%) |
| Our business does not want it to be known that we support community causes. | 44 (15.5%) | 180 (63.6%) | 59 (20.8%) |

Attitudes towards Contributions to Community Causes

The survey sought the views of business in relation to contributions to community causes. The wording of this question proved problematic as it required respondents to rank a number of factors in order of significance with one (1) being the most significant factor and ten (10) being the least significant. A large number of the survey participants rated but did not rank the factors or failed to respond to the question. The results presented in Table 6 show the

respondents who rated each item in the top three of limiting factors. The figures indicate that for those who did rank the items, the most common limitations to contributing related to lack of time and resources, concerns about the capacity to really reach those in need and concerns over practices of not-for-profit organisations.

Table 6: Factors Limiting Contributions

| Factors | Number of responses | No. & % of responses listed as one of three top limitations | No. & % invalid or no response |
|--|---------------------|---|--------------------------------|
| Lack of time and resources | 182 (64.3%) | 98 (34.6%) | 101 (35.7%) |
| Uncertainty about whether donations reach those in need | 184 (65.0%) | 98 (34.6%) | 99 (35.0%) |
| Concerns over practices of not-for-profit organisations | 181 (64.0%) | 71 (25.1%) | 102 (36.0%) |
| Uncertainty regarding costs and benefits | 183 (64.7%) | 63 (22.3%) | 100 (35.3%) |
| Concern about opening the floodgates | 184 (65%) | 62 (21.9%) | 99 (35.0%) |
| Uncertainty regarding priorities and strategies for effective contributions | 180 (63.6%) | 57 (20.2%) | 103 (36.4%) |
| Lack of taxation benefits | 176 (62.2%) | 35 (12.4%) | 107 (37.8%) |
| Lack of system and/or experience in managing requests | 179 (63.3%) | 34 (12.0%) | 104 (36.7%) |
| Belief that it is not the role of business to contribute to community causes | 179 (63.3%) | 15 (5.4%) | 104 (36.7%) |

Businesses were also asked for their views on the likely benefits of contributions to community causes. Again, a Likert scale was used

to rate perceptions of likelihood of specific outcomes, with one (1) being very unlikely, four (4) being very likely and zero (0) being don't know. Results are presented in Table 7. The results support the emerging picture that a majority of respondents did not expect business contributions to community causes to result in improved business performance in terms of financial return or contribution to longer-term viability. The most likely outcomes were thought to be enhanced company reputation, community acceptance and improved employee morale.

Table 7: Perceived Benefits of Contributions to Community Causes

| Statement | Number Likely/ Very likely | Number Unlikely/ Very unlikely | Number Don't know/ No response |
|-----------------------------------|-------------------------------|--------------------------------------|--------------------------------------|
| Enhance company reputation | 227 (80.2%) | 51 (18.0%) | 5 (01.8%) |
| Gain community acceptance | 208 (73.5%) | 69 (24.5%) | 5 (2.0%) |
| Increase employee morale | 179 (63.2%) | 100 (35.3%) | 4 (01.5%) |
| Attract customer support | 153 (54.1%) | 123 (43.4%) | 7 (02.5%) |
| Maintain customer loyalty | 148 (52.3%) | 128 (45.2%) | 7 (02.5%) |
| Gain tax advantage | 113 (40.0%) | 159 (56.2%) | 11 (03.8%) |
| Contribute to long-term viability | 79 (27.9%) | 190 (67.2%) | 14 (04.9%) |
| Increase business profits | 63 (22.3%) | 209 (73.9%) | 11 (03.8%) |
| Attract investors | 55 (19.4%) | 210 (74.2%) | 18 (06.4%) |

Preliminary Findings of Stage 1: The Community Services Focus Groups

The survey of the non-government community services sector is still in the process of being developed. Focus groups are currently being held with a broad cross section of the sector to ensure that the survey covers relevant issues. To date focus group participants have identified a range of issues relating to business involvement in the sector. The issues fall into the following broad categories:

- Philosophical concerns
- Ethical considerations
- Management and resource concerns
- Potential benefits
- Trends in government policy and funding

These are summarised in Figure 2.

Figure 2: Response of Community Services Focus Groups

Philosophical Concerns

- The push for business community partnerships represents shift to a conservative position, which can lead to resource allocation based on notions of deserving and undeserving.
 - There is a shift away from the more equitable approach of redistribution of resources through taxation.
 - There is potential for increased marginalisation of services and programmes aimed at less popular causes or services, which challenge dominant views.
 - Financial considerations will dominate decision-making.
 - There is the potential for greater power and expansion of larger organisations at the expense of smaller agencies.
 - The responsibilities of the State to resource community service provision are being transferred to business.
 - There is the potential for increased competition between services.
 - There is potential for emphasis on financial return rather than on social and community benefit through good citizenship.
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Figure 2: Response of Community Services Focus Groups (cont'd)

Ethical Considerations

- There is the potential for the influence of business on philosophy and practices of the agency.
- Challenges to dominant beliefs may need to be suppressed.
- Business alignment with agencies working with controversial client groups may lead to community backlash against business and/or agencies.
- Funds may be received from businesses whose practices are inconsistent with the philosophy and mission of the agencies.
- There is interest in and support for idea of triple bottom line accounting.
- Practitioners have experienced difficulties with experience of business expectations or gratitude, that is a charitable rather than a partnership approach.

Management and Resource Considerations

- The process of building relationships, developing/negotiating proposals and maintaining relationships is very time-consuming and resource intensive and therefore particularly difficult for smaller agencies.
- It is difficult to identify appropriate business organisations.
- Proposals may potentially favour business interests over agency analysis of needs and appropriate programme responses.
- There is a lack of clear-cut processes or structures for organisations to work with leading to very ad hoc and individual arrangements.
- There are limits to relationships dictated by business competitiveness.
- There are concerns regarding the influence of business representation on Boards.
- It can be difficult to deal with differences in cultures and practices of business and community service.

Potential Benefits

- Business support potentially increases independence of agencies and therefore potentially opens door for critical comment of government.
 - Potentially there are increased resources in times of increased demand for service.
 - There is potential for increased mutual understanding and greater degree of tolerance of diversity – links in with notions of civil society.
 - Range of options to be considered in addition to financial support.
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Figure 2: Response of Community Services Focus Groups (*cont'd*)

Trends in Government Funding and Policy

- Agencies are experiencing changing and contradictory agendas from governments. For example, economic rationalism and managerialism versus the civil society achieved through partnerships or competition versus partnerships.
 - Agencies are dealing with varying government expectations of funding in terms of contribution versus total commitment.
 - There is a contradiction between efforts to pursue strategic planning and needs assessment versus ad hoc financing and programme development.
-

Emerging Issues

While the findings at this stage are very preliminary, the data does seem to suggest that the business and non-government community services sectors in Newcastle and the Hunter Region have not wholeheartedly embraced notions of partnership. The social entrepreneurial concept of applying business acumen to service and enterprise development for social and economic empowerment is thus likely to challenge strongly held beliefs about effective business practice and about the delivery of social and community services.

A Place for Social Work

How do the Ideas on Social Entrepreneurship, and the Research Findings, Resonate with or Differ from More Traditional Notions of Social Work Practice?

Clearly strengths and empowerment theory in social work is consistent with the emerging social entrepreneurship development model and social work's goal of social justice is in harmony with its value system. With their knowledge about community needs and social issues, and their skills in participatory people-centred community development, social workers are ideally placed to contribute directly to social entrepreneurship

development at a grassroots level, to advise business on corporate social investment, and to facilitate the development of partnerships between the business and community sectors. Just as community development involves the direct engagement of local communities in their own problem resolution, so social entrepreneurship development involves their direct participation in projects aimed at full economic empowerment. It is strengths focused to the extent that it draws on and develops the assets and skills which people have and helps them put these talents to profitable ventures from which they will benefit economically. Social entrepreneurship development is similar to micro-enterprise development but with assured business input large-scale projects can be undertaken and yield lasting sustainable outcomes. Social entrepreneurship development offers a model of poverty eradication that is truly empowering.

It is thus possible to draw strong connections between social work and social entrepreneurship in terms of vision, values and strategies. However, the social entrepreneurship movement also challenges social work academics, educators and practitioners to critically and honestly reflect on the outcomes of welfare state policy, bureaucracy and practice. How do we theoretically and practically deal with both a rights and a mutual obligation agenda? Can we successfully marry business and social work theory and practice? What might the principles of socially just entrepreneurial practice incorporate? Perhaps the answer lies in researching the evidence from both social entrepreneurial practice and more traditional approaches.

Should Social Work Educators Engage in Teaching the Theory and Practice of Social Entrepreneurship and, if so, How Might this be Developed?

As political agendas from all parts of the globe and from all sides of the political spectrum embrace notions of mutual obligation and of cross sectoral partnerships between the public, social and business sectors to address entrenched social problems, the

community and social services sector is increasingly likely to be called upon to consider relationships with business organisations and to incorporate business initiatives (Latham, 2001). Clearly we believe that social workers can and should become involved in these initiatives and that they offer opportunities to work across disciplines and, in the process, bring together social and economic interests in a tangible way.

We believe there is room for social work education in the field of social entrepreneurship. The unique experience-based learning model developed and taught by the Department of Social Work at the University of Newcastle, is ideally suited to this task as it offers a model for group facilitated dialogue and small group development which is immediately transferable to community development initiatives, such as social entrepreneurship development. Central among the principles of the model is the value placed on experience. Each learning unit is introduced through the perspective of those with direct experience of the issues either as practitioners, client groups or community members. Students then work through a process of critical reflection and research to examine the issues and to develop their knowledge and skills. The model is thus very appropriate to teaching in the field of social entrepreneurship, given the emphasis placed by the social entrepreneurial movement on the voice and views of those who live with the immediate experience of social problems.

We are not yet sure of the form that educational programmes should take but believe that there is room for a range of programmes, from short-term certificate courses to accredited modules within Masters programmes in both social work and business, especially management courses. At the University of Newcastle, we are currently exploring these options with the Graduate School of Business. It is our belief that social work brings an important knowledge base to the field of social entrepreneurship. Areas which can be drawn from social work education and applied to this field, can include, for example, the following:

- Values, beliefs, moral reasoning and ethical practice.
- Knowledge and skills in interpersonal communication, group facilitation, and community processes.
- Strengths perspective.
- Understanding of and commitment to social justice.
- A discipline focus on the social, political, environmental and economic context of social and personal problems.

There is a broader context for these developments. There is a Social Entrepreneurship Network (SEN) which is working towards the development of social entrepreneurship in Australia. Its equivalent in the United Kingdom is the Community Action Network (CAN). Thus there are nationally organised bodies, across divergent contexts, which are working tirelessly to encourage entrepreneurs to plough some of their profits back into social causes and there are a growing number of case examples of social entrepreneurship development. There is rich practice-based research potential in these case studies and stories in order that the theory and practice of a social entrepreneurial approach can be better understood and debated. As social work educators contributing to social entrepreneurship education programmes in partnership with business educators, our challenge is to ensure that the social mission of social entrepreneurship remains central and its implications are fully understood and explored.

Conclusion

The paper explored the ideas embodied in the concept of social entrepreneurship and the way in which they resonated with or differed from more traditional notions of social work practice. It also raised questions as to whether social work educators should engage in teaching the theory and practice of social entrepreneurship and, if so, asked how this might be developed. In addressing these questions the authors reported on current research being undertaken jointly between the Department of Social Work at the University

of Newcastle and the Newcastle and Hunter Chamber of Business which explores the nature of business and social sector relationships at the local level. They also described a particular initiative arising from the networks established through the business survey to develop, in partnership with the University's Graduate School of Business, short courses in social entrepreneurship. The authors argued that social work educators contributing to social entrepreneurship education programmes in partnership with business educators, could ensure that the social mission of social entrepreneurship remained central and that its implications were fully understood and explored.

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Appendix 1: Profile of Respondents

| Category | No. of respondents | % |
|---------------------------------------|--------------------|------|
| Professional services & consultancies | 52 | 18.4 |
| Manufacturing industries | 16 | 5.7 |
| Information technology | 15 | 5.3 |
| Health and community services | 14 | 4.9 |
| Education and training | 13 | 4.6 |
| Hospitality | 12 | 4.2 |
| Building and construction | 12 | 4.2 |
| Retail trade | 12 | 4.2 |

Appendix 1: Profile of Respondents (cont'd)

| Category | No. of respondents | % |
|-------------------------------------|--------------------|-------------|
| Banking and finance | 10 | 3.5 |
| Transport industry | 9 | 3.2 |
| Miscellaneous and services | 8 | 2.8 |
| Wholesale trade | 8 | 2.8 |
| Travel and tourism | 7 | 2.5 |
| Legal | 6 | 2.1 |
| Government | 6 | 2.1 |
| Electrical & electronics industries | 5 | 1.8 |
| Food industries | 4 | 1.4 |
| Insurance | 4 | 1.4 |
| Printing and packaging industry | 4 | 1.4 |
| Chemical industries | 3 | 1.1 |
| Employment services | 3 | 1.1 |
| Entertainment | 3 | 1.1 |
| Metals industry | 3 | 1.1 |
| Engineering industries | 2 | 0.7 |
| Hire and rental | 2 | 0.7 |
| Intellectual property | 2 | 0.7 |
| Textiles industry | 2 | 0.7 |
| Agriculture, forestry and fishing | 1 | 0.4 |
| Clothing and footwear industries | 1 | 0.4 |
| Defence industries | 1 | 0.4 |
| Safety and security | 1 | 0.4 |
| Invalid response* | 42 | 14.8 |
| TOTAL | 283 | 100% |

* The high number of respondents coded as "invalid response" reflects the fact that a number of respondents coded more than one category.