'Utopia’ failed? Social enterprise, everyday practices and the closure of neoliberalism

Micaela Mazzei and Tom Montgomery
Glasgow Caledonian University, UK

Pascal Dey
Grenoble Ecole de Management, France

Abstract

In the context of recurrent economic crises, ‘alternative’ models of economic organising such as social enterprise offer compelling examples of utopian imageries of a better future ‘to come’. Social enterprise qua utopia implies not only that alternative ways of being and co-existence are desirable, but that there is often a disjuncture between the desirable futures such utopian imaginaries project and the extent to which they are actualised or even actualisable in practice. The UK, which has long been considered the most conducive environment for social enterprise activity, offers a fertile ground to study this tension between utopian imagination and empirical actualization. Drawing from three large-scale research projects focusing on the social economy in Scotland and the North of England, this paper explores the link between social enterprise as a political program and as lived material practices unfolding under conditions of extreme resource scarcity caused by austerity measures. Our findings reveal that whatever utopian impulse social enterprise might contain, it is constituted, in the last instance, in the movement between ideas and everyday life, i.e. the aggregate of mundane practices, routines and experiences. Attentiveness to the precariousness instigated through austerity measures, such as social budget cuts, the key contribution this paper makes is to jettison approaches that treat social enterprise as a context-independent and totalizing ideal that divorces its utopian potential from the everyday practices through which this potential is being realized.

Keywords
Utopian program, social enterprise, everyday practices, context, neoliberalism, precariousness, UK, austerity

Corresponding author:
Micaela Mazzei, Glasgow Caledonian University, George Moore Building, Cowcaddens Road, Glasgow, Scotland G4 0BA, UK.
Email: micaela.mazzei@gcu.ac.uk
the utopias current in a society tell us much about the experience of living in it Levitas (2013: 219)

**Introduction**

Despite continuing concerns that Western society is devoid of utopias (Jameson, 1991; Levitas, 1979), social enterprise (henceforth SE) offers a pervasive imaginary of an alternative way of entrepreneurial organizing using market-based practices to eradicate some of the most daunting challenges currently confronting economies and societies (Gauthier et al., 2020). Despite the lack of a single agreed definition of SE and its disputed nature (Teasdale, 2011), the term is usually used to refer to forms of market engagement that privilege meeting social needs over profit maximization (Amin, 2009). SE is a signifier attributed to and/or adopted by a multitude of organisations and activities increasingly considered as an economic category of its own right (Hudson, 2009) rather than simply a label. While the basic idea of SE is that economic activity can be productively realigned with the broader interests of society (Sassmannshausen and Volkmann, 2018), scholars often unquestioningly accept the potential of SE as a matter of fact (Dey, 2016), essentially valorizing the utopia of propulsive energies for change which SE so effectively promulgates (Calás et al., 2009). Such convictions resemble what Clarke and Newman (2012) refer to as ‘magical thinking’, i.e., the belief that if one says things often enough they become true. There is of course a more serious concern lurking behind magical thinking: accepting SE’s utopian potential a priori is to neglect that whatever effects these organizations produce is a contingent accomplishment, which “can be either positive or negative in nature” (Martí, 2016: 1). Thus treating SE as a ‘totalizing ideal’, i.e., phenomena which remains immutable irrespective of the context in which it is enacted, we tend to eschew the fact that SE is entangled with, and thus dependent on, the historical, political, economic and social contexts in which it is practiced.

Moylan (1986) problematizes the notion of utopia through the concept of critical utopia, as a site of critical awareness and conceptual contestation (Lancaster, 2000: 117). We share the concern over utopianism as a projection for a perfect future rather than providing a context in which to develop thoughtful, positive political projects (Lancaster, 2000: 118). However, our focus is not to engage in those broader debates on utopianism, but instead how a utopian imaginary is operationalised in a specific policy field and a specific context. By implication, for research to have any real explanatory, political and practical force, it must acknowledge that SE is an inherently contextual and contested phenomenon (De Bruin and Lewis, 2015). SE is always contextual since reflecting broader historical, institutional, spatial, economic and social dimensions and forces (Welter, 2011). On the other hand, SE is always contested since embodying a constitutive split between how it is practiced (Mauksch et al., 2017; Parkinson and Howorth, 2008) and how it is used as a (political) instrument to achieve certain agendas and objectives (Jarrodi et al., 2019). Against this backdrop, and responding to recent calls for more research on the struggles faced by social entrepreneurs (see Driver, 2017; Miller et al., 2012), this paper tries to bring these two perspectives together – the everyday and the ideological – by addressing the importance of political SE programs (notably as they pertain to austerity politics; Muehlebach, 2016) in enabling or, perhaps more fittingly in our case, to obstruct social entrepreneurial practice.

In a context of austerity, characterized by a reduced amount of financing of non-state actors (such as SEs) tasked with social service provision, SE continues to be considered by
policy makers as an important solution for tackling contemporary challenges (Milbourne and Cushman, 2015). Yet, little attention is paid, both academically and politically, to whether and how SE can sustain the delivery of services and/or the sale of goods when pools of funding are steadily decreasing. But as local authorities face deep budget cuts (Cribb et al., 2017) and local economies weaken, particularly in communities where austerity and welfare reform have diminished the already scarce financial resources (Beatty and Fothergill, 2013), it seems naïve to assume that SE will remain unaffected by the reduced (or non-existent) availability of financial resources. This in turn animates questions as to whether SE (can) realise the utopian political program within which they have been situated either as saviours of public service delivery (Dey and Steyaert, 2010; North et al., 2020) or as a panacea for economic recovery (Pike et al., 2016) providing innovative solutions to social and environmental problems. Conversely, it raises questions as to whether the utopian optimism radiated by official imaginaries of SE might obscure the cracks of austerity and reinforce rather than rupture the precariousness that is shaping deprived local economies (Muehlebach, 2013).

Responding to these questions, this paper aspires to explore the utopian potential of SE by juxtaposing it with its everydayness, i.e., the aggregate of the mundane practices, routines and experiences of social entrepreneurship (Froggett and Chamberlayne, 2004; Mauksch et al., 2017). Drawing on data from three large-scale research projects into the practices and experiences of social economy organization in Scotland and the North of England, we take a closer look at how social entrepreneurs cope with diminished public resources, and whether and to what extent SE are able to fulfil the expectation posed by the utopian SE program: delivering quality services while balancing between social (and/or environmental) outcomes and financial stability or displaying an improved empathic approach in delivering social services. While attending to the everyday reality of SE allows us to develop a clearer understanding of what is ‘doable and viable [and what is not] given the conditions of the present’ (Cooper, 2014: 4), we expand ongoing debates about social entrepreneurs as inherently resourceful actors (Servantie and Rispal, 2018) capable of persevering even under the most daunting ‘resource shocks’ imaginable (see Di Domenico et al., 2010) by suggesting that the increasing scarcity of resources is detrimental to the realization of SE’s mission, as they experience high levels of vulnerability and insecurity. This is important, we posit, especially given the fact that Utopian representations suggest that SE are immune to financial resource shocks. The main contribution our investigation thus makes is to create a visceral awareness of existential frailty and precarity (Muehlebach, 2013) to which SE are exposed in the context of austerity in the UK (Mauksch and Rowe, 2016).

Our argument proceeds along the following broad steps. First, we discuss how SE in the UK has been rendered a utopian program for tackling societal challenges in a context of scarce financial resources. Secondly, we introduce the empirical studies on SE from which the evidence for our paper emerges and which are used to challenge the promises of the utopian program, followed by the methodology underpinning this paper. The everyday practices of SE The third section presents the analysis of the experiences of UK-based social entrepreneurs. We conclude this paper with a discussion of the broader implications of our study; in particular, we reflect on the widespread understanding of SE’s resilience and ability to successfully ‘make do’ under conditions of extreme resource scarcity.

**SE as a UK utopian program**

The last two decades have seen a steady swell of interest in social entrepreneurship. SE is discussed by academics as a hybrid model of organisation (Doherty et al., 2014) that is
positioned between the market, civil society and the state (Nicholls and Murdock, 2012). It is a model which in many advanced liberal societies is said to straddle a constituency on the one hand concerned with ‘innovating’ traditional welfare provision through new, non-state players (Gawell, 2014) and on the other hand a network of organisations seeking an alternative way of doing capitalism by valuing social goals and capital accumulation at the same time (Gibson-Graham, 2006). While SE research is informed by a variety of scholarly disciplines and intellectual traditions (Bacq and Janssen, 2011; Sassmannshausen and Volkmann, 2018), this paper draws from the critical perspective of social enterprise research which endeavours to understand how SE has been captured to serve specific political and economic ends (Hota et al., 2020). Research in this tradition has revealed how SE works to align civil society organisations with the dictum of neoliberalism by making them more pro-market and business-like (Dart, 2004). An explicitly critical perspective seems well suited in a context where the neoliberal system has come under increasing scrutiny and where SE has become a potent signifier of change (North et al., 2020) in countries such as the UK and elsewhere (Murtagh and McFerran, 2015; Sepulveda et al., 2013). Thus, despite persistent struggles amongst academics to agree on the defining characteristics of SE (Choi and Majumdar, 2014), we are interested in this paper not in the ontological essence of SE but in how SE is represented by powerful actors, and what kind of positive or, more precisely, utopian imaginaries those renditions provoke. To that end, we approach SE in the UK as a compelling example of what Jameson (2005) referred to as ‘utopian program’: official stories and images created and disseminated by powerful actors to create an ‘anticipatory consciousness’ which affirms both the need for and availability of future alternatives (Levitas, 2013). We adopted this frame while being mindful of the contribution of those scholars to the broader critique of utopian thinking in the context of contemporary capitalist society (see Moylan, 1986).

As we elaborate in more detail below, SE is considered a utopian program, largely promoted by government agencies, that is geared towards improving public service delivery with greater care, efficiency and quality than the public sector and meeting needs in areas neglected by the market. Utopian programs can be ambitious in their effort to envision and create a more desirable future (from the general perspective of ‘progressive politics’) and to attempt to do so by actively transforming a particular feature of social existence in the present. Consequently, Jameson’s notion of ‘utopian program’ allows us to shed light on how SE is used to reflect the growing desires for ways to organise the economy around different principles and interests beyond the imperatives of profit maximisation and renewing interests in previously marginalised forms of economic organisation – a plurality of enterprise forms with different sets of goals responding to different sets of (monetary and non-monetary, emotional, ethical) incentives. While SE qua utopian program seeks to mobilise those within society who believe in the utopian potential of a different, post- or alter-capitalist type of economy (Gibson-Graham, 2006), we aim to raise the critical reflexivity of SE by attending to how it has evolved into a pervasive and compulsory utopian program.

A genealogy of the SE utopian program in the UK context

The emphasis on the potential of SE to solve multiple problems simultaneously has been embraced across party political lines with the development of the model encouraged from the New Labour Third Way to the Conservative Big Society, reflecting its capacity to be repackaged to meet the prescient priorities of the government of the day. The Third Way approach adopted by New Labour during Tony Blair’s tenure is a case in point. SE was promoted then as a utopian program of modernization of public services (i.e., more
responsive to people ‘needs’) and of local statutory provision. For example, the Policy Action Team Three (PAT 3) – one of the 18 teams tasked to investigate the specific problems faced by deprived neighbourhoods and made up of cross-departmental government representatives, local area representatives and experts in the relevant fields – suggested focusing upon enterprise as a method to address social exclusion (for a more detailed discussion see Teasdale, 2011). The PAT report recommended considering SE as ‘trading organisations within the social economy’ (Spear et al., 2017), but to be supported as (mainstream) businesses. It was in this context that the policy architecture and support mechanisms were crafted to facilitate SE, blossoming into a range of initiatives and growing financial support to implement the utopian program.

This utopian program was endorsed by SE practitioners, who engaged with the idea of SE as an alternative model of economic organizing (Pearce, 1993). While some practitioners were ideologically compelled by the basic premises of SE, others in turn either played the game or tactically mimicked what was expected of them to gain access to public resources (Dey and Teasdale, 2016). However, both groups welcomed the opportunity to familiarize mainstream public opinion to other ways of engaging in the economy, and secure resources for a traditionally underfunded part of the economy. Nevertheless, this increased recognition has also raised expectations of SE to be efficient businesses that can simultaneously continue to meet their social aims and ethical aspirations.

In recent years, there has been a perceptible shift in focus away from state support for SE towards a marketised model, in which SE seeks finance from private and social investors (Di Domenico et al., 2012; Nicholls, 2010). This hints at the changed politico-economic situation in the aftermath of the global financial crisis and a renewed emphasis on fiscal prudence (Muehlebach, 2016). Purporting that SE can do ‘more with less’ indexes the affective power of SE (Barberá-Tomás et al., 2019) by reassuring the possibility of a desirable future despite decreased financial opportunities (Cheney, 2014). It is thus unsurprising that the utopian program of SE, as the following excerpt from a speech by Theresa May demonstrates, continued to inform policy discourses even though public funding was significantly reduced:

‘[...] it is why we will continue to lead the way internationally in the development of social finance to harness the full potential of our charities and social enterprises in working with business and government to tackle some of the biggest social challenges in our country’. Theresa May, 9th January 2017.’

In Scotland, where two of the three empirical studies took place, the term SE began to gain greater prominence after 2007, coinciding with the election of the Scottish National Party (SNP), which has since invested significantly in programs and financial support to develop SE (Scottish Government, 2008). Policy discourses can often (re)interpret SE to reflect strategies to restructure the state and redefine the content of its engagement with economy and society (Hudson, 2009). Claiming a ‘Scottish approach’ to policy and policymaking (Cairney et al., 2016), from 2007 onwards the SNP government has supported SE development as a vehicle to improve public service provision (Scottish Government, 2016) and promoting inclusive growth through economic plurality (Scottish Government, 2015).

Paradoxically however, while various UK governments have promoted the utopian program of SE to achieve a truly socially responsible economy in which SEs themselves have an important role to play, the scale of the austerity measures has had a major impact on many areas of public service provision. The pursuit of rolling back the public sector is not new in the UK, which has a history of policy making that privileges market-based approaches in public service delivery (Clarke and Newman, 2012). This approach has carved out a space
for SE to develop, by providing revenue potential amongst many organisations operating in the welfare market. Yet, in more recent years, cutbacks to public sector funding have begun to affect the ability of organisations such as SE to function as before. As different studies show, between 2009 and 2010, income streams for the civil society sector (in which SE operate) overall dropped significantly with rising inflation (NCVO, 2013), reductions in grants and philanthropy (Pharoah, 2011) and loss of service contracts (CAF, 2012).

In this way, SE is mobilised to offer formal ‘solutions’ to unresolvable social contradictions (Jameson, 1981: 64). In some cases, this amounts to a ‘merely dubious polishing of what exists’ (p. 149) where utopian imaginings of SE become ‘non-credible alternatives to what exists’ (Santos, 2004: 238). Since utopias are constructs whose rhetorical function resides in persuading and convincing people, they have a relatively rational and attractive core and thus often contain emancipatory promises (Levitas, 2011). The utopian thrust of SE thus resides precisely in how it glosses over the predicaments and constraints imposed by austerity politics (Horton and Kraftl, 2009: 2985) to suggest a much-needed reform of public service delivery rather than a radical remaking of the broader political economy (Hall, 2018). Conjuring a fictional vision of some pristine future state devoid of any inconsistencies or tensions, utopian programs often abstain from prescribing concrete steps toward its realization2 wherefore they remain provisional. This provisionality is not an obstacle to the broad appeal of the utopian program but is instead an essential ingredient: provisionality makes SE palatable to a broad audience since it creates excitement and hope despite the absence of any definite meaning (Fotaki, 2010).

Having offered a tentative overview of how SE has been employed as a utopian program in the UK context, we hasten to add that the interest of our analysis is not so much the utopian program of SE per se. Rather, what is at stake in our investigation is the realization that SE qua utopian programs are never simply ideational and discursive, as they only gain materiality by being actualized and (re)produced by concrete everyday practices. The implication for this paper is that we need to critically reflect upon the ostensibly progressive content attributed to SE within government-led SE programs by analysing how this promise is received and translated (or not) at the level of practice. This provides our rationale for the investigation of the views of SE practitioners and beneficiaries (the focus of our empirical analysis).

**Background to the study**

The evidence presented in this paper originates from three large-scale research projects carried out between 2010 and 2016 into the social economy dynamics, practices and experiences in Scotland and the North of England. The data produced by these studies lend itself to an explorative (re)analysis through the lens of the utopian programs. Firstly, since the geographies in which these studies are located have a strong industrial history, they also have experienced a process of deindustrialisation and its negative consequences (Mooney, 2009; Peck and Ward, 2002). Among a plethora of responses to the effects of deindustrialisation has been the embrace of the SE model. Support for this model from policymakers has been amplified since the global financial crisis and the austerity measures which followed. In this sense, in these contexts the utopian program of SE was widely endorsed and implemented. Secondly, in both contexts, our investigations (albeit different in their aims) gave voice to those more directly involved in enacting SE, focusing on the everyday experiences of those founding, managing and employed by SEs. What emerged from the three projects was the juxtaposition between what was ideal (read the utopian program) and what was possible, reflected in the SEs struggle with contrasting demands and changing priorities.
This led us to explore further the understanding of what SEs were (capable of) doing to fulfil their aims. Following the call for further research on the struggles faced by SEs (see Driver, 2017), we pursued further analysis of the data to create an embedded understanding of the everyday of SE under conditions of increasing resource constraints.

Methods

The three studies gathered a rich amount of qualitative data from interviews and observations carried out with a variety of stakeholders. For the purpose of this paper, we have focused on the (re)analysis of the semi-structured interviews carried out with SEs and key stakeholders \((n=68)\) in northern England; in-depth interviews \((n=21)\) and two focus groups with a range of Scottish social economy stakeholders: social entrepreneurs, governmental officers, finance and banking representatives, and intermediary organisations providing support to SE; and in-depth interviews \((n=5)\) with third sector social care providers and one focus group with young people in Scotland.

By and large, the SEs included in studies 1 and 2 were sampled to reflect the variety within the social enterprise label (and were thus sampled on the basis of the variety of their entrepreneurial forms, modes of transaction and labour as well as year they were founded). Organisations selected included: environmentally and/or socially responsible businesses (e.g. organic wholesalers, second hand furniture retailers, recycling and waste disposal enterprises in study 1; ethical letting, wood recycling, music venues, courier services in the Scottish study 2); state or local authority owned enterprises (e.g. Community partnerships, or Trusts); community and voluntary organisations reflecting the territorial varieties of need and heritage (see Amin et al., 2002). The SEs sampled for study 3 were specifically third sector organisations providing social care services in Scotland.

The interviews were jointly (re)analysed through an ‘abductive’ process (Peirce, 1932) involving an iterative process of moving from empirical data to research literature and back. This allowed the incremental elicitation of themes pertinent to the understanding of SE as a utopian program and the practices used to enact this utopia. We therefore coded our data in relation to the practices of reconciling business and social aspirations, delivering services with care and providing a qualitative improvement to specific service provision. This analytical process went in tandem with the recognition of the relationships that SEs in different locations had with statutory partners, as well as intermediary organisations. Throughout this analytical process two themes could be clearly elicited relating to the tensions SE faced in their everyday practices and in attempting to fulfil the expectation posed by the utopian SE program:

a. deliver quality services reflecting the illusion of balance between social (and/or environmental) outcomes and
b. displaying an improved empathic approach in delivering social services.

We will now present our empirical findings to create a clearer understanding of how the utopian SE program played out in practice.

The everyday practices of SE

This investigation of SE as utopian program alongside the mundane experiences narrated by SE practitioners offer a key to understanding what is doable and viable in the context of a hegemonic system that seems not only resilient to the crises it creates but draws energy from
them (Crouch, 2011). For example, for some SEs from our sample, the self-consciously anti-capitalist organisations that want to demonstrate the viability of alternative ways to engage with the economy, either through working practices that emphasise the development of democratic employment conditions – expressed through the workers cooperative form - or through the development of ‘innovative’ ways to tackle environmental issues, such as waste disposal without incineration and recycling unwanted furniture by selling at low prices to those in most need, “it is a social business, a good and honest way of making a living” (SE 3 second hand furniture). The employees of SE 5 (organic produce wholesaler) disclosed that:

“Most staff are not here because of the money, so job satisfaction is high, completely transparent, not only within the coop but within the community and the movement […] SE 5’s ethics is more than aspirational, with 40+ members who have all got very high ethical standards it is nearly impossible to get away with anything unethical” (SE 5).

Despite of the high levels of idealism and ethos expressed by our informants, the experiences recounted by those involved in the actualisation of these social entrepreneurial practices disclose the challenges that scarcity of resources, precariousness and low pay (Dempsey and Sanders, 2010) pose on realising the ambitions conveyed by utopian programs. Narratives of struggle, compromises and trade-offs were omnipresent in SE’s attempts to seek financial viability whilst maintaining ethical fidelity, even among those SEs choosing an alternative economic conduct (Gibson-Graham, 2006). Whether SEs are capable of effectively dealing with tensions in respect of ethics of care or solidarity, is not solely the result of social entrepreneurs’ choice (Driver, 2017), since it is also mediated by the opportunities offered by the context in which organisations operate.

The utopia of delivering quality services

Staff retention, low wages, and chasing funding and new incomes sources are common to many SEs (see Teasdale, 2011, 2012). Changes in the context exert an impact on SEs’ finances and consequently have implications for the quality of their products/services. For example, an SE in our sample was set up as a joint venture between an electrical retail company, an ethical funding Trust under the support of the local authority, with the aim to develop a community business model of training to recycle and refurbish electrical appliances which are then sold to the public at reduced prices. The heavy consumer durables goods (e.g. washing machines, fridges) were provided by the electrical retail company disposing of its unwanted stock and also meeting its Corporate Social Responsibility targets. When the electrical retail company decided to introduce a charge for the goods provided due to the changes in the EU Waste Electrical and Electronic Equipment (WEEE) Directive the SE begun to face serious financial problems unless it changed its business model. Despite efforts to maintain a viable market position by diversifying the offer to tap alternative streams of revenue, the changed policy environment together with competition from low price retailers meant that demand kept shrinking. As a consequence, this organisation diminished the training courses and reduced their staff numbers significantly. In the words of the Chief Executive:

‘I have done a lot of work to look for sustainability which the current model cannot generate. The choice is now between downsizing, which means more staff redundancies and less provision of training with a strong social/ethical impact; changing, that is start from scratch which needs to
happen gradually otherwise it is not manageable; or merge, possibly with TDR (a training academy) and provide apprenticeships which is the flavour of the month’ (SE 15).

What emerges from this excerpt is that managing (financial) capacity effectively and constantly looking to improve both the quality of the product/service and the organisation, is a tough process both for the SE, the people working for it and/or the end users, since the lack of funding hinders the ability to deliver services creating social value for its beneficiaries. Some SEs in our sample reported that they were relying on the commitment of their staff to make sacrifices, and reduce their costs by accepting lower wages as reflected in the quote below:

‘It is a balancing […] but also a costly act that sometimes has determined the need to take hard decisions such as cuts in wages. For example, we are now working only 2 days per week, and sometimes making people redundant. […] The way things are, the company could continue as a wholesaler with a conscience, but that is not what we want to do. We would not be able to deliver on the social outcomes we set out to achieve and not target the core communities […]’ (SE 19 food distribution company)

For organisations operating in mainstream markets, as it is the case for many SEs in our sample operating either in the energy, transport, organic food and/or products market, it is important to maintain a favourable position and their unique selling point so that the ‘better it can do in the market, the more it can work with the most disadvantaged’ (SE 11 car sharing).

For organisations selling ‘ethical’ products – thus fairly traded and produced – maintaining the trust of customers is fundamental, which can only be secured by showing that they are true to their values, credible and authentic. From a business perspective higher moral values and standards are their unique selling point, and from a social, perspective it is indeed their ethos. In the words of one of SE 5 employees:

“we have set a very high ethical standard from the beginning and we have to constantly work hard to live up to customer expectations […] Tesco or Morrison’s down the road easily undercut our prices and people will go there not thinking about their ethics, whilst we want to compete on that” (SE 5 organic produce wholesaler).

However, maintaining a competitive edge over mainstream providers of social services may have an impact on the sustainability of SEs. For example, the recycling and waste disposal market pioneered by SE 4 in Manchester was in its origin an example of an alternative market (Gibson-Graham, 2006) where the principles of re-using, recycling and reducing waste dominated the exchange mechanism. In recent years in the UK, where disposable incomes have been restricted in a context where employment growth in recent has been concentrated in low paid sectors (Lee et al., 2018), the mainstreaming of recycling has rendered it a highly competitive and profitable market now dominated by private sector companies. In the words of one Chief Executive officer:

‘We are now suffering from a very fierce competition and low prices that are slowly driving us out from the market’. (SE 4)

While the organisation has tried to differentiate its offer in reflection of its interest in environmental issues of different kinds (e.g. wood, glass and computer components), it is still finding it hard to translate its interest in environmentalism into ‘new products’.
For SE operating in the public sector market, the greater the beneficiary support, the more resources organisations need to deploy in order to provide quality services. For example, SEs providing support to those further away from the labour market (e.g. people who have suffered from mental health problems, long-term unemployment, and/or homelessness) need to invest a lot of resources to enable them to re-enter the mainstream labour market (Saebi et al., 2019). Interviewees told us that contractual agreements with local governments did not take into account the actual work and support beneficiaries needed to re-enter the labour market, and hence systematically underestimated the required financial resources. For example, in Scotland, SEs in our sample working with disadvantaged groups criticised the procurement regulations as detrimental for those organisations up-skilling people long removed from the mainstream labour market. The time and resources needed to support the long-term unemployed to become employable or ‘job-ready’ are often neglected.

“We will take a guy and we will try and skill him up, so that means he is likely to be late a lot more than you will tolerate. So your school dinner contract, you are thinking, “this might be a bit of a nightmare”. I know we have got the skills on a good day to do it, but on a bad day when no one turns up, because life is like that, you’ve lost the contract [...]” (Respondent 2 socially responsible org, for people with mental health issues, Focus group 1).

This comment exemplifies the gap between the expectations of the utopian SE program championed by UK policymakers and the reality of the impact of market forces on the ground. For example, in conversation with SEs based in Glasgow, it emerged that budgetary constraints and increased competition force, by necessity, some organisations to exclusively focus on people that are more able to keep a job while turning a blind eye to those most in need (Gauthier et al., 2020). This resonates with the process of ‘creaming and parking’ disclosed by Carter and Whitworth (2015), that is selecting those beneficiaries with fewer barriers to work and who are therefore ‘easier’ to place into paid work (Carter and Whitworth, 2015: 278). This is reflected in the extract from a focus group presented below:

‘Partly you have to work with volunteers, those who are the least suitable for fitting into the conventional economic system otherwise they wouldn’t be sitting there, they wouldn’t be volunteering at the stables wanting to get their skills up because they would be in a job. So, instantly you have got this ginormous disability [...] and you might say “I will get someone else who can do the job” [...]’ (Respondent 5, Community charity Focus group 1).

The logic of neoliberalism, whose legitimacy has paradoxically even increased in the aftermath of the global recession (Srnicek and Williams, 2015), has also exacerbated the attention to deliverability and associated costs. For example, changes to the ‘payment by result’ systems employed by the government-led Work Program meant that some SEs in our sample had to focus solely on delivery that is on placing people into work, rather than providing a more comprehensive, holistic employability offer creating the conditions for truly emancipatory and long-term forms of work. Originally set up as a SE providing services addressing the barriers people from different ethnic groups faced in accessing employment opportunities in an ethnically diverse area of Manchester, the change in government funding program meant a streamlining of their offer. In conversation with various members of staff, it became clear that the organisation, by necessity, had to cut childcare offers and ESOL (English as a Second or Other Language) courses to their beneficiaries in order to focus on meeting the required targets of ‘putting people into job’, regardless of the type and quality of the employment. In observing their activities and footfall it also emerged
that this SE was increasingly privileging those beneficiaries who were more skilled and able to find a job and keep it, rather those most in need, as was their original aim. What becomes apparent here is that SEs were exposed to the risk of mission drift as they tended to compromise on their social mission to retain their organisation’s viability (Ometto et al., 2018). Indeed, in further conversations with members of staff it began to emerge that the organisation sought to find quick solutions in order to release payments as ‘the employment sector is all about outcomes now [...] We must to find placements quickly or we won’t get paid’ (SE 10 homelessness charity).

Such developments in the field of employment expose another shortcoming of SE as an ‘alternative’ model in the context of resource scarcity. Firstly, the role of these organisations is not dissimilar to the role of small contractors in the private sector who are heavily reliant on being part of the supply chain of a larger enterprise. Secondly, if SE in the field of employment were independent then they would be best placed to highlight new and innovative approaches as well as being able to act as an early indicator of key employment issues such as insecurity and low pay in local labour markets. Instead, various organisations in our sample have focused primarily on delivering targets and focusing efforts on finding any job for beneficiaries in order to meet those targets. This insight is echoed by recent research showing that people and organisations exposed to uncertainty caused by the withdrawal of public financing often respond by accepting the “imperative of self-adjustment” (Masquelier, 2018: 4). In other words, people working under financially difficult circumstances are conditioned to experience their situation as an invocation to adapt through increased initiative and risk-taking (Newman, 2011).

The utopia of caring provision

The example of social care, specifically long-term care for the elderly, is again illustrative of the shortcomings of SE as a utopian program of public service delivery. The Scottish Government has explicitly expressed a commitment to mobilise social enterprise in the field of social care through their Action Plan (2017): “We will work with partners across the strategic commissioning agenda within Health and Social Care to highlight the benefits that social enterprises bring for choice and sustainability in local communities and to realise associated opportunities.” (p. 20).

This is partly due to the recognition of the economic (i.e., Gross Value Added of £883.5 m) and employment (i.e., 38,832 Full Time Equivalent) contributions to the Scottish economy created by SE in Health and Social care (Scottish Government, 2019). However, SE also represents an alternative model in a context of care delivery that is dominated by private and (direct) public sector delivery.

Policymakers have been tempted to promote social care provision as a career choice, particularly for young people with fewer skills (Montgomery et al., 2017). With an ageing population requiring personal care for many years to come it can seem logical that there is a future in that sector for a new generation of young workers.

‘A younger workforce can bring in more enthusiasm in an organisation, a strong value base and value driven perspective and also a blank piece of paper that can be moulded into professional workers [...]’ (Policy Stakeholder)

However, there is a risk that the prospect of potential employment for young people eclipses an awareness of the quality of work actually available in that sector. Interviews with third sector social care providers and young people in Scotland who were seeking employment
opportunities revealed various concerns about the sustainability of social care provision markets more specifically, as the quote below indicates:

‘[…] Paid staff in the care sector is not growing reflecting the ageing population needs. Staff might change location and work for different providers, but numbers are not growing […]’
(Care provider 1)

Despite the growing needs for social care reflecting ageing population, ‘the sector is struggling’ (Care provider 6) and local authority spending is reducing. Indeed, increasing pressure on public resources is causing enormous challenges for social care providers in recruiting and retaining staff among Third Sector providers in Scotland. Many argued that maintaining a competitive position within the social care market by delivering social care services while keeping costs viable has led many to neglect workforce development.

‘Offering a career development program is often a challenge for organisations that are underfunded […]’ (Care provider 1)

This is particularly pernicious given that social care is a sector that provides work for many with few formal qualifications and has a high number of female workers who are already exposed to a gender pay gap in the UK (Pennycook, 2013). Some interviewees suggested that the resources available to their organisations cannot stretch to offer staff career development opportunities, particularly in smaller ventures. This has a negative impact on staff recruitment and retention, particularly in rural areas, as reflected in data from the Census 2019 (see Scottish Government, 2019: 20).

Overall, our research has revealed that a combination of factors concerning both the supply of labour and the demand for it do pose considerable challenges in attracting young people to a career in the social care sector. Therefore, in the area of social care both the potential young workforce and the sector representatives recognise challenges that the SE model seems ill equipped to meet, namely those that can really be met by large scale coordinated interventions, stable government funding streams and long term workforce strategies.

**Discussion**

In this paper we have sought to explore how the everyday life of practitioners confronts SE as a utopian program promoted by the UK Government. Jameson’s (2005) conceptualisation of ‘utopian program’ was instrumental for reflecting how SE in the UK policy context has been mobilized as a superior model of social provision (based on principles of self-financing) capable of functioning under conditions of resource scarcity (Janssen et al., 2018). SE program can be understood in at least two different ways. On the one hand, it operates as a critique of the present through imagining a better (socio-economic) alternative, while, on the other hand, through its capture serves to stabilise the economic and political status quo (Sargent, 2006: 11–12).

Our analysis of the everyday practices and experiences observed and recounted by the stakeholders we interviewed calls for greater sensitivity to the broader political context in which SE takes place, alerting us to how the actual reality of SE ‘in the making’ defies the kind of heroism and future-orientated prospect conveyed by a large part of the extant research in this field (Dempsey and Sanders, 2010). Focusing on the prosaics of SE, i.e., the micro-realm as a space of utopia’s concretization (Blanes et al., 2016), leads us to
question some of the foundational assumptions about what SE is and what it is capable of under conditions of extreme resource scarcity (Servantie and Rispal, 2018), which implies a broadening of our knowledge about how SE and resourcing practices are linked (Di Domenico et al., 2010). Our findings counter-act popular representations which tend to create a stable horizon of expectation suggesting that initiative, perseverance and an innovative mindset will ensure sustainability no matter how much resources are drained (Janssen et al., 2018). Although our findings confirm prior research suggesting that social entrepreneurs and employees often respond with increased effort to the dire funding situation they are confronted with, our paper clearly lacks the ‘moral optimism’ (Trouillot, 2003) conveyed by available research on social entrepreneurial resourcing practices since the current situation in the UK imposes strict limits to social entrepreneurs’ ability to create something out of nothing and ‘do more with less’ (Sundaramurthy et al., 2016). When financial resources become scarce, financial considerations within SE take precedence over other criteria, which casts doubt on the utopian imagery of SE as a strategy for doing more and better under conditions of resource scarcity.

This is perhaps not a particularly surprising insight, but one which academic research on SE so effectively ignores. Our findings thus expand the literature revealing the struggles of SE (see for example, Teasdale, 2011, 2012) to expose the obvious contrast with the utopian program epitomised in the context of the UK. On a broader level, this situation reveals how the proper alignment of SE with the austerity context in the UK creates the ideological conditions which make it more reasonable to praise the eschatological power of market rule rather than interrogate the market’s role in the recent recession (Peck et al., 2012; Pinder, 2013). At their best SE might be pioneering new (alternative) markets in an economy of qualities (Callon et al., 2002). This is illustrated by those SEs (as for example SEs 3, 4 and 5 in our sample) which are ostensibly anti-capitalist organisations and seek to demonstrate the viability of alternative ways to engage with the economy (North et al., 2020). These organisations were found to pioneer the development of “some markets [where] you have constant discussions or negotiations about ethical or political questions” (Callon et al., 2002: 298). The experiments enacted by some of the organisations in this study that have expanded their reach to create a solidarity network among a variety of smaller organisations, linking producers, distributors and consumers in developing an economy of ethical qualities (Callon et al., 2002) characterise this approach. However, their outcome is heterogeneous, geographically and temporarily variable (Mazzei, 2017). These examples show that alternative models of organisations, such as SE, can successfully operate within and in the service of capitalist systems (North et al., 2020). However, those we studied are still small and disparate which require ethical steadfastness, sacrifices and may not survive an extensive period of intense competition. The experiences of those involved in our research talked about trade-offs between low pay and making the model work; or indeed high costs to sustain an ‘ethical’ product. Ultimately, there was recognition of locational benefits such as the presence of an ethical middle class buying the products and radical alternative lifestyle seekers sustaining the model. Paradoxically, organisations operating in the welfare market can benefit from an increasing number of people in need of support to access training and work related education. However, in this case the ‘customer’ cannot afford to pay directly, there is a need for the state to subside the provision (Gauthier et al., 2020).

Overall, what the evidence gathered in this article demonstrates is that there are unrealistic or, more poignantly, politically sanitized expectations concerning SEs, particularly regarding the prospect of providing improved quality services and reaching sustainability if attention focuses only on their finances rather than their wider contribution to community wellbeing. In this way, we can note that SE as utopian program is consigned to the role of a
‘wish-fantasy’ (Levitas, 1979), rather than a catalyst of hope and, possibly, change. Ultimately, we argue that as a utopian program SE offers a narrow horizon of alternative possibility. In other words, rather than those scholars of critical utopia who ‘reject utopia as a blueprint while preserving it as a dream’ (Moylan, 1986: 10), we believe the contextual and political circumstances subdues the utopian impulse (Lancaster, 2000) of SE by restricting its alternative imaginary to that which are compliant with the status quo.

Conclusions

We have argued that for some, SE offers a glimpse into an alternative vision of performing the economy, as organisations enacting alternative ways of solving social ills. Their values of inclusivity, democracy, and a strong ethical underpinning not only provide the basis for an alternative future for the economy but also make an important contribution simply by recognising that there are fundamental ethical and value-laden gaps in the way we currently organise the economy and construct markets. While it is important to recognise that some of the challenges that these organisations are addressing – including the provision of social care for an ageing population; regenerating local economies where inequalities have been deeply entrenched for decades; and demand side issues in the labour market – are so large scale that it is simply beyond the capacity of such organisations to meet these needs unless a more reliable and stable funding environment is present.

To conclude, we would like to stress that although our findings cast a dystopian light on SE, there is also a more positive message lurking beneath the surface. The very presence of SE acts as a reminder of the needs of those who the mainstream ignores and the possibilities of alterity. Through their everyday practices they symbolize what is possible, and what not, within the limit of the politico-economic context in which they operate. It is at this point that the functionality of utopia as a critique of our hegemonic present is fully revealed by signaling that progress will not be possible if ‘we don’t shape up’ (Sargent, 2006: 14).

Author’s Note

Pascal Dey is now affiliated with Bern University of Applied Social Sciences, Switzerland.

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Notes

2. Utopian programmes differ in terms of their degree of specificity, i.e. in terms of the degree to which the steps towards its realization are made explicit. As pointed out by Levitas (2013), Russell Jacoby makes a distinction between iconoclastic utopias which express the dream of a better life bur resist its precise definition, which articulate a ‘longing that cannot be uttered’, and blueprint utopias which ‘map out the future in inches and minutes’.
3. Firstly, a study (study 1) exploring trajectories (both of individuals and organisations) within the social economy of two city-regions in the north of England and the role of place-based institutions in shaping the opportunities and constraints to social enterprise development. This study researched 20 SEs across the two city regions and included 28 interviews with key stakeholders. Author A was responsible for this research. Secondly, a European Commission-funded research program (study 2) involving 11 countries across Europe aiming to understand the factors contributing to the development of a favourable ecosystem for the social economy to thrive. This was a mixed-methods research involving interviews and focus groups with numerous SEs across the region. Author A was the main researcher on this project. Thirdly, a European project (study 3) mapping trends in youth (un)employment, policies and programs focusing on job opportunities in the social care sector in Scotland. This study involved interviews with third sector social care providers as well as focus groups with young people. Author A and B worked together on this research project.


References


Micaela Mazzei is a Senior Lecturer at the Yunus Centre for Social Business and Health, Glasgow Caledonian University. She is interested in understanding the contextual determinants of social innovation and social enterprise development and performance; understanding the dynamics of local (and regional) economies – through the lens of a diverse economy approach; and the involvement of voluntary and community organisations in delivery of public services.

Thomas Montgomery is a Research Fellow in the Yunus Centre for Social Business and Health and a Lecturer in Politics at Glasgow Caledonian University. His research focuses on
issues of solidarity, civil society, youth employment and the future of work. His current research focuses on issues of labour market integration and the gig economy.

**Pascal Dey** is a Professor at Bern University of Applied Sciences (Switzerland) and associate research fellow at the Institute for Business Ethics (IWE) at University of St. Gallen (Switzerland). Pascal’s current research interest are in the domain of social business models and social entrepreneurship (with a particular focus of disability inclusion). Moreover, Pascal is studying narratives and storytelling processes of entrepreneurs in resourcing contexts. In addition, Pascal is studying whether and to what extent organizations are capable of creating post-capitalist realities. Pascal is currently acting as a Senior Editor of Organization Studies.