

Social enterprise vital to UK post-COVID-19 recovery, new research finds.

A new report offers fresh research on the positive impact of social enterprise interventions in developing skills and creating employment opportunities across the UK, especially within disadvantaged areas.

Commissioned by the Enterprise Research Centre in partnership with The Women's Organisation *The role of social enterprise in developing skills and creating employment opportunities in the UK* has launched today (21st April).

Published as the first in a series of five State of The Art (SOTA) Reviews, the report outlines how social enterprises can play a pivotal role in the post-COVID-19 recovery through improved funding mechanisms and updated policy.

Within the Review, author Professor Richard Hazenberg explores the relationship between social enterprises and education, training and employment to identify the clear benefits of the involvement in building community cohesion, and urban regeneration.

Collaborating to build knowledge, the SOTA Review series is produced by nationally and internationally recognised economic experts. The research sought through these Reviews will offer specialist insight into how social enterprises can play a key role in driving economic recovery and supporting the communities hit hardest by the impact of COVID-19.

Each of the five Reviews in the series tackle individual key themes in relation to social enterprise, including employment and skills opportunities, diversity and inclusion, and environmental sustainability.

CEO of The Women's Organisation, Maggie O'Carroll said: "Having a robust evidence base is critical to effective policy and investments decisions. We are very pleased to be working with the Enterprise Research Centre and to be able to utilise its expertise. These reviews provide important insights on how the social economy is at the forefront of the UK's economic and social recovery."

One of primary methods in which social enterprises support upskilling and employment creation is by focussing on the creation of social value, particularly in disadvantaged areas. The effects of the COVID-19 pandemic are already having a disproportionate effect on socially excluded populations.

This research highlights how social enterprises are ideally placed to understand the complex needs of local communities, enabling them to deliver vital interventions, and potentially create more impact than mainstream programmes, within disadvantaged areas.

In the UK it is estimated that there are 100,000 social enterprises accounting for over £60 billion of UK GDP and employing 1.44 million people. Further, it has been estimated that if the economy was dominated by social enterprises rather than shareholder dominated businesses, four million more people would be being paid the real living wage and £118 billion of profits per annum would be reinvested back into society.

Overall, the evidence demonstrates that although social enterprises already have a significant impact on skills development and employment in the UK, the policy and funding environment

remains un conducive to social enterprises taking an active part in driving the upskilling of the population and creating employment.

The SOTA Review concludes a number of key recommendations to harness the significant potential of social enterprises. These include recognising social enterprises as sustainable business platforms and repositioning them to sit within the Department for Business, Energy and Industrial Strategy (BEIS) to allow for increased government partnership and cooperation.

The 6 key recommendations to further improve the positive impact of social enterprise in developing skills and creating employment opportunities in the UK are as follows:

1 - Focus on Social Value

Ensure that provision within the Work and Health Programme (and future UKSPF programmes) is focused on quality and social value, as much as best price and organisational size.

2 - Post-Covid Skills and Employment

Produce a blended approach that supports small local providers as well as large, centralized programmes with few employers would help to deal with high unemployment, whilst ensuring that the most disadvantaged are not left behind.

3 - Promoting Equality, Diversity and Inclusion (EDI) in Employment

Social enterprises, with their inherent focus on driving equality and creating social value, are perfectly placed to lead work in improving equality and diversity in the workplace.

4 - Employee Ownership of Public Services

Greater/continued support for employee ownership models. These models of social enterprise delivery of public services could help protect (and even grow) employment in non-statutory public services that could otherwise be under threat post-Covid.

5 - Department for Business, Energy and Industrial Strategy

Increased BEIS support for the development of social enterprises, with recognition that social enterprises offer sustainable business platforms that can create good quality employment within local communities.

6 - Growing the Green Sector

Social enterprises should be recognised as a fundamental element in the government's drive towards growing the green sector, particularly with the renewed focus on meeting our climate change obligations and ensuring that the UK is carbon neutral by 2050.

Dr Vicki Belt, Deputy Director of the Enterprise Research Centre at Warwick University Business School, said: "Covid-19 is having a huge impact on businesses and communities across the country. As we look to recovery, social enterprises – which have been a real success story in recent years – have the potential to play a key role.

"The ERC is delighted to be working in partnership with the Women's Organisation to produce a new set of 'State of the Art' (SOTA) reviews on focusing on social enterprise. We launched our SOTA review series in response to the growing demand from policymakers for concise summaries of knowledge on topical issues in enterprise research. There are now over 40 reviews in the series. This new set of five reviews will fill several important knowledge gaps."

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