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A strategic-relational and neo-Gramscian approach to
understanding social enterprise in Sheffield, UK and Pittsburgh,
PA, US.

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Contents Page

Acknowledgements: p.6-12

Abstract: p.13

Introduction: p.14-15

Chapter 1: Literature Review: p.16-24

- **Social Enterprise as a Contested Concept: p.16-19**
- **Does the Decline of Manufacturing and Social Enterprise's Apparent Growth Relate Causally?: p.19-20**
- **What is the Government's Role in Relation to Social Enterprise?: p.20-22**
- **Government's Approach to Social Enterprises: p.22-23**
- **Corporate Social Responsibility: p.24**

Chapter 2: Theoretical Perspective: p.25-31

- **Assumptions: p.25**
- **Neo-Gramscianism and Strategic-Relational Approach to Social Enterprise: p.26-30**
 - **Undergraduate Dissertation: p.26**
 - **Political, Civil and Economic Society: p.26-27**
 - **Universal and Hegemonic Interests: p.27-28**
 - **Strategic Action: p.28-29**
 - **Global Imbalances and Minimal Hegemony: p.29-30**
 - **Co-option and Counter-Hegemony: p.30**

➤ **Hypotheses: p.30-31**

Chapter 3: Research Design: p.32-39

➤ **Operationalisation of Variables: p.32-33**

➤ **Case Study Analysis: p.33-34**

➤ **Interviewing Process: p.34-38**

➤ **Informed Consent: p.34-35**

➤ **Interview Schedule: p.35-36**

➤ **Email Interviews: p.36-37**

➤ **Face-to-Face Interviews: p.37-38**

➤ **Sample: p.38-39**

➤ **Representation: p.39**

Chapter 4: Empirical Analysis: p.40-58

➤ **Hypothesis 1: p.40-50**

➤ **Social Enterprise Definition: p.40-41**

➤ **Sheffield's Social Enterprise Landscape: p.41-46**

➤ **Economic Development: p.41-42**

➤ **Objective 1: p.42**

➤ **Single Regeneration Budget: p.42-43**

➤ **Social Community Enterprise Development Unit (SCEDU): p.43**

➤ **Transforming Local Infrastructure: p.43-44**

➤ **Sheffield Social Enterprise Network: p.44-45**

➤ **Key Fund: p.45-46**

➤ **Theoretical Reflection: p.46-48**

➤ **Potential Comparisons with Pittsburgh: p.49-50**

➤ **Hypothesis 2: p.50-51**

➤ **Hypothesis 3: p.52-55**

➤ **Sheffield: p.52-54**

➤ **Potential Comparisons with Pittsburgh: p.55**

➤ **Hypothesis 4: p.55-58**

➤ **Sheffield: p.55-57**

➤ **Potential Comparisons with Pittsburgh: p.57-58**

Chapter 5: Analysis and Conclusion: p.59-61

Biography: p.62-69

Appendices: p.70-79

➤ **Appendix 1: p.71-76**

➤ **Appendix 2: p.77**

➤ **Appendix 3: p.78-79**

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Colin Crooks – Colin has recently been appointed Social Entrepreneur in Residence for Lambeth. His aim is to create jobs for the most disadvantaged people in the borough through the development of local enterprises. He has a successful track record over 22 years of establishing and running social enterprises, and is the Chief Executive and founder of a new social enterprise called Tree Shepherd, which focuses on promoting and supporting enterprise in the UK's most marginalised communities. He is also the author of a new book "How to Make a Million Jobs – A Charter for Social Enterprise". Colin believes that, with the right support, communities can take a stronger role in the operation of local services for the benefit of all concerned. He engages audiences with his ideas for creating locally based social enterprises that can deliver services that are closer to peoples' real needs and which employ local people.

Dale McNutt – Dale is an artist, designer, writer and a graduate of Carnegie Mellon University, 1970. Casually opened in 2007, as Pittsburgh's first coworking space, then formally founded in 2009 by Dale McNutt; StartUptown is an urban campus for technology and social innovation — revitalising community; broadening the ecosystem of entrepreneurship for business and personal empowerment; promoting a broad cultural shift toward open source, disruptive technologies, and the natural expression of creativity without boundaries. The organising principle is that economic development happens through a culture of innovation—that entrepreneurs can build economic, educational, and cultural strength in underserved neighbourhoods—while growing their own businesses.

Dave Thornett - Dave has extensive experience working in the social enterprise sector, beginning as a volunteer in a community development trust, then becoming a founding member of the Burton Street Foundation in Hillsborough in 1994/1995. Dave also worked for SCEDU, a social enterprise specialist support organisation, for 13 years. Dave is a founding member and chair of Social

Enterprise Yorkshire and Humber and is a Director of Keyfund – that provides finance for social enterprises – and is also currently running the management for Social Incubator North, which is a business support and investment programme across the North of England from Derby to the Borders for social enterprises.

David Child - Whilst expressing his own personal opinions and not any organisation he is associated with, David is the Non Executive Director of Sheffield Chamber of Commerce and Industry Board, Chair of Sheffield Chamber of Commerce and Industry Council, a Director and co-founder of the social enterprise Neighbours Can Help, Finance Director for Build 4 Growth Ltd and Chair of Social Economy Forum, alongside being the Director: CEO of Sheffield SRB (Regeneration) Partnership from 1989 to 2000.

Idea Foundry - Idea Foundry is a non-profit economic development agency, with economic development for the Western Pennsylvania region being its primary objective. Idea Foundry aims to grow local economies by supporting start-up companies that will serve the region, with the prime goal of creating high-skill, high-wage jobs in the communities. InterSector is Idea Foundry's social enterprise accelerator (they have 3 others: Life Sciences; Education and Entertainment Tech; and Intelligent Systems Development). Idea Foundry created the InterSector to accommodate for a rising number of inquiries from entrepreneurs focused on people and the planet.

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Jerr Boschee - Jerr has been an advisor to social entrepreneurs in the United States and elsewhere for more than 30 years and has long been recognised as one of the founders of the social enterprise movement worldwide. Jerr is the former President and CEO of The National Centre for Social Entrepreneurs, is one of the six co-founders of the Social Enterprise Alliance. He served from 2001 to 2004 as an advisor to England's Department of Trade and Industry Social Enterprise Unit, and is Executive Director of The Institute for Social Entrepreneurs, which he created in 1999.

Justine Gaubert - Justine is the Founder and Managing Director of Social Enterprise 'Silent Cities Ltd' where they deliver creative and digital projects to vulnerable groups and provide creative volunteering opportunities and creative services to the third sector. Justine is also the manager of Silent Cities' Digital Media Centre where they are helping people (many who face additional barriers to employment) to set-up their own creative businesses and social enterprises. For the last two years Justine has also been the Social Entrepreneur in Residence at the University of Sheffield, supporting students in developing socially innovative ideas and social enterprises. Justine has been a brand and Communications consultant and copywriter for over 20 years and still works on freelance projects. Justine is currently working part-time with a national social enterprise, Neighbours Can Help, developing a marketing campaign to encourage hyper-local ownership of the website. In Justine's spare time, she sits on various boards of other social enterprises including: SKINN and Community Print. Justine is also a Fellow of the School for Social Entrepreneurs.

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Opus Independents – Opus Independents is a Sheffield based not-for-profit social enterprise which publishes a monthly free magazine called Now Then, operates a promotions, distribution and poster service and runs a variety of live spoken word workshops and events called WordLife. They also run regular music events and festival stages as Opus Presents in several venues around Sheffield UK.

PowerUp Pittsburgh – PowerUp Pittsburgh is a collaborative strategy that brings together government, business, universities and entrepreneurs to align Pittsburgh's resources for the creation of jobs. Founding partners include: Allegheny Conference on Community Development; University of Pittsburgh; Carnegie Mellon University; Pittsburgh Technology Council; Innovation Works; Idea Foundry; Urban Innovation 21; Pittsburgh Life Sciences Greenhouse; and others.

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Robert Ashton - Robert is a social entrepreneur, business author and campaigner. His current projects include setting up an urban community land trust in Colchester and enabling a special needs school to fund a £12m new campus from revenue cost savings. Earlier this year he founded Swarm, a new social business that connects small businesses with enterprising apprentices. Robert is currently researching his 17th book, which profiles community led social change nationwide. He is a Vice Patron of Norfolk Community Foundation, a Fellow of the RSA and occasional

broadcaster and commentator on social entrepreneurship and community enterprise.

SOAR – SOAR Works is owned and managed by SOAR Enterprises who are a wholly owned trading arm of SOAR. As a social enterprise all surpluses are put back into SOAR and spent on regenerating its area of benefit - North Sheffield. SOAR is a community regeneration charity that provides a range of services designed to improve a person's health, well-being and employability.

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Thread - Thread reuses waste from very poor, developing countries like Haiti for the production of innovative products, creating jobs and sustainable ethical consumer goods.

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Abstract

The research utilises a fused neo-Gramscian and strategic-relational approach perspective to analyse the connections between the rise of neoliberalism and the development and options for the social enterprise sector in Sheffield, UK and Pittsburgh, PA, US. Given data limitations, the research focuses on Sheffield, with suggestions for further analysis in Pittsburgh to assist with more consistent and sophisticated cross-case analyses. The within-case analysis of Sheffield used semi-structured in-person and structured qualitative email interviews with respondents involved in the social enterprise sector in Sheffield, with Pittsburgh's utilising only structured qualitative email interviews with actors in the sector. The research illustrates how the strategic context of social enterprise support in the UK has limited the opportunities for restrictively defined social enterprises' (in terms of profit distribution and ownership structure) strategic choices, with the move from government and European grant and contract based resources to loan-based, social finance, non-statutory, voucher scheme funding relating to the intensifying neoliberal expressions of interdependence under this current government; with the recreation of universal interests around finance and profit with the promotion of social businesses - especially given the neoliberal legitimacy crisis but limited opposition due to minimal hegemony. The research argues that hegemonic neoliberalism is a central mediator between such choices and context for actors. In sum, whilst more analysis is required, Pittsburgh respondents are less concerned with such reconstruction of universal interests, given they have a broader definition of social enterprise and advance partnership models rather than alternative expressions through social enterprises.

Introduction

This research is a product of my experiences working within the social enterprise sector alongside a theoretical intrigue of understanding any potential connections between the sector and changing political economy, society and ideology since the 1980s through the rise of neoliberalism.

The research question is: ***How has the development of neoliberal institutions, ideas and practices effected work relations, practices and ideas, specifically with reference to social enterprise in Sheffield, UK and Pittsburgh, PA, US?*** I also utilised several key sub-questions, including:

- What does neoliberalism mean? When/how did it develop? What effect did it have on work?
- What does social enterprise mean? When/how did it develop? What relationship does this have with neoliberalism?
- How do actors define, view and assess social enterprises' development and potential?

To explore these questions, Chapter 1 assesses the ambiguity and variety of social enterprise definitions and differences between the US and the UK, alongside taking a critical approach to the apparent social enterprise 'boom'. This includes analysing five explanations for why social enterprise has developed, including discussing governmental responsibility and role, especially currently, in relation to social enterprise and other organisational, social forms. There is also consideration of whether and how the decline of manufacturing and social enterprise development might relate.

Chapter 2 outlines the theoretical perspective, a neo-Gramscian, strategic-relational approach, that is more critical of the hegemonic social, political, economic relations and ideological processes than the five theories explored in Chapter 1. This illustrates the importance of understanding how actors' choices within the social enterprise sector are interdependent with the strategic context that is interconnected with the expressions of interdependence – the neoliberal social, political and economic relations. Ideas and discourses, especially hegemonic neoliberal ideology, are central to such mediation.

Chapter 3 demonstrates how the theoretical perspective informed the research design, especially with understanding actors' ideas, experiences, expectations and needs in relation to the social enterprise sector. Furthermore, the chapter provides justification for changing the research's focus from a cross-case analysis to solely within-case analyses.

Chapter 4 analyses the interview data through the theoretical perspective to test and assess the four hypotheses. There are limitations given the data restrictions and change in research design discussed in Chapter 3; however, there is specific consideration of how Sheffield's social enterprise sector has an increasingly challenging strategic context to adapt to. The chapter considers differences between Sheffield and Pittsburgh responses and potential for future cross-case analyses.

Chapter 5 summarises and analyses key points from the research, especially Chapter 4, and proposes areas for further research alongside suggestions for challenging the current expressions of interdependence, whilst also being realistic of the need to work 'within' the system given the importance of social enterprises for many people's lives.

Chapter 1: Literature Review

To explore the research questions, I conducted a critical and extensive literature review focusing on the definition of social enterprise, social enterprises' apparent 'boom' and explanations for social enterprise development in academic literature, governmental and public discourse. The five theories outlined in this chapter, which take such a 'boom' and the current government's macroeconomic approach at face value, were central to the construction of my own theoretical approach that argues such theories and ideas, alongside a more critical conception of the current social, political and economic relations, regarding the choices social enterprises have within this current strategic context are mediated by hegemonic ideas regarding neoliberalism and the 'need' for fiscal 'discipline/restraint' and the 'importance' of profit and finance. Thus, actors' own views regarding the development of social enterprise are essential to testing the theory and its potential for understanding actors' - within the social enterprise sector - actions.

Social Enterprise as a Contested Concept

Social enterprise is a contested concept (Teasdale 2012:99). The US has a broader, pro-market, hierarchical, for-profit based conception of social enterprise (Teasdale 2012:100-102), covering a range of activities and is “more focused on enterprise for the sake of revenue generation” (Kerlin 2006:248). Therefore, social enterprises in the US “tend to reflect a private/business focus”, whereas in Europe they often reflect “a government/social service focus” (Kerlin 2006:254). However, especially with the UK Conservative-led Coalition Government, the research will explore the increasing broadening of the social enterprise definition in the UK, especially with the rise of social business, conceptually. I thus explored different definitions through the research, comparing how people in Sheffield's and Pittsburgh's sectors define social enterprise, understanding how ideas, including such definitions, mediate choices and context.

Overall, I found research took the apparent growth of social enterprise at face value; including academics (Dart 2004; Defourny 2001; Kerlin 2006; Haugh and Kitson 2007), newspaper articles (Ashton 2012; Graham and Huggett 2011; Merrick 2013), governmental sources (Cabinet Office 2013a; Big Society Network 2013) and social enterprise bodies (Social Enterprise UK 2012 and 2013; Social Enterprise Alliance 2009 and 2013). This was explored in a recent study by Teasdale

et al (2013), which looked critically at government supported statistics that claim social enterprises have increased from 5,300 to 62,000 over 5 years. Teasdale *et al* discuss four key surveys that estimated how many social enterprises operate in the UK:

1. 2003 – First government backed survey; estimated 5,300 social enterprises.
2. 2004 – Department of Trade Industry (DTI); estimated 15,000 social enterprises.
3. 2005 – Annual Small Business Surveys (ASBS); estimated 55,000 social enterprises.
4. 2008 – The government estimated there are 62,000 social enterprises in the UK based on ASBS (2007). This figure is now widely used as the official number. But there are other estimates, including 68,000 and sometimes 70,000 (Floyd 2013).

These surveys relied on the DTI (2002) definition of social enterprise, arguably illustrating requirements for a clearer and more restrictive definition. Furthermore, there were notable differences in the definitions used in the surveys, with income level needed through trading reducing from 50% in the 2003 survey to 25% by the 2004 survey, for instance - essential to the reported increase of social enterprises (p.122). With the increasing popularity of social businesses, which have less restrictions on their profit, from 2004/5 the ASBS started to research into how many mainstream businesses were social enterprises (p.123). However, this was a self-classification system, where companies were social enterprises if they:

1. Define themselves as a social enterprise.
2. No more than 50% of their profits go to shareholders (which is rare anyway); rather than businesses directly reinvesting most of their surplus into social and environmental aims.
3. Make more than 25% of income from trading services and goods.
4. Fit well within the DTI's definition, but again providing less direct accounting of social and environmental intentions (p.123).

The business did not need an “explicit social ownership” structure, and therefore could be any legal form as long as it *believed* it met the four criteria (p.123). The 2007, 62,000 social enterprise figure was based on a three-year rolling average of the ASBS from 2005-2007 (p.123). However, looking at the 2006/7 dataset, as Floyd (2013) explains, Teasdale *et al* found the figures to be a result of guessing. This illustrates a common methodological problem when utilising statistics regarding how

many social enterprises exist, especially given the varying definitions of social enterprise. Furthermore,

the overwhelming majority (89%) of the 151 organisations identified as *social enterprises* have a legal form that places no constraints on the distribution of profit to external shareholders (Teasdale *et al* 2013:123).

Additionally, Teasdale *et al* outline how the National Survey of Third Sector Organisations (2009) estimated there are 8,507 social enterprises in the UK; with social enterprises defined as having an “explicit social ownership” structure, 50% of their income coming from trade, a surplus reinvested into helping achieve social and environmental missions, and it tightly fitting DTT's definition (p.125). This was not reported by the government, especially as social enterprises were being forwarded as a replacement for public service delivery (p.125-126).

There is a similar argument regarding the apparent 'boom' of social enterprises, since the 1970/1980s, within the US (Kerlin 2006). For instance, Thornley (2012) refers to the Great Social Enterprise Census, arguing there will be **more** social enterprises than reported, due to Thornley's – and US's as a whole - broader definition and clear related preference/concern for the US to 'catch-up' with the UK, drawing on statistics that, as shown, are considerably weak methodologically:

In the UK, data that shows that seven percent of all small business meet the definition of social enterprise -- representing 68,000 enterprises, £24 billion in revenue and employing 800,000 people - has, in and of itself, motivated a coordinated campaign to position that country as a global hub in this area, with the world's most established investment networks and supportive policy environment. The U.S. is ideally positioned to share the spotlight, with a rich history of philanthropy and entrepreneurial, community-based solutions to social problems, not to mention over five million small businesses.

Therefore, it is better to talk of the rise of social enterprise as a **concept** in the US and mainland Europe, especially since the 1990s, rather than a statistical figure, given the inability to create a coherent definition and also because social enterprise is not a new organisational form (Teasdale

2012:100). It is better to not go beyond this when researching social enterprises, or at least use statistics very openly critically and with reference to the researcher's own definition of social enterprise. This research, for instance, favours a more restrictive definition of social enterprise, focusing on controls over profit distribution, emphasis on democratic organisational structures alongside doing social good over anything else. However, the research has focused on respondents' definitions, given the theoretical emphasis on understanding actors' choices - and knowledge of choices - in line with current neoliberal relations and hegemonic ideology.

Does the Decline of Manufacturing and Social Enterprise's Apparent Growth Relate Causally?

As Beauregard *et al* (1992) discuss, the decline of manufacturing saw Pittsburgh's and Sheffield's unemployment rates rapidly increase, with the loss of previous well-paid, secure jobs and rise of the service sector (p.419). Beauregard *et al* (420-428) provide an analysis of the approaches by Sheffield and Pittsburgh to such changes:

Sheffield

There were two approaches between 1980-1991:

1. Radical Approach – In the early 1980s, the Sheffield City Council, through the creation of the Employment Department in 1981, looked at “public sector innovation” (p.420) to strengthen traditional industries such as manufacturing. By the mid-1980s, the Radical Approach ended because it had failed to significantly improve the manufacturing base of the region and had excluded relevant actors from within discussions. Labour, nationally, were responding to Margaret Thatcher, alongside the decline of available resources (see Centre for Analysis of Social Exclusion 2007 too).
2. Public-Private Partnership Approach – An example of this was the 1988 Sheffield Development Corporation, with the council increasingly receptive to private sector finance. These measures, despite concern for the manufacturing history, focused on improving the commercial, cultural, leisure and business friendly image of Sheffield and therefore in many ways assisted with traditional manufacturing decline.

Pittsburgh

Pittsburgh's response in the 1980s was different to Sheffield's, as its collaborative strategy started with “pre-existing public-private partnerships” (p.423), especially through the Allegheny Conference on Community Development (ACCD) created in 1943, with those wanting to maintain and revitalise the steel industry marginalised after environmental and economic diversity pressures had existed for decades. However, ACCD was unable to deal with the 1970/1980s decline, so there were movements, especially through Strategy 21, for Pittsburgh to become a financial and high-tech hub alongside a leader in health care and education, and therefore accepting the decline of manufacturing.

My research has focused on this context, especially through the fused neo-Gramscian, strategic-relational theoretical approach, analysing whether the decline of manufacturing has a statistical or causal relationship.

What is the Government's Role in Relation to Social Enterprise?

A specific strength of the research is looking critically at the current hegemonic argument “there is no money left”, and that social enterprises are responding to a *necessary* cut in governmental provision. Some of the literature was critical of this idea (see Teasdale 2012; Teasdale *et al* 2013; Crooks 2012; Cook *et al* 2002). For instance, Teasdale (2012) argued that wrongly “social enterprise has been associated with a neo-liberal discourse promoting the power of business to achieve fundamental social change,” as there are many different, contesting discourses within the sector (p.100). However, whilst my research explores the different discourses and ideas of actors within the sector, it also argues hegemonic neoliberal discourse/ideology is still central to the mediation of alternative ideas, and thus actions, within the sector. Most, however, were not critical, (see Dart 2004; Defourny 2001; Haugh and Kitson 2007; Kerlin 2006; Social Enterprise UK 2012 and 2013; Social Enterprise Alliance 2009 and 2013). I wanted to fuse these two arguments together, being critical of the context but also respecting how such social, political and economic relations, alongside ideological factors, influence the strategic action of social enterprises, and other actors such as the local government, and how social enterprises working within this system can be

very positive.

Cook *et al* (2002:3) argue that it is hard to separate social enterprises from neoliberalism because:

1. Social enterprises are unable to understand and tackle the problem of mass unemployment.
2. Social enterprises wrongly support government claims they *have to* make budget cuts and social enterprises *have to* replace such services and provisions.

However, I wanted to speak to people involved in the sector regarding their own expectations and views of the current context, rather than assuming social enterprises are neoliberal tools, as not all actors within the sector are uncritically accepting of the current macroeconomic context. For instance, Colin Crooks (2012) advances a central role for social enterprises in tackling the endemic problem of long-term unemployment, as social enterprises can help by providing 'patient employment' within the most disadvantaged areas by ensuring provision of "a real job with real priorities and real deadlines" (p.121), whilst accommodating for problems caused through long-term unemployment.

This is even more pressing when considering, despite social enterprises' central social mission, "significantly fewer voluntary organisations [are] working in deprived areas than in better-off communities" (p.146). Crooks therefore advocates the formation of social enterprise clusters in disadvantaged areas, creating Social Enterprise Zones (SEZ), to provide such 'patient employment' opportunities and help with the regeneration of communities. These ideas are key to the research and therefore separating value loaded, normative statements from empirical issues that require testing is important.

Teasdale (2012:103-107) argues that there are a variety of theoretical explanations, which can interrelate, for why social enterprises develop, including:

1. State Failure – social enterprises develop due to failure of the state; prominent in Europe.
2. Market Failure – social enterprises develop due to failure of the market; prominent in the US.
3. Resource Dependency Theory – social enterprises develop as a rational response to reduced

governmental spending.

4. Institutional Theory – social enterprises are likely to keep narrowing their focus to become more business and market oriented because of the prominence of neoliberal ideas and relations – especially in the UK and US – in order to ensure moral legitimacy where social enterprises are seen as more appropriate than other approaches, such as traditional not-for-profits, in addressing certain social issues (Dart 2004).
5. Voluntary Failure – the government provides the third sector resources to deliver services because of the third sector's limited infrastructural development.

For Teasdale, often academics and practitioners supporting these theories have “uncritically accepted” the idea that there has been an increase in social enterprises numerically, and “that governments are unable to respond to social problems” (p.107). This is where my research intends to develop a more critical conception of social enterprise, looking at the context for social enterprises' strategic action and the related neoliberal relations. However, these five theories can assist with understanding the development of social enterprise as a discourse since the 1970s. For instance, Kerlin (2006) refers to how US non-profits that were not part of healthcare lost around \$38 billion in the 1970s/1980s, after receiving significant support through the Great Society programmes in the 1960s; social enterprises were therefore, for some, a way of responding to resource depletion (p.251). Furthermore, in Western Europe, there were extensive cuts to resources and previous government provided provision and services, which did create problems that saw some social enterprises try and respond (p. 252). However, recent cuts to public resources have caused problems for the third sector, illustrating the relevance of voluntary failure. Nevertheless, ***my research has intended to question why such resource cuts happen, and whether it should be social enterprises' job to be providing such services.*** It is important to note, however, that social enterprises within the US rely heavily on private foundation funding, representing a culture of limited, indirect government responsibility (p.255-256).

Government's Approach to Social Enterprises

The UK government has hit the Department for Communities and Local Government (DCLG) particularly hard, with Local Government cut by 27.3% and Communities by 67.8% (Pulse Regeneration 2012:16). There is a further 10% planned cut for DCLG in 2015-16 (BBC 2013). A

coalition, including social enterprises, in Sheffield started A Fair Deal for Sheffield (2013) campaign calling for central government to reassess what was seen as a specific attack on northern councils and areas such as Sheffield that has lost “almost £1 in every £3 of funding”. To understand actors' ideas and views of social enterprise, governmental responsibility and the resources and provision available for social enterprises, alongside how this has changed, I wanted to ask respondents about the following specific recent policy developments (the focus on the UK is explained in Chapter 3):

- **Social Impact Bonds (SIB)** - Social investment started in the UK in 2010, and apparently “improve the social outcomes of publicly funded services by making funding conditional on achieving results. Investors pay for the project at the start, and then receive payments based on the results achieved by the project (Cabinet Office 2013b).” Interestingly, there are opportunities for social enterprises to bid and be involved in running such payment-by-result projects in the UK (see, Cabinet Office 2013b). SIB are spreading across the US (Fletcher 2013), promoted as a key solution to apparent governmental fiscal restraints (Fletcher 2013; Cabinet Office 2013b).
- **Right to Provide (UK only)** – this is one of several new 'community rights' introduced by the government as part of the Localism Act (2011); whilst providing organisations - such as social enterprises - increased influence in local service delivery, there are concerns it will “destabilise and fracture public provision, accelerating marketisation and privatisation” (Whitfield 2012). Right to Provide enables “groups of public sector workers to spin out their services into independent, staff-controlled social enterprises” (Ainsworth 2013), whilst supposedly making a saving but delivering at the same or better quality (Cabinet Office 2010). It has particularly affected the health sector, following on from Right to Request introduced in 2008, which was available for all primary care trust front-line staff (Cabinet Office 2011).
- **Public Services (Social Value) Act 2012 (UK only)** – the act has the intention of encouraging “all public bodies in England and Wales...to consider how the services they commission and procure might improve the economic, social and environmental well-being of the area (Social Enterprise UK 2012:2).”

Corporate Social Responsibility

Bakan (2004) outlines how Corporate Social Responsibility (CSR) developed in the 1930s after corporations were associated with the Great Depression, with the US New Deal restraining corporations' power (p.19-21). However, the rise of neoliberalism changed the way corporations operated, with CSR becoming a key branding mechanism to attempt to gain the public's trust given the increased risk associated with the growth of capitalism (p.21-27; also see Corporate Watch 2006:6). Corporations' primal responsibility is to their shareholders (p.33-35); legally, Dodge Vs. Ford means in practice CSR, if done legitimately – i.e. not just to make more money – is illegal (p.35-38). Corporations have come under increasing attack since the late 1990s and early 2000s, which Bakan links to a neoliberal backlash (p.139-140). The research will consider the potential for social enterprises to provide alternative organisational arrangements to traditional organisations and how CSR relates to dominant neoliberal ideology.

In sum, my theoretical perspective particularly develops from Teasdale's (2012 and 2013) critical arguments regarding the five theories taking a so-called 'boom' of social enterprises at face value - rather focusing on how the definition of social enterprise is related to neoliberal ideology and also social, political and economic relations – alongside being critical of previous, but especially current, governmental policies and direction and whether this can, in some sense, be viewed as assisting with the reconstruction of supposed universal interests around profit and the market. Additionally, the theory will assess the potential for social enterprises to challenge such co-option and reconstruction.

Chapter 2: Theoretical Perspective

Assumptions

There are two key assumptions I had as a researcher that influenced the theory and research design/implementation:

1. **Neoliberalism is not working** – a personal, academic and political viewpoint of mine is that this current neoliberal system – that is especially intense in the US and UK – is not working. Neoliberalism has created high unemployment, with trade union and workers' rights undermined, as cheap and easy access to credit/debt has been promoted in order to promote ongoing spending - even if people have low wages/benefits or no job - in order to sustain risky, speculative asset bubbles and consumption that maintain the rise in profits for the increasingly segregated rich, as the rest of society becomes poorer and experiences more disadvantage (Harvey 2009; Kotz 2009:311-312).
2. **Working within the social enterprise sector** – I also have my own conceptions, working for a Sheffield based social enterprise, of what the sector is like and the reasons for its development, influencing my concentration on Sheffield's social enterprise sector. This is part of my “own experiences and daily life”, intensifying the subjectivity and prejudice I might have as a researcher (Diefenbach 2009:877). These experiences have influenced my analysis into the potential for social enterprise, when defined restrictively, to assist with a counter-hegemonic movement, but also consider the limitations and influence the current system – through the rise of individualism, undermining of community and focus on profit - places on social enterprises.

Whilst these assumptions create bias and influence my theoretical perspective, it is important to be reflective about such assumptions - as researchers do not operate in a political and ideological vacuum.

Neo-Gramscianism and Strategic-Relational Approach to Social Enterprise

Undergraduate Dissertation

The theory has developed from my undergraduate dissertation where I constructed a theoretical explanation based on Norbert Elias's (2000) *The Civilizing Process: Sociogenetic and Psychogenetic Investigations*, analysing how with the development of interdependence people attempt to meet 'ideals' in order to avoid related shame. The dissertation purported alternative expressions of interdependence, to the current neoliberal expressions, which are social, political and economic relations that influence such interdependence and thus interactions between actors to reduce the pressure caused through such 'ideals' and related shame.

I have developed this theory with reference to neo-Gramscianism and the strategic relational approach to understand how current neoliberal expressions of interdependence affect the construction of 'ideals' and shame in relation to work, specifically social enterprise.

Political, Civil and Economic Society

I have redefined the term, expressions of interdependence, in relation to Gramsci's, and neo-Gramscian, theories regarding political, civil and economic society and how the ideas and practices associated with neoliberalism are central to the construction of these three realms.

Augelli and Murphy (1993: 127-129) refer to how Gramsci specified two forms of supremacy that operate on these three levels of society:

1. Domination – referring to ruling without consent; could be non-forceful if consent is achieved through deception and manipulation.
2. Ethical hegemony – referring to rule that is achieved through moral and intellectual means.

The economic society structure is interdependent with the two following realms of society (that form the superstructure) (Cox 1981:126-135; Augelli and Murphy 1993:128-9):

1. Political society – where legal and political institutions are.
2. Civil society – where hegemony – either ethically or non-ethically – is constructed.

Such interdependence creates an historic bloc; when ethically hegemonic, subordinate groups consent to the ruling group, as they believe (and to some extent this is right) their interests are being met by such relations through the creation of universal interests (Cox 1983:167-169). There are parallels between my undergraduate conception of 'ideals' with universal interests, with 'ideals' creating expectations and norms regarding people's best interests, with shame attached to those going against such 'ideals' that interplay with the expressions of interdependence. Importantly, such universal interests require constant modification and concessions; without such processes, the hegemonic position of the ruling group becomes weaker and more open to challenge from oppositional groups (Cox 1983:167-169).

Rather than using structure, however, Colin Hay (2002:126-134) – central to the development of strategic relational approach – refers to such social, political and economic processes as a 'strategically selective context', with 'strategic action' – rather than agency – referring to the options and choice actors have with reference to such contexts. Such context and action are in an interdependent relationship, with Hay arguing it is an analytical, not an ontological, distinction. Thus, the strategic relational approach refers to how actors, through their knowledge and the ideology influencing their understanding of the strategic selective context interacts with the strategic action (which can be conscious and/or intuitive), and this can also influence – intentionally or unintentionally – such context, affecting future action, with actors learning more about such contexts. Hay outlines how ideas are mediators between such action and context – with my research focusing on neoliberalism as the hegemonic ideology.

Universal and Hegemonic Interests

Unlike in my undergraduate dissertation, drawing on critiques of the hyper-globalisation perspective, (Hay 2010; Hay and Marsh 2000; Osterhammel and Petersson 2005; Skerritt 2012; Wallerstein 1999; Smith and Hay 2008), this research is critical of the idea globalisation is an 'unstoppable' process, rather referring to how the 'ideal' of globalisation, itself, is a mediating force between structure and agency; where actors act *as if* policies such as marketisation, privatisation

and liberalisation - that are part of the neoliberal project (Harvey 2009) and are associated with the hyper-globalisation discourse - are 'inevitable', making such policies a self-fulfilling prophecy (Smith and Hay 2008:362).

For example, the UK government is focusing on the **need** to cut the public sector/debt and, as shown in Chapter 1, this is something some in the social enterprise sector have accepted. This is despite UK private debt being around 450% of GDP (Jayarava 2012) and a £1.5 trillion bank bailout (Rowley 2011), with no conditions attached, whilst public sector debt stands around 74.9% of GDP (Giles 2013) and is comparatively low compared to other countries - alongside historically standing at around 200% of GDP after World War II (Pettinger 2013). This relates to the idea of universal interests, with a key universal interest – especially since the 1970s/1980s - being to maintain low public sector spending.

Reconstructions of universal interests relates to the research design, as interviews with actors in the sector were utilised to ensure consideration of the mediating effect of ideas – such as actors' definition of social enterprise and views of governmental responsibilities – in relation to the strategic context and choices and whether actors felt their interests were being met and also how actors reconstructed their own interests in line with choices and the interdependent context and related expressions of interdependence.

Strategic Action

The emphasis on understanding strategic action has influenced the research design by ensuring questions ask actors about the changing context and related choices for actors within the sector, reflecting on their own experiences and ideas and whether their interests are being met through such changing resources and ideas or if they have reconstructed their own interests in line with these changing hegemonic constructions of interests.

This can be framed in relation to Jessop's (1996) definition of a 'structural' moment and a 'conjunctural' moment, where the former refers to when specific strategic action cannot significantly influence the strategic context, whereas the latter is when it can. Therefore, in this sense, due to the changing strategic context, many social enterprises will find strategic action harder to turn into

'conjunctural' moments whilst social businesses correspondingly are finding 'conjunctural' moments easier.

Global Imbalances and Minimal Hegemony

After World War II, the US's hegemonic historic bloc became the world hegemony (Cox 1983: 171). Nevertheless, minimal hegemony has developed because of the rise of finance and the instabilities it has caused, especially through global imbalances. This has been supported through non-ethical hegemony, as neoliberalism's vow of providing a better life for all has in practice resulted in increasing unemployment, poverty and class divide. Such deception, as Gramsci argued, unravels given real life experiences with universal interests not appearing universal.

This relates to the creation of global imbalances, especially since the Nixon Shock (1971), which roots in the formation of the Bretton Woods System, with the dollar fixed to gold as the international reserve currency after World War II (Wittkopf *et al* 2003:204). By the 1960/1970s, the dollar faced pressure through what is known as the 'Triffin Dilemma', with the US providing extensive liquidity - making it harder for the US to guarantee dollar-gold convertibility (Wittkopf *et al* 2003:205-206). Therefore, the Nixon Shock stopped this convertibility, with the turn to free-floating exchange systems (Wittkopf *et al* 2003:206-207). This, however, also saw the US gain more flexibility and structural power, with neoliberal initiatives, such as structural adjustment programmes, helping intensify financialisation that reinforced US hegemonic dominance (Wittkopf *et al* 2003:208-211). Such financial hegemony systematically undermined oppositional forces (Gore 2000:789-790; Scherrer 2011:227).

Such changes saw the US become less concerned about the wider interests of the system. Moving from integral hegemony - a robust system where hegemonic rulers meet their own and the systems' needs - after the creation of the Bretton Woods System, to a declining hegemony, because of the problems with the dollar - as the ruling groups' interests are increasingly criticised - and then to a minimal hegemony - with the intensification of finance and the increasing rise of global imbalances, as rulers are no longer interested in ensuring the systems' best interests, but oppositional groups are too weak to contest this (Cafruny 1990:105-113).

Thus, the system faces challenges, requiring surplus countries - such as China - to keep purchasing dollar bonds in order to finance US deficits and debts (Cohen 2008:461). Nevertheless, this is unlikely to change in the near future (*Bowles and Wang 2008*), with the US having unprecedented financing of its large deficit and debts but largely using such money to finance excessive defence and low taxes - mainly for the rich. This raises questions regarding the idea there are no or limited resources.

Co-option and Counter-Hegemony

Such imbalances place limitations on the potential for neoliberalism maintaining its ideological dominance, especially given the financial crisis (Duménil and Lévy 2009). This demonstrates the potential for oppositional forces - if they can organise, given the significant undermining they have experienced through financial hegemony – to provide counter-hegemonic forces. Whether social enterprises, when defined restrictively, could assist is considered.

This relates to Gramsci's 'war on position', referring to processes in civil society that form a counter-hegemonic bloc (Cox 1983:165). The potential for social enterprises to re-engage communities that have been decimated within their own regeneration is explored through the research; but the constraints on the sector are also important to consider, which relates to the very problem social enterprises have the potential to address: minimal hegemony.

The idea of co-opting these alternatives to 'ideals' is also considered. Such co-option is related to the expressions of interdependence, especially financial hegemony and hegemonic neoliberalism and how the rise of social business, for instance, could be a threat to social enterprises' strategic choices.

Hypotheses

Through the theory, I have formed four testable statements to critically analyse in Chapter 4:

1. As neoliberalism developed from the 1970s, the *idea* of social enterprises replacing previously state provided services grew, but with actors operating within a strategic context that has limited and insecure resources and thus interdependent with the choices available to

actors to respond to the growth of inequality and instability due to the rise of neoliberal expressions of interdependence and related growing global imbalances. This instability and insecure resources has intensified after the 2008 financial crisis, especially in the UK, with the current Conservative government promoting a privatisation and marketisation agenda.

2. Through a focus on the decline of traditional industries such as steel, Sheffield's and Pittsburgh's social enterprise sector has a similar history and development since the 1970/1980s changing expressions of interdependence; however, the concept of social enterprise is broader in the US making such comparisons harder given ideas are a central mediating force between the strategic context and strategic choices of actors.
3. Social enterprise's ethos, institutional practices and alternative economics are co-opted by for-profit corporations and organisations through ongoing creation of universal needs. This is more accepted in the US because of the broader definition; whereas, with the current intensification of privatisation in the UK, especially through the Localism agenda and social businesses, there is more concern. Such reconstruction of interests relates to ideas that “there is no money left”, central to neoliberalism and the globalisation thesis, reinforced through minimal hegemony created through neoliberal expressions of interdependence.
4. Whilst challenging and assisting with counter-hegemony to the current neoliberal expressions of interdependence, to some extent, as an alternative organisational/social form, social enterprises - when viewed as cooperative, democratic and community based with restrictions on surpluses - also reinforce these relations because of weak oppositional forces relating to minimal hegemony and inadequate resources and independence. In Sheffield, this is alongside a changing strategic context, where profit and finance are being reconstructed as universal interests, with social enterprises' options for strategic action changing with a movement to mainly loan based, social finance and non-statutory support. Pittsburgh respondents, however, are less concerned with alternative expressions of interdependence given the US's broader definition of social enterprise.

Chapter 3: Research Design

The strategic-relational and neo-Gramscian fused theoretical perspective has informed the methodological choices in order to explore the four hypotheses. Given the focus on actors' strategic choices in relation to the strategic context, and how universal interests are (re)articulated and (re)constructed, I utilised primary qualitative methodology to respect actors' ideas and how this mediates with the context and their choices. This involves consideration of how well actors' own interests are aligned with the resources and strategies available, and actors' knowledge of choices. Thus, the methodology ensures focus on personal experiences, choices and interests and how agency and structure are interdependent.

Operationalisation of Variables

The methodology has been designed with reference to the research's:

- **Dependent variable** - changing work relations, practices and meaning – with a focus on social enterprise in Sheffield, UK and Pittsburgh, PA, US.
- **Independent variables** – the rise of financial hegemony, decline of the 'real economy' and organised labour rights, and changing ideas regarding the role/expectations of the State, private, public and third sector (including social enterprises).

Importantly, the operationalisation relates to the emphasis placed upon definitions of key concepts within comparative politics (Mahoney 2007:127), with the research focusing on definitions of social enterprise by respondents, as definitions are key mediators between the strategic context and strategic action. Methodologically, the use of interviews limits the research's time frame, providing time and space snapshots of long-term developments and change (Diefenbach 2009:883).

Nevertheless, the case studies have been analysed through a theoretical perspective that puts the “findings sufficiently into a wider historical and structural context” (Diefenbach 2009:889), especially with reference to the expressions of interdependence. Furthermore, McCoyd and Kerson (2006) argue that email interviews, central to this research, can help through providing more time for respondents to answer and thus limiting “immediate, one shot” answers produced through face-to-face interviews (p.398).

There are problems with qualitative analysis limiting consideration of extreme values/cases on the dependent variable - however, this is why outlining reasons, as a qualitative researcher, for the scope, in terms of place and time, of the theory is essential (Mahoney 2007:129). Thus, in order to test the hypotheses, I chose two case studies to compare and contrast: Sheffield and Pittsburgh. Alongside both the UK and US experiencing intense financial hegemony since the late 1970s, both cities also experienced a similar decline of traditional industries after the 1980s, with changing expressions of interdependence through the growth of neoliberalism interrelated with the changing strategic context and related choices for actors. I wanted to research how the social enterprise sector had developed and responded to such changes, drawing comparisons and contrasts between and within the two cases. Nevertheless, there are problems with case study selection being bias and often based on convenience (Diefenbach 2009:879). For instance, Sheffield reflects my working experiences, and I also changed my researching design - as discussed below - given accessing enough information about Pittsburgh was harder than hoped.

Case Study Analysis

I initially intended the research design to be a mix of cross-case analysis and within-case analysis. I began to have problems with time and resources available to produce as detailed within-case analysis of Pittsburgh as I could for Sheffield, including a low response rate - especially compared to Sheffield. To improve the response rate, I sent a follow-up email. This was due to my manager's advice, reflecting on his own experience working in the sector, and how things can get forgotten due to other work commitments. I fortunately did receive several more responses from this. This arguably also relates to the problems with my initial email being too long and detailed - whereas my follow-up email was only a couple of sentences long (Appendix 1 and 2) (Meho 2006:1288). I also began to use deadlines, as Meho (2006:1293) recommended, providing more room for follow-ups and reminders.

Nevertheless, the problem of having a weaker institutional, socio-political and economic understanding of the specific strategic context of Pittsburgh's social enterprise sector remained. Therefore, I decided to change my research design so that I focused upon Sheffield through a within-case analysis, then providing pointers for future cross-case analysis with Pittsburgh for

someone (or even me) with more time and resources to study the specific strategic context. Furthermore, there are also potential benefits from a solely within-case analysis as, for instance, Dyer and Wilkins (1991, cited in Bryman 2004:55) criticise cross-comparison analysis for preventing specific analysis of the case's context, given focus on comparing can limit the flexibility and unstructured benefits of qualitative research. Nevertheless, cross-comparison provides more potential “for theoretical reflections about contrasting findings” (Bryman 2004:55). Therefore, any casual inferences between the two cases require more study and research in order to test their significance.

Interviewing Process

Informed Consent

I contacted potential interviewees through email with a standardised outline of the research, including the informed consent form and an additional document providing more information about the research and ethics (Appendix 1), given the importance of clearly outlining the researching process when first interacting with potential respondents (Lilleker 2003:209). Specifically, respondents in Sheffield were provided the option of either in-person semi-structured interviews or structured qualitative interviews over email, whereas respondents in Pittsburgh were only provided the latter. I addressed respondents through their name or organisation to avoid mass invites, illustrating the respondents' importance to the research, alongside utilising a suitable and interesting subject line (“Re: Interview Request”) (Meho 2006:1291). However, on reflection, I should have been clearer with how I accessed respondents' emails (Meho 2006:1291), as several respondents asked me where I had found their contact details, especially as I was using a different email to my usual work email.

Respondents were able to choose whether they wanted their answers attributable or not before answering the questions, given the political sensitivity of some questions/answers (Meho 2006:1292). Thus, interviewees may consciously not say what they are really thinking; however, this helps with understanding the dominant ideology (Diefenbach 2009:881), which is useful for the research, given the focus on analysing how hegemonic ideas mediate between strategic context and actions. It is therefore better to define internal validity in terms of the way the interviewer

reports, reflects and uses what the interviewees said during the interview (Diefenbach 2009:884). For instance, I asked face-to-face interviewees whether they were happy with the quotes I was planning on using in the research – even if they consented to using attributable quotes – alongside providing the context of such quotes. This resulted in respondents editing quotes or switching to unattributable quoting. I also asked respondents that were unattributable how they would like me to cite their quotes. This is important given the political nature of the research, alongside empowering respondents within the researching process.

Interview Schedule

I varied the questions according to people's expertise, but there was a broad theme to all questions asked, essentially reflecting the theoretical perspective through understanding actors' own experiences, ideas, interests and (known) choices and how this helps mediate between strategic contexts and choices/actions of actors (Appendix 3). However, I found my own assumptions influenced the delivery of questions within the face-to-face interviewing process. For instance, in one interview, I asked:

In terms of capitalism, as *obviously* since the 80s we have seen society change a bit, *haven't we?* (my emphasis).

This will happen, as Leech (2002) outlines:

In an interview, what you already know is as important as what you want to know. What you want to know determines which questions you will ask. What you already know will determine how you ask them (p.665).

I found through conducting face-to-face interviews that several respondents misunderstood what I meant with the question exploring the connection between the decline of traditional manufacturing and the development of social enterprise. This is concerning, as this question was also sent to respondents over email and there are even higher demands to make questions over email easy to understand, because it is harder for respondents to ask for clarification (Meho 2006:1290). For instance, consider the following response to this question:

First of all, it assumes that Sheffield was booming in manufacturing, and it never was; its primary industry was coal and steel. Secondly, has it recovered? No. And, thirdly, it's a dualistic model, as it's assuming that something changes because something else happens, and it might not happen like that at all. So, relative to what? You need to come up with a whole sort of base of information before anybody can answer that question - Digital Enterprise Advisor.

Importantly, it illustrates the problems regarding the definition of manufacturing – as I had intended steel and coal to be included within my own definition; however, using the term 'traditional industries' would have likely been better. Therefore, the responses regarding this question were used critically. This respondent also highlighted similar concerns about the broad nature of the SIB, Social Value Act and the future of social enterprise questions. Another respondent made a similar comment when trying to answer my question regarding the government's role:

Do you want to ask that question again, as it's bit of a strange question I think because it's so big?

Email Interviews

2 respondents from Sheffield, 5 respondents outside of Sheffield in the UK, 7 respondents from Pittsburgh and 1 from outside Pittsburgh in the US answered the questions over email. Email interviewing, as Meho (2006) and McCoyd and Kerson (2006) state, is only recently facing methodological analysis as a rising researching tool and therefore it is important to reflect on my own experiences of this methodology to assist with this ongoing evaluation.

Qualitative methodology faces problems of “cost, time, and limited access to research participants” (Meho 2006: 1284; and also, McCoyd and Kerson 2006:389-391); without email, I would not have interviewed anyone in Pittsburgh. Furthermore, some respondents I interviewed in the UK were not from Sheffield, or had been in Sheffield and no longer lived there and so email responses helped overcome these barriers too. I gave respondents several weeks to answer the questions, illustrating the ability for respondents to answer at their own convenience, alongside increased potential for

reflectivity before answering (Meho 2006:1290-1291; McCoyd and Kerson 2006:390). Furthermore, with answers written down, empowering the respondents, the long process of transcription – which I did for 14 interviews – is unnecessary (Meho 2006:1285; McCoyd and Kerson 2006:397). In addition, as Meho (2006) outlines, email interviewing enabled me to interview more than one participant at one time, as I was able to send the interview schedule to people regardless of place and time (p.1288).

However, the benefits are partly offset by emails preventing complex consideration of interviewee's body language (Meho 2006:1289). Nevertheless, I did not focus on body language during the face-to-face interviews, rather recording the interview through a taskcam and engaging with respondents' answers and focusing on discourses and explanations regarding social enterprises and their development/role. When I did take notes, for reminders of various follow-up questions, some respondents temporarily lost their train of thought, looking at what I was doing given such interactions are not what you would expect if you were having an everyday conversation – potentially reminding participants of the interview setting/context. Thus, email interviews reduce the potential for interview bias (Meho 2006:1289). Furthermore, there is always the potential of considering the use of emotions/symbols through email interview responses (McCoyd and Kerson 2006:396). In addition, several face-to-face interviews' natural surroundings created disturbances to the interviewing process; for instance, during one interview three parcels were delivered, another respondent fed their cat, whilst a drill went off several times in another given where I work was being renovated.

Face-to-Face Interviews

I used Leech's (2002) work on semi-structured interview techniques before conducting face-to-face interviews. For instance, I made sure to explain my research topic, without giving away the hypotheses, to the respondents at the beginning of the interview (p.666). However, the manufacturing question discussed was probably, on reflection, too close to hypothesis 2. I tried to restate respondents' responses – using respondents' own language where possible - during the interview to illustrate I was listening and clarify anything I may have misinterpreted (p.666), in order to clearly understand actors' own ideas and experiences regarding the social enterprise sector to analyse how this mediates between strategic context and choices. However, I did sometimes

forget to do this, moving quickly onto the next question, undermining the conversational style of the interview and arguably reminding respondents of the unnatural, interview setting.

Semi-structured interviews are best for achieving a balance between knowing barely anything or a lot about a topic in order to gather an “insider perspective”, but also ensuring hypotheses testing (Leech 2002:665; May 2001). This could be seen as a weakness of my email questionnaires, as despite including open questions it was written in a very structured format; limiting analysis of actors' ideas, discourses and the processes of reconstructing and re-articulating interests – however, there was the option of following-up with respondents for further information and clarification. Furthermore, given I work within the sector, I did sometimes hold back on asking respondents during face-to-face interviews to expand on points I was unsure of. When I did ask respondents to clarify, I found it very useful - illustrating the importance of honesty within interviews.

Sample

I had no predetermined limit of how many people I wanted to interview; as Dienfenbach (2009:883) states, this is not a requirement for qualitative research. Regardless, I am pleased with the number of responses I received, with 15 from Sheffield, 6 from other parts of the UK, 7 from Pittsburgh and 1 from outside, in the U.S. I utilised snowball sampling, asking respondents if they knew of others in the sector that would be willing to take part. However, this did not work out very well. For instance, one respondent contacted several of their networked colleagues about taking part in the research and, despite agreeing, some never responded to my email (and follow-up) - with others agreeing, but never passing me their responses. I also utilised social networking sites, such as Twitter and Facebook, but there were similar problems. However, I did manage to engage the Sheffield based social enterprise, Opus Independents, through a Facebook call-out for interviewees, illustrating the potential for new methods to engage respondents.

Several respondents were very helpful with providing extra resources, which included gaining access to Pule Regeneration's (2012) report, information from Social Enterprise Alliance – with this also being an example of a successful snowball sample, as I was able to interview Jerr Boschee through Social Enterprise Alliance's recommendation. Jerr also provided me with an additional report. I also received some very useful links, reports and funding applications from Urban

Innovation21 to assist with the research.

Representation

As mentioned, there was a change in research design from cross-case analysis to within-case analysis, weakening the potential for representative comparisons. But whilst this undermines the generalisability of the theory, it does also inspire further research (Diefenbach 2009:887-888). Furthermore, Diefenbach (2009) refers to how qualitative representation is different to quantitative representation, as the former is not concerned with producing generalisable, statistical findings, as qualitative representation is about ***“assurance that the site and unit of investigation are suitable for the type(s) of problem(s) that shall be investigated”*** (p.879, my emphasis). In this sense, despite bias and convenience, Sheffield and Pittsburgh do meet such criteria, with a similar history of declining traditional industries and the intensification of finance/neoliberalism since the 1980s in both cities. However, knowledge about Pittsburgh as a specific strategic context was limited, and thus, as mentioned, the analysis of the sector is therefore openly limited. Nevertheless, there is a concern that those involved in the research, despite careful selection, still inform the representation of “worldviews, opinions, and interests” (p.880). Nevertheless, the theoretical perspective, informing the methodology, ensured critical reflection of such ideas, especially in relation to the hegemonic neoliberal ideas as a key mediator of alternative ideas alongside related strategic choices/action and the reconstruction of apparent universal interests and whether they align with actors' interests.

Chapter 4: Empirical Analysis

I have critically analysed, through the strategic-relational and neo-Gramscian theoretical perspective, the four hypotheses outlined in Chapter 2 through respondents' answers, focusing on Sheffield and the UK whilst suggesting further cross-case analyses with Pittsburgh.

Hypothesis 1

Social Enterprise Definition

The majority of UK respondents defined social enterprise in general terms through words such as 'social purpose' and 'social value', with the organisation prioritising social value/impact over everything else, especially profit, when trading - with profit/surplus reinvested into the organisation to further its social and/or environmental mission. In relation to this, some made reference to the organisational structure, such as defining it against a shareholder system where profit is paramount, for instance – but most focused on a social enterprise's values, aims and mission and essentially what it *does*. A few respondents commented on how difficult it is to define a social enterprise, with three respondents referring to how a social enterprise, back in the 1980/1990s, was called a community enterprise.

Pittsburgh definitions were consistent with expectations, with respondents providing more room for for-profit organisations to be included within a social enterprise definition. For instance, one respondent defined a social enterprise as:

A business entity ***regardless of legal structure*** which has priorities beyond profit to include people and planet – source from Idea Foundry (my emphasis).

The definitions in the US were therefore broader, as expected. Nevertheless, the rise of the concept social business is increasingly broadening the definition in the UK. Such frames of reference are important for understanding how respondents' ideas around social enterprise inform the mediation of their strategic context and strategic action and also assists with analysing the process of universal interests and respondents' reconstruction of their interests in

line with hegemonic interests such as the role of finance and profit.

Sheffield's Social Enterprise Landscape

The following section provides further evidence to substantiate Pulse Regeneration's (2012) report into Sheffield's social enterprise sector's support and infrastructure fragmentation and decline. It provides specific analysis of how the expressions of interdependence, with the intensification of privatisation, marketisation and neoliberalism, under this current UK government is related to the changing strategic context and interrelated strategic actions/choices of actors within the sector and how actors themselves view this in terms of the discourses and explanations – whether directly or indirectly related to hegemonic ideas/ideology – they employ when discussing such issues.

Economic Development

As explored in Chapter 1, there was considerable emphasis upon economic development within Sheffield following the decline of traditional industries, with one respondent reflecting on this:

My experience with social enterprise goes back quite a long way to the period from the late 80s when I was involved in economic development in Sheffield – it was called the Department for Employment and Economic Development, which was one of the first economic development departments in the country, which was set-up by the City Council to try and deal with the after-effects of steel closures...We looked at, I think it was probably Glasgow, one or two Scottish examples, where social enterprises - well it was called community enterprises at those times - were being developed as a tool to try and not so much actually replace jobs in the declining traditional shipyards or what have you, but create real life environments where intermediate local employment initiatives could take place; getting people, particularly young people and older people, that probably didn't have much of a chance of re-entering the labour market, unless they had a quite significant change in track from the traditional type of skills...It was really very path breaking in those days because it was also seen as a potential alternative to cooperatives that had been traditionally seen as the vehicle in the 70s and the 80s for dealing with industrial decline – David Child.

Therefore, the change in strategic-context, with the decline of traditional industries due to related changing expressions of interdependence with the rise of neoliberalism, in Sheffield saw different strategic options with the move towards *the idea* of community/social enterprises helping with Sheffield's recovery. Nevertheless, David Child commented on how there were funding restrictions that limited the material resources available for such strategic actions to be materialised, making conjunctural moments difficult for community/social enterprises.

Objective 1

Many respondents referred to how useful European money, especially European Regional Development Fund (ERDF) Objective 1, was to the development of social enterprises in Sheffield. I asked one respondent about the future of such funding, especially given Sheffield Community Network (discussed below) was funded through Objective 2:

We don't know if the whole of South Yorkshire or Yorkshire is going to get any more Objective anything because the present government policy is not as friendly towards Europe as the previous administration...The problem with the ERDF is that you have to put in what is called matching money. It's great, but as the council has been cut it doesn't have spare money to invest, so it's a kind of vicious circle, because they haven't got any money they can't get any more money – Digital Enterprise Advisor.

This illustrates how the current government's political and ideological stance towards Europe, with Labour not even ruling out a referendum on membership to the European Union, might cause notable problems for future funding for social enterprise within the UK and how ideas around the role of Europe, for instance, have a mediating effect between strategic action and strategic context.

Single Regeneration Budget

Introduced in 1994, the Single Regeneration Budget (SRB) was highlighted by several respondents

as being key to the development of social enterprise in Sheffield, providing more opportunities for conjunctural moments, including the Sheffield Community Enterprise Development Unit (SCEDU) that was set-up through the first round of SRB. The SRB was subsumed under the Regional Development Agencies Single Programme in 2001 (The Poverty Site N.D.); these agencies, including Yorkshire Forward, were abolished in 2012 illustrating further the rapid reduction in services for social enterprises related to the changing expressions of interdependence and interdependent hegemonic ideas such as “there is no money left”, reconstructing universal interests around the 'need' to reduce public services alongside the importance of the market.

Social Community Enterprise Development Unit (SCEDU)

SCEDU also received some of the first rounds of ERDF in Sheffield. However, the resources increasingly became more scarce with changing expressions of interdependence and related ideas around the 'need' to cut government spending. SCEDU did not have a sustainable model to ensure its own survival with Business Link, a key source of contracts for SCEDU, mainstreamed – moving from subregional, regional to national – with Dave Thornett stating the contracts became a fraction of their previous value alongside a move to short-scale contracts. Ian Drayton commented on the problems with SCEDU's business model, saying “it's not their [SCEDU's] fault I suppose, because the direction of travel for the central government kind of changed really” - illustrating how actors', within the sector, choices have been effected given the changing ideology, expressions of interdependence (with the intensification of marketisation) and related strategic context with the reduction of statutory and guaranteed European support.

Transforming Local Infrastructure

The current UK government introduced the Transforming Local Infrastructure Programme (TLI), relating to its concern there are too many infrastructural support organisations – drawing parallels with the voluntary failure approach. FUSE was Sheffield's brand for the TLI, providing voucher based support - where 50-90% of costs were covered for services delivered by any of the 10 partners - for community and voluntary based organisations. One respondent outlined the *raison d'être* behind the pilot project:

It is a way of organisations providing support, having to market themselves and compete on the same directory for that voucher. It mimics and copies the personalisation agenda...It's a way of making the clients contribute so they get used to the fact that funding isn't going to be around forever for them, and they've got to learn it's going to be a fee-based culture. So the way things are going are towards loan-based, social impact bonds, potentially voucher schemes - in the future, it might become unlikely that there will be 100% grants - Social Enterprise Advisor.

This again illustrates how the changing government ideology, and related expressions of interdependence, regarding reducing statutory provision - as a universal interest - is significantly affecting the range of support and services available for actors within the social enterprise sector, relating to interrelated changing strategic context and choices.

Sheffield Social Enterprise Network (SCN)

Many respondents commented on how useful SCN has been for social enterprise support and development within Sheffield, especially since SCEDU closed. One respondent provided me with a summary of SCN's mission, which is:

To enable people to develop healthy sustainable communities and environments through accessing the benefits of digital economies and social enterprise.

Again, in terms of future support, however, there are concerns given the cuts to the local council and uncertainty regarding Europe – related to the expressions of interdependence with intensification of marketisation and privatisation, alongside the recreation of universal interests in line with neoliberal ideas regarding cutting state support and distancing from European Union's social programme - with whether there will be more funding for the support to continue. For instance, two respondents I interviewed commented on their concerns regarding the longevity of their Digital Media Centres (DMC) that were funded through SCN. For instance, Ian Drayton stated:

The demand for that hasn't been as great as we thought...we are just in the situation now that we are getting more and more people to use it, starting to deliver the outputs that the ERDF funding wanted, but it's going to end in September. But if that had been a 3-year project, we could have got a lot more out of it I think.

When asked about the potential of carrying on the support and services without SCN funding, Ian highlighted a lack of sustained resources:

Well we haven't got any spare cash to invest in it. But Vanessa that runs the DMC has worked with other members in the SOAR team to develop a framework on how to move that forward.

This further illustrates how the social enterprise support sector in Sheffield has become less secure, with funding pots drying up or becoming more limited.

Key Fund

Loans are another funding source being advanced as a viable option for social enterprise development. For example, Key Fund provide loan based support for social enterprises in Sheffield. However, respondents that had used Key Fund when starting up discussed the pressure and risk this created:

I have really mixed feelings about Key Fund. For us, at the time, it was essential. But we were really struggling for cash flow. I was managing the finances and I was literally scrapping around to pay people's wages every month. It was really difficult. But, equally that £5,000 grant didn't even cover the interest. And their interest rates works out at something like 12% APR...

David Child commented on how a zero interest credit card would be more sustainable than such high interest loans for start-ups. This illustrates the risks related to changing strategic choices available for actors within the sector and also the disconnect between actors' own interests and available resources, in line with universal interests regarding the role of finance

and traditional business practices, for social enterprise development.

Theoretical Reflection

At least one of the five explanations for why social enterprises developed were used by respondents during the interviews. For instance, all five theories appeared in this response:

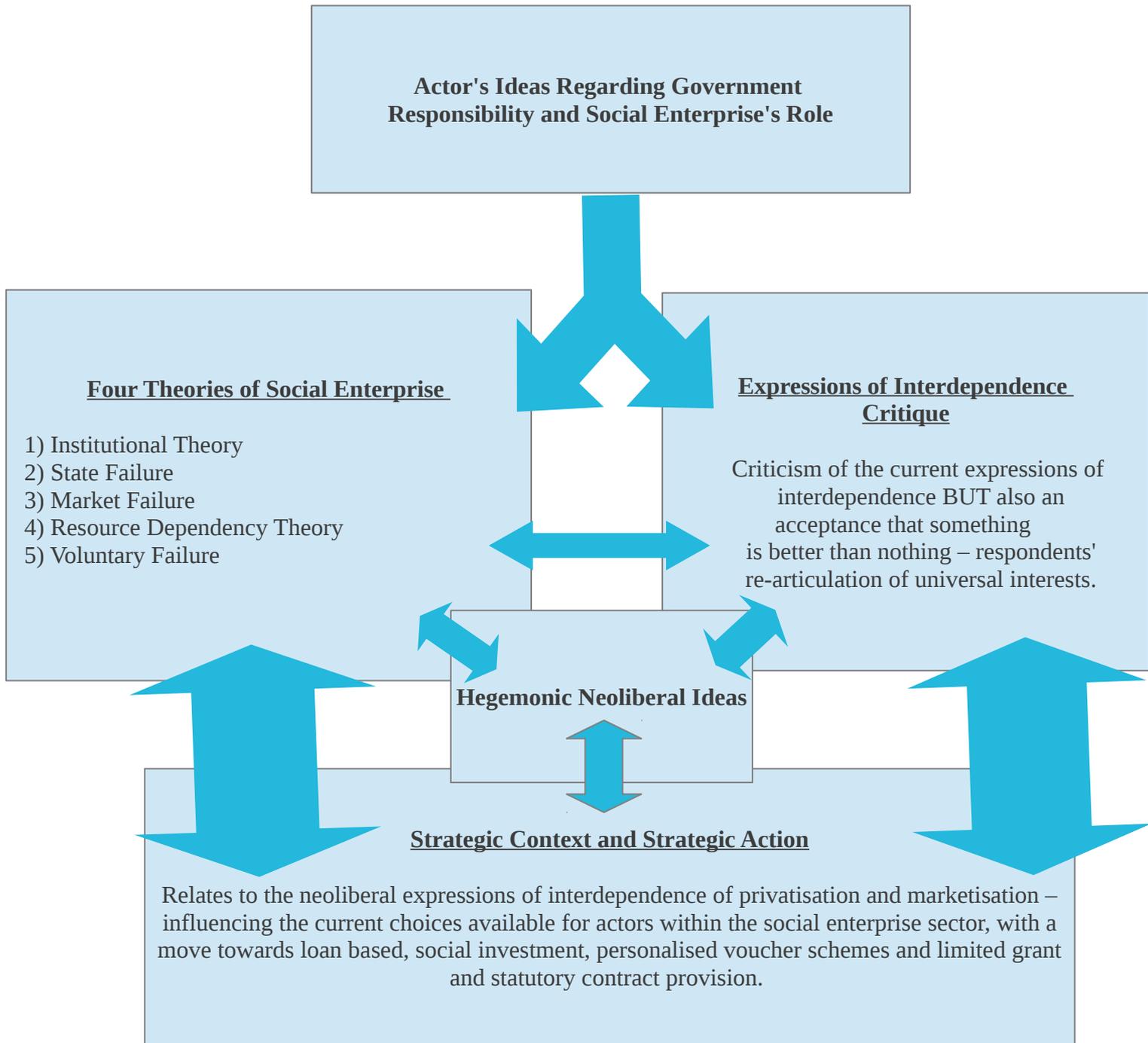
In general, I think it [the government] should support social enterprises in the same way it supports other enterprises. It should step in where there is market failure, or where the private sector is unable to create a well-functioning marketplace, or where there are significant extra social benefits especially in terms of employment...I think if there is an opportunity for social enterprises to sustainably provide services that government otherwise would, then they probably should. Operating commercially drives innovation and efficiencies that are hard to achieve in the pure public sector - Chris Dymond.

Furthermore, Jay Baker discussed how his first community organisation, SilenceBreaker Films, formed due to resource cuts to the Rotherham Council's Young People Services in the Multimedia Department, illustrating how social enterprises *can* help with declining resources, whilst being critical of the reasons for why – as Jay was. Therefore, whilst it is important to be critical, dominant discourses and ideologies – such as “there is no money left” - mediates context and options for those in the sector – with a move from statutory provision and grants to privatisation, marketisation and personalised, voucher scheme and loan-based funding. Some respondents, however, did also criticise the current expressions of interdependence, including awareness of the limitations for the local council given central government's direction. Importantly, however – and relating to the five theories – respondents all stressed the need to do something **now**. For instance, Catherine Moggridge said:

I don't have confidence in the economic system. From a completely personal point of view, I think we should get rid of it and I think we need to start again. But that's not going to happen overnight and in the interim people still need to have their lives' enhanced and engage in meaningful activities...So I think social enterprises are a very, very important kind of stepping stone in that process.

The responses can be summarised by Figure 1, illustrating how actors utilised at least one of the five theories of social enterprise when discussing social enterprises' role and its relation to governmental and social enterprise responsibility, with some (also) criticising the current expressions of interdependence, whilst arguing that doing something through social enterprise activity is better than nothing. ***Both ideas were influenced by hegemonic neoliberal ideology and the related strategic context and strategic action for those within the sector.*** This diagram is a demonstration of strategic action, with actors utilising their own ideas and knowledge of the sector, in relation to hegemonic ideology, when mediating between strategic options in accordance to the strategic context that relates to the neoliberal expressions of interdependence. Also, the need to do something now can be seen as respondents' own re-articulation of hegemonic universal interests regarding profit, markets and traditional businesses and the reduction of statutory resources related to hegemonic neoliberal ideas.

Figure 1



Potential Comparisons with Pittsburgh

Interestingly, and as expected, respondents in Pittsburgh had a more relaxed view regarding the government's role, preferring it to be limited – reflecting the mediating influence of their broader definition of social enterprise. Respondents argued that governments should support social enterprise, but not prevent innovative, independent provision – relating to the dominance of state failure arguments within the US. Three responses made direct links to the idea the government has limited financial resources – relating to the influence of hegemonic neoliberal ideas regarding 'inevitable' reductions in public statutory provision. For instance, one respondent said:

Social enterprises often fill gaps and/or serve needs that might not be readily apparent and provide a model for governments to subsequently adopt and support in the long term. Alternatively, social enterprises can offload services that governments are ill-equipped or unable (*e.g., due to financial constraints*) to deliver. - Tim Zak (my emphasis).

All respondents again used at least one of the five theories explaining social enterprise development, with limited critical consideration of *why*. To create a similar diagram to Figure 1, however, more analysis into Pittsburgh's and US's strategic context, alongside specific details of support within Pittsburgh, is needed. Nevertheless, most respondents were very positive about the level of support and resources available for social enterprises in contrast to most Sheffield respondents. This illustrates a limited re-articulation of hegemonic universal interests, given respondents' greater acceptance, when compared to Sheffield respondents, of the role of profit, finance and market forces.

However, a couple of Pittsburgh respondents were critical of current provision. Thus, it would be interesting to learn more about the range, level and direction of support and resources in Pittsburgh to compare with the theoretical perspective outlined in Figure 1. One example could include analysis of The Social Innovation Accelerator that closed in 2009 (Toland 2009), with respondent Tim Zak arguing it was a “central place” for social enterprise advice – similar to SCEDU. However, it appears, like SCEDU, there were problems with resources, focus of mission and longevity.

Respondents commented on how the Accelerator's closure did undermine the sector, but not enough people knew about it/needed it - with new resources and support since replacing it. Nevertheless, William Generett stated whilst its business model was poor (again parallels with SCEDU), Pittsburgh needs such an organisation. Nonetheless, Idea Foundry – a non-profit focusing on economic development in the Western Pennsylvania region - set-up the Intersector Accelerator in 2012, which is a social enterprise accelerator, in response to the rise of socially and environmentally focused business venture applications. Therefore, further research into support provided through agencies such as Idea Foundry would help with understanding the current strategic context for actors within Pittsburgh's sector.

Hypothesis 2

When considering the relationship between declining traditional industries and social enterprise development in Sheffield, it is important to remember the connection with European money coming into the area given the transforming strategic context, relating to the changing expressions of interdependence (rise of finance, decline of traditional industries), providing new strategic opportunities for actors within the social enterprise sector. Sheffield (and UK) respondents commented on how such inequalities created opportunities for the development of community/social enterprises, with community regeneration attempting to fill the void of traditional industries. This again illustrates merits of the five theories, with social enterprise development related to the state not finding alternatives to traditional manufacturing in areas such as South Yorkshire, leaving communities to perish, alongside the market's limited profit incentive - and therefore, social enterprises delivering services, with some government support, purported to be unaffordable by other methods. However, again, it is important to be critical of arguments claiming an automatic link between social enterprise creation and the decline of manufacturing, rather with such conditions encouraging *discussion* regarding the role of social enterprises replacing service delivery.

Interestingly, several respondents in Pittsburgh were dubious about any connection between social enterprise and manufacturing decline and rather pointed to other sectors such as health, robotics and universities that have helped Pittsburgh recover – arguably related to Strategy 21 discussed in Chapter 1. Nevertheless, one respondent in Pittsburgh did think there was a direct link:

The decline of our manufacturing sector has played a large role in the development of our social enterprise sector. When manufacturing was doing well, communities like the ones that I spoke about in the ID8 Nation video were doing relatively well. When manufacturing declined a diverse set of public and private partners realised that to diversify our economy, the social sector had to be developed and engaged to play a large role in making that happen. Our foundation community played a large role in building the social enterprise sector by funding social enterprise initiatives that helped to rebuild the economy. These social enterprises helped our economic transformation as a whole but we still have work to do to include the neighbourhoods where our region's largest minority populations reside. Yes, overall the social enterprise has definitely helped with Pittsburgh's recovery. That being said, there is a definite need for our social enterprise sector to do substantially more work to continue Pittsburgh's recovery - William Generett.

Urban Innoation21 concentrate their activities in disadvantaged areas of Pittsburgh, drawing parallels with Colin Crooks' (2012) work. William Generett provided me with information (dated March 2013) regarding the organisation's activities in Pittsburgh, especially their flagship program, Pittsburgh Central Keystone Innovation Zone (PCKIZ) that:

has supported start-ups within a specific geographic boundary [focusing on disadvantaged areas/communities], encompassing communities in need of the revitalisation and vibrancy that comes with new economic growth.

There are clear parallels with Crooks' (2012) advancement of SEZ, with the promotion of clustering in disadvantaged areas. It is important, however, to note the generally broader definitions of entrepreneurship and social enterprise within the US and therefore such Zones are different to what Crooks outlines. Nevertheless, this is an example of an alternative expression of interdependence, which can help tackle problems caused by minimal hegemony.

Hypothesis 3

Sheffield

Several respondents were concerned with the increasing privatisation agenda of this current government and its likely effect on social enterprises. For instance, a previous NHS worker provided a detailed example of the problems the concept social enterprise now faces in Cornwall due to a spin-out through Right to Request/Provide measures:

Respondent: Well, the main reason it's been controversial is the style, although it's a social enterprise, of leadership and management that has been operated...In a way, it's been the exact opposite of what it's supposed to be. It's supposed to be open and inclusive, where actually it has been closed and exclusive. And a particular example of that was when it first started they had to write a business plan for the first 2 or 3 years, and despite many public requests, I am pretty sure that was never published...The bridge version was published and excluded many of the controversial proposals. And the controversial proposals in it were the gradual closure of community hospital beds.

Interviewer: Right. What was that for?

Respondent: Which was to save money basically. That would be the type of change in a normal NHS organisation that would always have to be subject to full public consultation...They were almost using the social enterprise as a shield against those normal requirements. And in fact they did go ahead and close quite a number of community beds without proper public consultation in a very controversial programme and kept secret - kept behind closed doors - their true intentions, so actually in that way social enterprise in Cornwall has actually taken a bad name. It has got a bad reputation, wrongly; not because of social enterprise, but because of the way it's been used. And the overall point that I would draw out of that is whatever type of organisational structure you have, if the culture that in which it operates remains the same, which it has – the NHS is top-down, secretive, power driven – then that organisation becomes like that or works like that. So despite bringing in a progressive model, because it's still in a culture

that is regressive, it's actually operating regressively, so it can't be a way of overcoming a wider problem.

This latter point relates to how through the current expressions of interdependence, alternative arrangements and ideas can be co-opted to assist with the reconstruction of universal interests regarding the 'right' and 'preference' of the market and financialisation and reducing statutory services; especially given there is limited protest against such changes, relating to minimal hegemony (see Wynne-Jones 2013), and respondents' concern that big for-profit companies will benefit from the opening up of public services, especially long-term through contract re-tenderings.

This reconstruction of universal interests also relates to the government's current promotion of social businesses. Some respondents, however, preferred the concept of a social business, drawing parallels with the institutional approach and the need for social enterprises to be more business like in order to succeed. This reflects the current strategic context, where there are arguably less benefits – in terms of choices – for social enterprises compared to other organisational models. For instance, consider the following discussion regarding the future of social enterprise:

Justine Gaubert: It depends how you define it, doesn't it? I think social businesses' future is very bright.

Interviewer: What is the difference between social business and social enterprise?

Justine Gaubert: It's just a business that has social objectives but it is still positively run.

Interviewer: So there are no restrictions on profit?

Justine Gaubert: Yeah, but companies that want to solve a social problem, or will always do good with a percentage of their profits, as opposed to just being tied down with all the other stuff. As I think there are so few benefits that you get from being a social enterprise, I don't know why anyone would want to do it to be honest. Before it used to be like, you know if you wanted to access funding that was the only way of doing it but because there is so little funding any more, I don't know, is there really any benefit from doing it?

SIB are part of the government's Big Society agenda and are being promoted for social businesses

to use. I found respondents were often unsure of the benefits, or even unaware, of SIB – however, this is not surprising given respondents that had heard of SIB were mostly critical of the problems with payment-by-results and social enterprises', when defined restrictively, ability to administrate something so complex and big and are thus were not seen as a priority for the sector; illustrating how it provides more structural than conjunctural moments for restrictively defined social enterprises.

Such recreation of universal interests, and the adoption of community driven ethos by profit driven companies, was also explored in relation to discussions regarding CSR. Most respondents were critical of CSR intentions, relating to the dis-juncture between for-profit companies and social and environmental responsibility, but most also thought CSR is better than nothing - again relating to Figure 1. For instance, one respondent, whilst very critical of private profit practices, ethos and structures also thought doing something is better than nothing:

I think the shareholder system is absolutely insane, but that's the system we've got and it's going to take a long time for my view to strike a chord with a lot of people in business – as it's just what they are used to and they can't see beyond that...Given that system, I know many decent people that run profit based businesses with shareholders and that live and work and operate under that system and mean well, but they happen to run a business. So in their case, if they then create a social responsibility policy where they are seen to be doing good, fair enough, I can see why they would want to do that. I can see why people criticise that, as they are seen to be doing good but they are still fundamentally a profit making business. But isn't it better that they do something than nothing? Isn't it better, say for example, if SilenceBreaker Media collects computers from some Enron-like company that enables SilenceBreaker Media to essentially exist through that collection of computers?– Jay Baker.

This again illustrates how actors reconstruct their own interests in relation to hegemonic universal interests, with reference to the strategic context and choices.

Potential Comparisons with Pittsburgh

In order to test the hypothesis, especially whether the reconstruction of universal interests – particularly the dominance of private capital – is viewed with less pessimism and resistance in the US, I asked Pittsburgh respondents their opinions of CSR. In keeping with the hypothesis, two respondents had a positive approach. Two respondents, however, did utilise CSR to create a distinction between it and social enterprises, illustrating a more critical conception of the intentions behind the former - but were still positive about its impact, to an extent. However, some respondents, interestingly, were considerably more critical of the intentions behind CSR and called for an integrated approach. For instance, Tim Zak said:

Customarily, they are largely separate from the operational aspects of the corporation. Because of this philosophy, I think that company's CSR efforts are often less impactful than they could be; they should actively seek out ways to integrate their CSR efforts with the business in such a way that those investments directly impact the bottom line.

Nevertheless, Pittsburgh respondents had an overall positive approach to CSR, even amongst those critical – especially with limited criticism of the role of profit, rather focusing on its organisational operation i.e. integrated or not – and therefore supports the hypothesis in that they are *more* accepting than Sheffield respondents and therefore require less re-reconstruction of the universal interests of profit, finance and capitalism. Likewise, despite two respondents not knowing about SIB, illustrating a parallel with UK respondents, those that did were slightly hesitant and critical about their potential but was still positive overall - especially in comparison to Sheffield based respondents. This may relate to different definitions of social enterprise, too.

Hypothesis 4

Sheffield

Minimal hegemony, alongside insecure and limited resources, may see social enterprises reinforce the expressions of interdependence and assist with the related reconstruction of universal needs. This relates to hypothesis 3, and how social enterprises' ethos, mission and structure can become co-

opted and undermined through such reconstruction processes. For instance, there has been considerable hype regarding the potential for the Public Social Value Services Act; however, respondents commented on how the Act has limited practical benefit for social enterprises, as there needs to be standardised tools created for assessing social value, but this is difficult given the current expressions of interdependence and related strategic context alongside hegemonic ideas around reducing local government spending:

Social Enterprise Advisor: I think that you will probably have more proactive local authorities and public sector organisations than others...but it's coming up with this framework, it's understanding that when a tender goes out what do the third sector need to tick to prove they've got added value...

Interviewer: Whose responsibility do you think it is to come up with that?

Social Enterprise Advisor: It's policy makers. But, then they have to win over the commissioners, because commissioners have got cuts so they are fighting a battle against best value - being financially better - so cheaper and still maintaining what they need, but adding this social value in; they don't really want it to cost much more. So there isn't that one framework...but they need to have discussions with third sector organisations around the table, which is time and cost on both sides of the fence and we haven't got much of that at the moment.

Furthermore, several respondents commented on the potential for breaking-up local contracts to encourage local providers, making the tendering process easier to understand, quicker and also more advantageous to social enterprises. However, even more concerning is, despite many social enterprises becoming contract ready, there are limited contracts available given the problems caused by the cuts to local government and the uncertain future of European funding – this relates to the voluntary failure approach. This shows why many within the social enterprise sector were behind the Fair Deal for Sheffield campaign and also the potential benefits for those in the sector from supporting such a campaign to further alternative expressions of interdependence.

Thus, again, for respondents, doing something is better than nothing given the need for critical awareness of the current expressions of interdependence and related universal interests. For instance, Crooks (2012) provides a very clear and pragmatic framework for future policy and

the development of social enterprise to tackle multiple deprivation through the promotion of SEZ. This may be a good way of trying to tackle minimal hegemony through the creation of alternative and community focused oppositional forces that promote fairer, more democratic expressions of interdependence. Therefore, it would be fruitful to analyse SEZ's current development - which Crooks outlined to me below - and whether this is something the social enterprise sector should promote and engage with:

I am taking the model forward and developing it rapidly as a Social Entrepreneur in Residence of Lambeth Council. This is allowing me the opportunity to put the concept into practice on admittedly a larger canvas than I anticipated but a great opportunity to make things change.

This will help with separating normative and empirical issues through providing empirical analysis of the Zones' potential.

Potential Comparisons with Pittsburgh

Interestingly, and in keeping with the broader definition of social enterprise, respondents focused on the benefits of partnerships and crossovers between the sectors; for instance,:

I think the social sector will ultimately be more effective ***if it partners with traditional business to solve problems*** - William Generett (my emphasis).

This was discussed in Chapter 1 in relation to the long-standing partnerships between sectors contributing to the acceptance of declining manufacturing. An example of this partnership model is PowerUp Pittsburgh, which is:

A citywide strategy to accelerate the commercialisation of technology innovation activities to create jobs in the Pittsburgh region, particularly in the City of Pittsburgh's underserved neighbourhoods [that involves] universities, venture capital firms, entrepreneurs, city government, and non-profit organisations that provide business education or support – PowerUp Pittsburgh Coordinator.

Partnership models again illustrate how Pittsburgh respondents were more accepting of the current expressions of interdependence and less concerned with alternative expressions and radical reconstructions of universal interests.

Chapter 5: Analysis and Conclusion

In conclusion, hypothesis one, when judged in relation to Sheffield's social enterprise sector, is correct. There has been increasing popularity regarding the *idea* of social enterprises, with Sheffield respondents reflecting on the development of social enterprises, through mainly European based funding, government contracts and local infrastructural support. Thus, these enterprises developed partly in response to changes within society, as shown by Objective 1, with South Yorkshire very disadvantaged after the decline of its traditional industries during the 1980s. However, such resources were limited, especially European monies and with this current government's hostility towards Europe creating problems regarding future funding. There is also the recent radical switch to loan based, social investment, non-statutory/contract, personalised voucher scheme funding opportunities adding to the insecurity and instability of resources for the sector, as neoliberal expressions of interdependence intensify under a government set on furthering privatisation, marketisation and liberalisation. Whilst further research is required, Pittsburgh respondents were more positive about the sector's access to resources and more relaxed about governmental responsibility, reflecting their broader definition of social enterprise.

Given the limited information regarding the social enterprise sector in Pittsburgh and also the problems, methodologically, with the decline of manufacturing question, it is difficult to evaluate hypothesis two with significant confidence. Thus, this hypothesis requires considerable development and testing, involving more systemic analysis into Pittsburgh's social enterprise sector. However, importantly, rather than claiming there is a direct causal link between traditional manufacturing and the rise of social enterprise as an idea for community regeneration, the decline rather made conditions more favourable for such development. However, it does seem in Pittsburgh that other factors, including health and universities, had more of a role in the recovery of Pittsburgh, with social enterprises a secondary development. Whereas with European funding, especially Objective 1, in Sheffield there was a more obvious connection - with the idea of social and community enterprises forming, in response to the increasing poverty and inequality, becoming more popular. However, again, this requires further testing, especially if a causal link is to be claimed.

In terms of hypothesis three, it does appear from initial comparisons that – related to the broader US definition of social enterprise – there is less concern regarding the use of CSR and SIB within Pittsburgh. Respondents in Sheffield were more critical of such practices and the prominence of private and financial capital at the centre of such practices and the limitations for social enterprises operating within such a context. This illustrates that such recreations of universal needs, in terms of the dominance and role of private businesses and profit, meets more resistance in Sheffield than in Pittsburgh. This is reinforced by the critical views many Sheffield respondents had regarding the right to provide and privatisation of public services. Nevertheless, with the rise of social business in the UK, there are movements - with some actors in Sheffield showing enthusiasm for such changes - towards there being less restrictions on private profit, illustrating comparisons with US definitions of social enterprise.

Hypothesis four, in terms of Sheffield, is correct with social enterprises – when defined in a restricted way – providing an alternative vision to traditional for-profit businesses through their alternative structure and relationship to profit and people; but the strategic context, especially with this current UK government, is limiting social enterprises' ability to challenge such relations because such relations provide more conjunctural moments to traditional for-profit organisations, and also increasingly to social businesses. Thus, there are options - such as through breaking-up local contracts and providing extra benefits to social enterprises through the Social Value Act - but this is limited because of cuts to local council and social enterprise funding streams. Therefore, potentially furthering the Fair Deal for Sheffield campaign, whilst working towards community regeneration through SEZ are potentials to promote; thus, it will be interesting to see how SEZ develop. Pittsburgh respondents were less concerned about the potential for social enterprises to provide an alternative model, emphasising partnerships instead, relating to their broader definition and how they are more comfortable with the expressions of interdependence.

Given the limitations with the research design, further research would be best using alternative hypotheses that are more specific to the within-case context of Pittsburgh, drawing on suggested further research and then considering cross-case analyses with findings from this research regarding Sheffield's social enterprise sector.

Theoretically, actors did utilise at least one of the five theories outlined in Chapter 1, but some – mainly Sheffield respondents - were also critical of the current expressions of interdependence. As demonstrated through Figure 1, current hegemonic ideas around neoliberalism and definitions of social enterprise are key mediators between the strategic context and actors' choices, and that actors can be both critical of such expressions of interdependence but also realistic of the need to work within such relations - illustrating respondents' own re-articulation of universal interests regarding the role of the market and profit, alongside the reduction of statutory resources, mediated by the hegemonic ideas around neoliberalism. Whilst it is important to be critical of the supposed 'boom' of social enterprise, alongside theories viewing neoliberal hegemonic ideas uncritically, such theories and ideas are also important for understanding and analysing the hegemonic bloc and ways to challenge such expressions.

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Appendices

Appendix 1

My initial email to respondents included the following information:

Outline of Research

Hi (name/organisation),

I am currently undertaking a Masters Dissertation at The University of Sheffield, with the supervision of Colin Hay, comparing and contrasting the history, development and growth of social enterprise within Sheffield, UK and Pittsburgh, PA, US. I am specifically analysing how this relates to the related changes in the international, national and local political economy since the 1970s and 1980s onwards, with the growth of finance and the related changing working relations.

Given your own expertises and experiences within and about the social enterprise sector, I would like to please request your participation in this research through an (online if Pittsburgh, in person or email if Sheffield) interview with yourself to discuss such changes with reference to your own experiences and views, especially in terms of social enterprises' institutional practices, history and development, available resources, autonomy and contribution to the society and the economy.

If you would like to take part (which would be super!) I have attached the informed consent form for you to look at (which will need to be completed and signed before any interview takes place) and it also illustrates the options available to ensure that any confidentiality, anonymity and data protection concerns and needs have been adequately considered and met. There is more information about this, the research and the importance of informed consent within the Informed Consent Details document I have also attached. Furthermore, the project has been approved by the Sheffield University's Politics Department's Ethics Review Panel.

The dissertation will ensure credit, only if agreed, is also provided for yourself and relevant organisation/s.

Thanks and please let me know if you have any questions!

Best,

Jane Watkinson

Informed Consent Form

PROJECT TITLE: Neoliberalism and work: understanding the relationship of neoliberal ideas, institutions and practices and social enterprise in the UK and the US.

Changed to: A strategic-relational and neo-Gramscian approach to understanding social enterprise in Sheffield, UK and Pittsburgh, PA, US.

RESEARCHER: Jane Watkinson

Please tick box

- 1 I/we confirm that I/we understand the purpose of this research and have had the opportunity to ask questions
- 2 I/we understand that my/our participation is voluntary and that I am/we are free to withdraw at any time, without giving reasons
- 3 I/we agree to take part in the above study
- 4 I/we consent to being audio recorded/answering responses via email (if this is applicable – delete if not)
- 5 I/we understand that the audio record/email answers will be transferred to the researcher's hard drive and not stored on any other device. My/our personal details will not be stored alongside the audio record/email answers. I/we understand that an anonymised transcription will be deposited with the ESDS. (If this is applicable – delete if not.)

6 Please choose **one** of the following options

I/we consent to the use of attributable quotes/information

I/We consent to the use of anonymised quotes/information

I/We consent to the use of background information being used in the research but not to quotations

Name(s) of participant(s)	Signature(s)	Date
Name of researcher	Signature	Date

Informed Consent and Ethics Details

This is an outline of the project to ensure that before participating within the research you have been provided with all the relevant information to ensure informed consent.

Outline of the nature and purpose of the project

- The project is comparing and contrasting the history, development and growth of social enterprise within Sheffield, UK and Pittsburgh, PA, US. The project is specifically analysing how this relates to the related changes in the international, national and local political economy since the 1970s and 1980s onwards, with the growth of finance and the related changing working relations.

The research methods to be employed by the project

- The project is utilising qualitative methodology through in-depth semi-structured interviews with relevant people in the social enterprise sector in Sheffield, UK and Pittsburgh, US and those who know about the sector.
- The project is also drawing on existing statistics through secondary analysis illustrating

patterns and trends that have happened under the growth of finance and specifically in relation to social enterprise.

The conditions under which the project will be conducted

- For participants in the UK there will be the option of the interview taking place over email or in person.
- For participants in the US there will only be the option of email for the interview to take place over.
- For participants in the UK there will be the option of the interview being audio recorded or note taking if in person.
- All participants can choose whether the information they provide can be directly quoted, used as general background information or anonymous.
- The interview should take around 30 minutes to an hour.

Who is undertaking the project

- The dissertation project is part of the researcher's MA in Politics with Research Methods, supervised by Professor Colin Hay, at The University of Sheffield.

Potential risks from the project

- Limited to virtually non-existent. If there are any questions or concerns about the research, please don't hesitate to get in contact with the researcher and/or the supervisor.

Potential benefits that may result

- The research will hopefully be utilised by the social enterprise sector within Sheffield and Pittsburgh as background information and drawn on as relevant research regarding the sector's history and development. All organisations and individuals, if agreed, will be credited in the research and are welcome to have a copy of the research once complete.

Requirements of participation within the research

- Participants participation will require up to an hour (estimation) of their time to reflect on their experiences, expertises and views on the social enterprise sector in relation to the theme of the research.
- Even if participants have provided informed consent, participants are able to withdraw from the research at any point. However, the right to withdraw does not extend to the withdrawal of already published findings.

How participants confidentiality will be safeguarded

- Participants can decide whether they want to be named within the research.
- Participants can decide whether they allow direct quotations within the research.
- Participants' personal details will not be stored alongside the recording of data.
- Any anonymous recording will be destroyed.

What will happen to the data and how it will be stored

- If participants do not want to be audio recorded during the interview then the researcher will discuss with the participant their preferred method of collecting the data, ensuring that personal details will not be stored alongside this.
- The informed consent form allows participants to choose whether they consent to the recorded media being stored.
- Details of the participants will not be stored with the media file and the media file will only be stored on the researcher's computer.
- Any anonymous recording will be destroyed.

How to raise concerns, or to complain, about the research and to whom

If you have any concerns or complaints about the research you can contact the researcher, Jane Watkinson, at jwatkinson1@sheffield.ac.uk or the researcher's supervisor, Colin Hay, at

c.hay@sheffield.ac.uk

Appendix 2

This is a copy of the follow-up email I sent to respondents to try and improve the response rate:

Hi,

I am following up on an email I sent you regarding my current research for my Masters into the social enterprise sector in Sheffield/Pittsburgh, and was wondering whether you received the email. It would be great to be able to ask you some questions for the research, given your experiences and expertise in the sector.

Thank you and please let me know if you have any questions.

Best,

Jane Watkinson

Appendix 3

I customised questions to respondents in order to reflect their own varying experiences, but below is a list of questions that I used as a template for such customisation:

- Just briefly introduce yourself, your experience with social enterprise and your current role as [respondent's role/job/organisation]...
- How would you define a social enterprise?
- What would you say the government, locally and centrally, should be doing in terms of the social enterprise sector? Does the government do enough to support social enterprises?
- Do you think any of the work and activities social enterprises do should be provided by the government instead? Or does social enterprise help people and meet needs the government can't or won't?
- Have you noticed a difference working in community sector under different governments? If so, how? (only to UK respondents)
- How effective do you think the Companies Act (2006) has been? (only to UK respondents)
- What are your views regarding the 'Big Society' and how do you see social enterprise fitting into this? (only to UK respondents)
- How easy is it for social enterprises to develop from primarily not-for-profit organisations into primarily revenue creating social enterprises?
- What do you think of Corporate Social Responsibility? Do you think social enterprises should help meet companies' Corporate Social Responsibility?
- What do you think traditional businesses, if anything, could learn from social enterprise?
- Do you think social enterprises have helped Sheffield/Pittsburgh recover after the decline of manufacturing?
- Do you think all organisations should have a legal obligation to meet social, environmental and economic objectives?
- There are some concerns that Right to Provide and Right to Request will lead to privatisation of key services, leading to what people feel will be unhelpful competition, even with big private companies. Are these concerns that you share? (only to UK respondents)

- What do you think of the Public Services Social Value Act? Will this benefit social enterprise? (only to UK respondents)
- What are your views on social impact bonds? Does this benefit the social enterprise sector?
- What do you think to the payment-by-results structure in relation to the social enterprise sector?
- How successful was the Social Innovation Accelerator? (only to Pittsburgh respondents)
- Has the closure of the Social Innovation Accelerator affected Pittsburgh's social enterprise sector? There was talk of the Accelerator returning, maybe in a different name; are there still plans for this? (only to Pittsburgh respondents)
- Do you think the social enterprise sector in Pittsburgh/Sheffield has access to enough resources and advice?
- How do social enterprises benefit society and the economy?
- What was the Fair Deal for Sheffield campaign about? How does it relate to social enterprise? (only to UK respondents)
- What do you think the future for social enterprise in the UK/US is?
- What are [respondent's/respondent's organisation] plans for the future?