

**Transcript of a recorded conversation between Alan Kay and Dr Gillian Murray (The Melting Pot, Edinburgh, November 2014)**

Bio: Alan's background is in overseas development and he lived and worked in East Africa and South-east Asia attached to a variety of different organisations including HelpAge International, ActionAid and VSO. He returned to Scotland in 1988, joined forces with John Pearce, and worked with community-owned enterprises and social enterprises. In 1988 Alan worked for CBS Network as a researcher and then in 1991 for Community Enterprise Lothian, initially as a Training Officer, before moving to Indonesia with his family to work with VSO as their Country Director from 1994 until 1997. On returning to Edinburgh he carried out numerous commissions for a wide range of clients in the statutory, charitable, public and third sector in the UK and abroad. In terms of research, many of the projects were European funded, most notably, CEPCESA which looked at Community Economic Profiling, Community Enterprise and Social Accounting (CEPCESA); and CONSCISE which examined the link between social capital and social enterprise; and the CEST Transfer Project that developed a detailed curriculum for 'social enterprise'. He helped to found the Social Audit Network and continued for many years as an active Board member – acting as its Chair at one stage. In 2009 he became an Associate Lecturer at Glasgow Caledonian University (GCU) and assisted in the establishment of a Diploma and MSc in Social Enterprise. He then went on to become a Senior Visiting Fellow at the Yunus Centre for Social Business and Health at GCU where he advised on the 5-year CommonHealth research project. He was an active tutor with the Social Enterprise Academy for over 10 years and specialised in 'social impact' measures, working abroad for them on several occasions. He was also is on the board of the Community Development Journal for over 20 years, much of that time as the CDJ Treasurer. Alan was a long-standing Member of the Institute for Economic Development. Alan retired in 2018.

**Note on square brackets:** Alan added the pieces of text in square brackets while reviewing his transcript, and represent important additions to the recording of his story.

***Thank you very much. So starting with a broad question what does social enterprise mean to you?***

I think that it's very difficult to give a straight forward answer to that question because there are many different perspectives and many different definitions of what a social enterprise actually is. I think that in many ways I welcome this particular research because I think that the meaning of social enterprise and the essence of social enterprise really comes from a historical perspective.

To really understand what is happening with social and community enterprises, you have got to go back into the past and to see the origins of where it came from and also the pressures for it to develop in particular ways. I think there are political ideologies that interfere with the different definitions around social enterprise. However, having said that I believe that social enterprises are businesses whose primary and main purpose for existing is to create beneficial social change. That could be benefits directly to a local community in which the social enterprise is based in which case we would probably define those social enterprises as being a subset - community enterprise. However, the primary, or the sole

purpose for a social enterprise to continue to exist and what it should be working towards and trying to maximise is social change which is going to benefit a particular target group, or a particular community, or a particular society more generally. So social enterprise shouldn't be seen as an end in itself, it should be seen as a means to an end. Very often social enterprises get caught up in the delivery of what they think is the service, or the production of a product and quite often lose sight of the social change that they're initially trying to address.

That's why I think it's essential for social enterprises to examine what is the social need behind what that they do and then keep that very much in focus throughout all their activities. There are many organisations, or enterprises that start off describing themselves as social enterprises but because of the vagaries and pressures within the capitalist society where competition is dominant, and in order to survive, they finish up drifting away from their main social purpose. I think observers and supporters of social enterprises like myself and others have got to draw people back and say well actually what are you trying to do? What level of social profit are you producing alongside the financial profit that you may be achieving?

***That's interesting. You mentioned yourself and others in this definition, who else do you think would give me a similar definition to yourself?***

I think at the moment in Scotland there are people that have been around perhaps for quite a long time and recognise the tradition of community business and community enterprise in Scotland. A lot of them are fairly out-spoken on social enterprises retaining their main purpose of achieving social and community benefit. Sencot is one organisation that is very clear about that. Aiden [Pia] and Laurence [Demarco] would be clear on that. They have been architects of drawing up the Voluntary Code in Scotland which I think is adequate but in some ways I don't think that it goes far enough. I think that social enterprises have a responsibility not only to achieve social change outwardly to external stake holders but also they've got a responsibility to run their organisation under a number of values which include fair wages and good conditions for staff. Generally speaking, having internal objectives that actually possess some kind of social value and not just try and to continue to exist by putting pressure on labour that they're employing and squeezing that, in order to be more competitive in the market place.

***So for you the purpose of social enterprise is linked very much to the aim to change society?***

Yeah, that's why I first got interested in community businesses and social enterprises.

Interestingly, my background is in overseas development and in community development and I've also been involved in teaching abroad. I'm particularly interested in South Africa during the 1980s when it was still in the apartheid regime. A lot of people think that apartheid was to do with politics, or the divisions within society but the success, or the downfall of apartheid and the reason why the black community there actually had more clout and were able to change things politically and socially and eventually the regime at that time recognised that they would have to dismantle apartheid, was really down to the black community wanting to take charge of their own economic activity. So for example,

during that period within South Africa the black community started opening shops, starting opening their own supermarkets, the black community would go to blacks-owned shops. The white community that used to own the wealth and generally ran the economic activity was under threat. This illustrates that in order to change society you've got to recognise that the economic activity dictates how the social society is structured.

Therefore, if you can get people to own their economic activity, they can start dictating things that are fairer and create a better society. Social enterprise and community enterprise for me was always an alternative way of doing business in order to create social change. It was never just - let's work in the market place and accept the market as being the way things are done, and then working within that and having some kind of social objectives. That's fine for some organisations that want to be philanthropic, and lots of businesses are very philanthropic and there's nothing wrong with that. However, social enterprise for me was an alternative way of doing business and an alternative way of providing goods and services for the benefit of society not for the benefit of the select few.

Capitalism causes greater inequalities and greater divisions within society. So that is fundamentally why I got involved with this sector in the first place. It was coming from a community background, how do we make the society more equal? How do we make change happen that is more equitable for the majority of people? Also, how do we get involved in economic activity to address of the needs of those most vulnerable in society? So for example, social enterprise should be about addressing these major issues and inequality is one. You should be enabling, or creating jobs, not for the sake of creating jobs but we should be looking at...Does the job change something in society'? Does it mean that people that previously were unemployed can move on?

So we're looking not at the creation of jobs as the end result, or the alleviation of unemployment as the end result but we're looking at social enterprise as creating a more equitable society. So social enterprise for me has always been a means to an end and if there was another way of doing it I would be quite happy to follow that. Campaigning is another way and that's good. Getting involved in local politics is also another way of changing things but fundamentally I think that people will only recognise the change that happens if the economy changes to be more equal. We should be at the fore front of that movement as people espousing social enterprise as a means to changing society in a beneficial way.

***That's fascinating and I'll come back to a few points you made there but for now I would just like to talk about if you will about where social enterprise in Scotland came from. You mentioned the great tradition could you tell me about that?***

My personal involvement in this movement really only started in 1988. Prior to that there was about ten years of community businesses existing in Scotland.

Briefly I'll talk about where I think it has come from and then I can talk more personally from the period of 1988 onwards. Really there's all the effects of timeline and there are a number of things that have happened prior to 1978.

There was the co-op movement in Britain. There's a very strong tradition of cooperatives in Scotland and South of the Border - there's been the Fenwick Weavers, the Tollpuddle

Martyrs, and Rochdale Pioneers and so on. Lots of these particular groups and lots of cooperatives have tried to address the same issues that social enterprise is trying to address over the years. Things like how do we work together and create goods and services in more equitable and fair ways. We've had consumer cooperatives and retail coops and so on.

Now social enterprise for me really comes on the back of the evolution of community businesses. Back in the 1970s there were a number of people that were beginning to think, how can we get local people involved in economic activity in order to change, or assist in some way, the way that the local community develops? There were three people in the early 1980s.

**John Pearce** who was based in Glasgow. I'll come back to him, but he originally worked in the Lake District for a number of years under something called the Community Programme. He then moved to Scotland in about 1978 and worked in Paisley for a couple of years looking at how people in Ferguslie Park can take charge of their own economic activity and create more services and create jobs for local people who lived in Ferguslie Park.

Then there was somebody called **Willy Roe** who was working in Edinburgh and he was a councillor for Craigmillar. He was also a community activist in Craigmillar and he was looking at the development of enterprises. One of the first was the Craigmillar Festival Society.

Then there was somebody called **George Burt** and he really appeared on the scene in the 1980s. He had always been involved in community development but latterly got more involved in housing and how do change happens.

The three of them were around in the 1980s. The person that I know best is John Pearce and as I said before he worked on the Community Programme in the Lake District.

The Community Programme was something that was created and supported by the Labour Government of Harold Wilson. It was quite an interesting programme, it started off as a kind of an 'elitist programme'. They decided that poverty was getting worse in Britain, the government said 'how do we actually change within local communities and peripheral housing estates and inner city areas, how do we create change'. The Community Programme recruited quite a number of people from some of the better universities. They brought them together and they said we want you to be community activists in particular places. These people were young, probably from a fairly left-wing tradition in some ways. They started working in community development programmes in some of the worse places across Britain. What the government didn't recognise is that they would network with each other at the same time. They then came back to the government after several years, I'm simplifying this slightly, but they came back to the government and they said 'listen you're always going to have poverty because what's wrong is the system, and the system is unequal, it's based around capitalism and competition and the survival of the most able. So we're never going to be able to address poverty unless we look structurally at some of the issues'. That wasn't very popular with some of the government and so they disbanded the Community Programme.

A number of the people who worked for the Community Programme were still around, for example, Margerie Mayo and Garry Craig. A lot of them resurfaced with the Community Development Journal which is an academic journal, a lot of them moved into academia as well.

Anyway John Pearce was an activist that always shunned academia funnily enough. He is originally from Cornwall and he was working in the Community Programme in the Lake District. When the Community Programme closed down, he had some roots in Scotland through his wife's family, he moved to West Lothian and he got a job with LEAP. LEAP was Local Economic Advisory Project and it was based in Paisley. There was John Pearce and he recruited Glen Buchanan, there were a couple of others, somebody called McTavish, I can't remember his first name and somebody that swore all the time, I can't remember his name either. Anyway they formed a small group of four. Colin Roxburgh is another one actually. They formed a group working in the LEAP Project and then Ronald Young who was the leader of the Labour held Strathclyde Regional Council. He said listen you're doing a fine job in Ferguslie Park what about extending that and supporting community businesses in other parts of Glasgow. So John was invited to set up Strathclyde Community Business (SCB).

One of the first community businesses that SCB supported was Govan Workspace. What initiated Govan Workspace was a fairly seminal meeting where they got lots of people from Govan who were residents and said 'what do you want?' and they said 'well let's look at some of the assets in the area' and they told them a school was closing down at Six Harmony Row. An old man at the meeting said 'why can't we take over the school and then divide it into separate units and they could be workspaces. People setting up their own business, or needing a work shop would come and use this work space development. It can be like an incubator scheme and you can give them support'. The argument being that at least then there is some economic activity in the area because the shipbuilding companies were all closing down at the time. Six Harmony Row was taken over and divided into workspaces. The first manager was Pat Cassidy and he's still there at Govan Workspace. He's seen from a grass roots level, the development of community businesses and then social enterprises in Scotland.

So that was really my understanding of community enterprise in Scotland. I wasn't part of that scene then but there was a lot of interest around Strathclyde Community Business and what it was trying to do.

Then they said can this be a national movement? So in 1981, informally Community Business Scotland (CBS) was setup and it became incorporated in 1983. CBS got funding from Scottish Enterprise and also to a certain degree Highlands and Islands Enterprise, it was called HIDB before that, Highlands and Islands Development Board. The idea was to try and expand the concept of community businesses throughout Scotland.

Running parallel with this is the rural origins of community enterprises and community businesses. The Highlands and Islands Development Board had a very charismatic and visionary leader in Sir Kenneth Alexander. He was the chair of the Highlands and Islands Development Board working in rural areas and in island communities. The area covered by the HIDB was suffering decline and stagnation of the local economy. People were moving

out of these rural areas and not moving back because there were no jobs. There were declining services - schools were beginning to close down and so on. Sir Kenneth sent a delegation over to the West Coast of Ireland where they had similar problems of de-population. There was a very charismatic priest there had thought up the idea of community coops. These are coops that are owned and controlled by local communities.

The delegation came back to the HIDB and said let's support this. They started a community coop scheme whereby local communities could get together and elect to set up a community owned coop. They were given thirty thousand pounds, which in those days was quite a lot of money, to employ a manager and to cover start-up costs. That money had to be matched by share issues that were extended to everybody within the local community. The community would match the HIDB money with a share issue. They were setup as an IPS (Industrial Providence Society) and over the highlands and islands lots of coops were setup with the IPS legal structure. A lot of these co-ops still exist today in some form or another, but of course some of them have not survived. The ones that have been most tenacious have been the ones on the islands where community has been very much prescribed by the geography of the island.

These community coops got involved in tourism, running community centres with heritage parts attached. There was one that I visited in Harris that was setup in the early 1980s and it employed two people to create imitation artefacts to sell to tourists. There was a wide range of different things that they were doing. Fish farming was quite popular and quite disastrous for a number of community coops, most notably Fetlar Community Co-operative in Shetland.

These community owned coops were being setup prior to the community businesses in the Lowlands. Strathclyde Community Business and CBS (Community Business Scotland) were saying well actually we can learn a lot from what they've been doing as well and can we put that into an urban setting.

There were these kind of parallel things going on. The expansion of community business throughout the 1980s really came about because the Scottish Government had control over Urban Programme funding. Urban Programme funding in England could not be used to setup businesses - while the Scottish Office were much liberal in thinking and said that you can setup community businesses.

George Burt was then employed by CBS to go to particular regional councils and say 'you need a unit to setup and support community enterprises and community businesses in your particular region'. So the idea of development units similar to the Strathclyde Community Business model were setup in every region in Scotland. There was one in Dumfries and Galloway. The one in Lothian was called Community Enterprise Lothian, the successor or the ancestor of it is now Community Enterprise which is based in West Lothian and run by Douglas Westwater. There was one in Grampian called Community Business Grampian (run by Esther Brietenbach). Tor Justad ran one in central region and there was one in Dundee called Tayside Community Enterprise Support Unit I think.

Then there was one up in the highlands which was funded in a different way because it wasn't urban programme funding - it was funded by Highlands and Islands Enterprise and it

was called ACE-HI and run by Iain Clark. He's still around and runs a private business in IT. Tor is still around. John Pearce ran the one in Strathclyde. Throughout the 1980s with these support units and they had specific targets to expand the community business movement. However, they could only use urban programme money for seven years with a possibility of an extension of three years. Some of them ran out of their seven years funding and then stopped, others carried on and got funding from different places, and Community Enterprise Lothian was one of them.

SCB supported quite a number of community enterprises and I think the real hub of community businesses at that time was in the west side of Scotland - although further development happened through these development units elsewhere.

Willy Roe moved on and setup something called Centre for Employment Initiatives (CEI) and it was based in Edinburgh and it went bust about twenty years ago. For a while it was quite influential particularly around employment and it became a sort of non-profit consultancy agency for the sector.

After George Burt had been instrumental in setting up the development units he got involved in housing stock transfers and in those days it was really quite an unpopular thing to be involved in as there was opposition from local authorities who had traditionally controlled public housing. Stock transfer was where a social enterprise, or a housing association would take over the ownership of council houses. George started Waverly Housing that was really put under the cosh in the media and he then disappeared off to the North East of England. I don't know what happened to him after that.

The leader of Regional Council, Ronald Young, when the Regional Council was no longer, disappeared off into Eastern Europe and was not seen or heard of very much after that.

John Pearce carried on with Strathclyde Community Business right up until the 1980s, early 1990s. Until, I think about 1992. Then community businesses were coming under a lot of criticism. I think their heyday was really when the First Ten Years booklet was produced in 1988 which looks back over 10 years to 1978. Some of the case studies in the booklet are really interesting. There also was a 1986 directory which looked at community businesses throughout Scotland and in the Highlands and Islands as well.

I came along in 1988 and I joined Community Business Scotland as a researcher. What they wanted me to research was six major research elements. They got one-year funding from Scottish Enterprise for my post and they wanted me to look at how community businesses can self-fund and how community businesses can assess their impact and the social change that happens. They also wanted me to look at training and how community activists and community managers can be trained in the particular and peculiarities of community business management and support.

My one year resulted in a whole series of fairly lengthy reports. One resulted in the Scottish Community Enterprise Investment Fund (SCEIF) which took about year to establish and was eventually launched in 1990 across Scotland. We decided to raise money for having an ethical share issue similar to what had been done with ICOF (industrial Common Ownership Fund), which was a subset of ICOM (Industrial Common Ownership

Movement). We got somebody from ICOF to come up and talk to us about share issues. It's quite complicated setting up a share issue because this had to be public limited company. To create a plc you needed £50,000 in those days and we got that money from Scottish Enterprise. Then we needed money to actually write the prospectus and advertise it. We were looking at advertising on television but decided that was too expensive. We were looking for between half a million and one million to be raised from the share issue and the shares were £200 each. I bought one but lots of people bought lots. There were lots of people south of the Border who were looking for ethical investments at the time and they put their money into this. It was launched in 1990 simultaneously across Scotland. It was on the radio. Television did a report on it and it caused a lot of interest.

Over half a million pounds was raised at that time and it was used over ten years to give out understanding loans to community businesses and enterprises. It ended in two thousand and was disbanded and it was taken over by the Charities Bank that had been setup by Gordon Brown. SCEIF continued to honour and collect the interest on the loans. It supported quite a number of community-based organisations throughout Scotland. So that was one thing that came out of the work that I did.

The other thing was around social accounting. There was no way at that time of looking at how an organisation - if it's main purpose was social - was actually describing what its social change is. Organisations and community businesses were only being assessed as to whether or not they were commercially viable. Whereas social enterprises had been setup in order to create social change.

John Pearce, myself and one or two others got together and said we've got to find out more about social accounting and audit. Social accounting has a long tradition in the coop and Freer Spreckley was very instrumental in developing processes of 'social audit'. We borrowed a number of ideas and created a system whereby an organisation can use a logical framework to look at what its main purpose is, to collect information on whether or not it's achieving that purpose and report on that and then get it externally audited in the same way as financially you have to get externally audited. We thought that was the only cost-effective way of actually doing this. You can assess social benefit and use a consultant to do this but it's really expensive and it's disempowering. So we were looking at social accounts being kept by the organisation itself and they would then put their annual social accounts to an independent audit.

Then there was training and there were two levels in particular around training. One was how do you train lay Boards comprising of volunteers to run community enterprise companies. A community enterprise or business would have open membership for everybody within that particular community. All members would vote on the board of directors, from local people, plus one or two experts from outside perhaps. That Board would then be the company directors and they would employ a manager in order to manage a community business and employ local people, provide services. Community businesses tended to get involved in activities that were fairly low skilled because one of their aims was to employ local unemployed people. So it would be in security companies, building, landscaping, those kinds of areas where you employ a lot of people and get local contracts and provide security and landscaping for particular areas. Housing also and there were close links with housing associations.



So community businesses are multi-functional bodies getting involved in a number of different activities. A lot of them became charities. Charity law at that time in Scotland was administered by the Inland Revenue and it was much easier to become a charity in Scotland than in England where you have to register through the Charities Commission which was another reason why community businesses in England didn't grow to the same extent.

Stephen Philips who was a very young lawyer helped bring this together. He was looking at how you can structure a community business so it's able to trade and at the same time have a charitable status. He came up with the idea of having a charitable holding company and then trading subsidiaries that are wholly owned by the charitable holding company. That meant that the trading arm can covenant on an annual basis money back to the charity. The trading company can employ people to run the business. That structure was adopted by most community businesses and then latterly by community coops as well in Scotland.

As said before we were looking at how community businesses can assess what they're doing so we created this idea of social accounting and audit.

I'm slightly losing my thread here but the other part was training, so if you've got managers a lot of the managers that were being employed by community businesses came from middle management in private sector companies. They didn't really take on board the social benefit that community enterprises were trying to achieve. So there was a kind of divide between the people that owned the company, the local directors who were only there really for social purpose, the manager who often thought they were running a small business and then there was a third group, the development workers who were attached to development units. I often used to think it was a reflection of class. Now there's a lot talked about class but development workers were often university graduates working in development units. They were community development activists were going out and helping people to setup community businesses. The middle managers often had a managerial diploma in business studies or something like that, who were very practical. Then you had the lay Board of Directors from local areas - they were working class and you had this kind of divide.

The training had to be different for each group. The managerial class were 'how do you write a business plan', the development workers were 'what about your social benefits and social accounts' and the local people were struggling with the whole concept of what their responsibilities were as directors of the company.

We looked at training for these three elements and came up with a number of suggestions. Later on one of the ideas that I think that really came from a lot of that was the Social Enterprise Academy, although at that time I did not have very much to do with the Social Enterprise Academy – that came much later on.

In the early 1980s you had this kind of thing happening trying to support the sector. Development units going through a period where their funding was coming under threat because Urban Programme money was coming to an end. Then you had people writing thick reports entitled 'are community businesses actually working?' There was an evaluation in 1988 which I think was done by TERU (Training and Employment Research

Unit) at the University of Glasgow and it goes into a lot of detail evaluating the pros and cons of community business.

But then there was a very fairly influential report which was led by Keith Hayton in the early 1990s and this more or less lambasted community businesses. People were saying they're not cost effective. The research carried out a cost benefit analysis. They weren't looking at social benefit particularly. They were looking at survival rates, how much money had gone into it, and turnover. This became the kind of document that our local councils would start waving around, regional councils were actually going out of favour at the time and they would say 'we're not going to support community businesses anymore'. Community businesses got a bad name and nobody would use the word community business and people started using the word community enterprise.

***Before we move on to the 1990s and the controversies, I want to go back to the comment you made earlier. You very much thought that the West of Scotland was a kind of hub for community business, could you expand on that, why do you think it seemed to work in this particular area, or why did it become that hub?***

I think it's particularly because a lot of the communities traditionally provided labour for big businesses. In Lanarkshire the steel mills, although that's really on the eastern part of Scotland Lothian with British Leyland, the Gartcosh Steel Mill that closed down. There, was ship building on the Clyde.

In 1979 Margaret Thatcher came to power on the back of 'listen a lot of these coal mines and ship building are not sustainable we're going to move on'. She was a follower of Milton Freedman in the States, who said we have to cut government and the private sector should flourish and provide lots of services to the public.

Now the private sector can provide lots of things for many people but in areas where there is no economy, or a stagnant economy, there is no money to be made for the private sector so they will not operate in these areas. So there were whole areas that were just declining and it was local people that decided that we've got to actually do something about this. Nobody else is going to do anything else, the council's not going to help us. In the past there has been a long tradition in Scotland of the 'council'. The 'council' will help us out with housing. The 'council' will help us out with jobs. The 'council' will be the main employer in the area. With all the cuts to the councils there was a vacuum and local people said we've got to actually help ourselves.

That's why I think that community businesses caught on and particularly in the West because they suffered most from job losses and cuts to services.

***So do you think community businesses stepped in because of a market failure, or was it a state failure?***

Yeah it was a market failure. It was a combination of both actually, but it's not a failure it's also a withdrawal of public subsidies. Generally speaking, there is less and less money being raised in taxes for the amount of services that we traditionally expected post war. Who pays for these services? I've got no idea; and I think this is indicative of the rise of

social enterprises in the last ten years. The private sector and public sector have got less money to spend on the most vulnerable in society. They're also a drain on the money, quite often is that you are spending a lot of money on fewer and fewer people. Lots of communities and groups that are poorer are not going to be able to pay for services and private sector doesn't want to move into these areas because there's no profit margin to be made. You've got a situation of neglect rather than failure. That's where community businesses got a toe-hold. That's also why social enterprises has become more popular with all political parties because they recognise that they can't provide services, therefore 'ah social enterprises can provide services'.

***So would you at this time suggest that there is a distinctive experience of community business in Scotland?***

Yeah. Community Business Scotland (CBS) started with about three employees and a board of directors.

It also started CB News. I think you've got copies in the archive of all of these. It's a huge resource historically because it goes back to about the mid 1980s. CB News ran for quite a number of years and then New Sector was the successor and that was printed by a group called Alpha Communications who are still in existence – Dave Parker.

It became UK wide and was not just a Community Business Scotland newsletter. The first editor of CB News was Kate Caldwell. She's worth adding to that list of consultees. She started off as the editor of CB News and then New Sector and then she was the Chief Executive of CBS (Community Business Scotland) in the mid 1990s. She took over from Mike Finlayson and he is now the Chief Executive of Forth Sector at the moment. He was employed by CBS Network for three years to try and move community businesses through a very rocky period. That period in the early 1990s was a very difficult period. I had moved from Community Business Scotland and I was working for Community Enterprise Lothian (CEL). In the mid-1990s I worked a bit with John Pearce on social accounting and he did a pilot programme on social accounting in Lothian. I started off as training officer with CEL. Then I worked in Wester Hailes and I came across Laurence DeMarco, Aiden Pia, Jackie Skutt, Angus Hardie and a whole load of people who worked in Wester Hailes at the time. Sencot was setup at the end of the 1990s and it was a one-person band really setup by Laurence DeMarco and now Aiden Pia runs it.

In the 1990s I went abroad for four years. I left Scotland and went to Indonesia to work with VSO for four years.

When I came back in 1998 I started to work with John Pearce again on a consultancy basis mainly through CBS Network. We worked for CBS but we paid a tenth of our daily rate to CBS to keep it going.

In recent years, a lot of CBS functions were taken over by other organisations, Laurence had started Sencot so that networking system was taken over by them. The funding part - Social Investment Scotland (SIS) was started around that time and CBS Network's SCEIF had then moved into the Charity Bank. The training part - people were talking about establishing the Social Enterprise Academy so that was taken over by that.

Also, in the early 1990s there was so much antagonism about Strathclyde Community Business and it lost its political source of power because Strathclyde Regional Council was disbanded and Ronald Young moved away. John Pearce's political basis sort of collapsed so he was edged out of Strathclyde Community Business and they changed their structure into two companies, one was Community Enterprise Funding in Strathclyde and the other was Community Enterprise in Strathclyde. They tried to separate the funding out from the development support implying that under Strathclyde Community Business it was too cosy giving funding to community businesses as well as helping their development. There was belief there was a vested interest in who received funding and support and who did not. Glasgow City Council separated SCB into two companies and then later realised that didn't work so they disbanded funding part.

Ronnie McPhail who was also a director of SCEIF took over from John Pearce as the head of CEIS and he held this position for a number of years. Then it was taken over by Alistair Grimes who came from SCVO and he ran it for quite a number of years and then moved on to the head up the Wise Group.

The period of change in the 1990s was fairly predictable in some ways, community businesses were going down, there were still people around talking about community enterprises. Then something was brought in from Europe - social enterprise. The term 'social enterprise' - some people think it was coined by somebody in 1998 but the idea of local organisations taking charge of local economic activity and running things for the benefit of their local community and social benefit came out of Europe with an understanding of the social economy.

'Social enterprise' was talked a lot about in Germany and the CBS Network was getting more involved in European projects and John Pearce in particular was getting drawn into European projects. Also Tor Justad was at the same time, he was also a freelance consultant because he lost his power base with the CESU development unit. John and Tor started working on social accounting and one of the first projects to talk about social enterprise was the EPOSE project and I think you've got a copy of the report in the archives. (This is really worth looking at as it charts the emergence of the social economy and social enterprise.)

***So what motivated you to keep working in this area? You mentioned you lived in Indonesia for a while and then came back, what motivated you to keep going in this difficult time?***

I came back and Community Enterprise Lothian was still growing. CEIS was also still growing. Other people were setting up different things like Senscot and Unlimited was being setup. There were a number of people that were the kind of 'next generation' taking over. I came back and I didn't want a job, in the sense of having a position, I wanted to work on a freelance basis. So since 1998 I've been freelance and did a lot of work through CBS Network, European projects and research projects. Then at the back end of the 1990s I got involved in a European funded project called CEPCESA which was looking at Community Economic Profiling, Community Enterprise and Social Accounting

(CEPCESA). It resulted in two key documents which I think you've seen - probably in the archive [[Social Enterprise Collection \(Scotland\)](#), GCU Archive Centre].

***Why were you particularly interested in working freelance?***

[Part of CEPCESA included Getting Started which was about establishing community enterprise. The other document was on Community Economic Profiling which looked at the economic needs within local communities. The third part of CEPCESA was about social auditing. I suppose I came back from abroad thinking actually I know quite a lot about this.]

I always enjoyed working with John Pearce and I started to take the crumbs off his plate, off his table and got more involved in working directly with him but it was a gradual process. We talked a lot about social accounting, European work, we also started raising money for projects abroad and through CBS Network we supported communities in India, South Africa and Malawi. So it was a matter of making ones living from having your finger in lots of different pies.

***How did you describe your work to people at that time, did you give yourself a particular label?***

Not particularly, no. Community Enterprise Researcher was probably the closest that I got. It was quite interesting because there were lots of things happening and then all these intermediary organisations sprouted up.

There was in the mid 1990s a seminal report which was titled Community Business Works. It was produced by Simon Clark and Alan McGregor and it assessed the economic benefit of community business as opposed to an ILM (Intermediate Labour Market). The research that caused a big stir and people started to relook at community enterprises and say 'well actually we've thrown the baby out with bath water and actually there's quite a lot of benefits coming from community enterprise'. But there was no way of measuring, or assessing impact and that was one of the problems. It was all kind of bitty at the back end of the 1990s and early 2000s. These intermediary organisations started and there was a lot of them and there were a lot of people around.

Then Martin Meteyard who has a very strong connection with coops was instrumental in setting up a Cooperative Development Agency (CDA) for Scotland. There had been some CDAs in Scottish regions in the past. There was one famous one covering the Lothian region. The new CDA was called Co-operative Development Scotland (CDS) and came under the auspices, and is still under the auspices, of Scottish Enterprise. It's actually a unit within Scottish Enterprise.

There was quite a lot happening at that time. CBS carried on. We then discovered that a lot of what we were doing was being taken over by these newly established intermediaries with new government funding and so CBS Network specialised in overseas development and social accounting really.

At the same time, we wanted to bring all these intermediaries together because it was crazy having all these different organisation doing more or less the same thing – Senscot, DTAS,

Social Firms Scotland, CBSN, Forth Sector, CEiS, etc. We used to host visits from people abroad and they would be looking and thinking ‘why are there so many intermediary organisations with overlapping functions’ all over the place. So we applied to the lottery and got funding to employ somebody for a year to look at this whole area and Claire Brady was employed. I think there was an extension of a year too. You can get hold of her report - it is in the archive but her final report came up with lots of really good ideas on how to build up the sector for the future – based on experiences of the past. She was beginning to bring people together into a coalition.

Then we got another one-year funding from the Lottery to employ Emma Hutton to bring the coalition together and she did that. Although CBSN was employing her we gave responsibility for her management to the emerging coalition. Kevin Robbie was with Forth Sector and he very effectively brought the coalition together and that’s now become Social Enterprise Scotland.

CBS did quite a lot of things that was not always recognised - bringing things together, or making things happen and then allowing them to go forward. Similar to how Laurence and Senscot operate.

***Do you remember any particularly pivotal event like that from that time?***

Yes, although it’s not a very good one – but it was pivotal.

[The Development Trusts Association, that’s another intermediary, was well established in England. They didn’t come to Scotland until much later on. Development Trusts are community businesses or community coops, or anchor organisations within local communities, and they had a much stronger tradition in rural areas than in urban areas.

The Development Trusts Association did not have a presence in Scotland at that time because for the whole of the 1980s the Development Trusts Associations in England recognised that in Scotland there was CBS Network – which was doing similar things in supporting development trusts.]

When CBSN declined, we said it makes sense that the Development Trusts Association does have a presence in Scotland. I wrote a brief for consultants to do a feasibility study in setting up DTAS (Development Trusts Association Scotland) but it never went anywhere.

Then it was ‘commandeered’ by Senscot, commandeered is perhaps not the right word [*Laughs*], and I can remember Senscot saying this is what they were going to do. We had a lunch with Aiden and Laurence and there was Alan Tuffs and me and I just suddenly realised it’s the new organisations who are going to take these things forward – CBSN does not have the clout any more.

If you talk to Laurence he’ll say that they setup the Development Trusts Association in Scotland, it’s not actually the truth but they then pushed it forward and I think that’s been one of the success stories in Scotland. Angus Hardie used to run it but it’s now run by Ian Cooke who has a community development background. They’ve expanded Development Trusts across Scotland, and that’s been great actually.

***This idea of networking seems to be a recurrent theme in the different eras of social enterprise in Scotland, I'm wondering is there a specific type of person that you think works in social enterprise?***

I don't think so, I think it takes all kinds of people but some are better than others and it's knowing what skills people have. John Pearce was a great networker and he wrote a lot and he 'did' things, that's what I liked about him. I liked working with him because he didn't just chat, he went on and did things. He was very practical, very focussed on 'let's do something here'. At times it was the wrong thing to do, but he said 'we can tweak it later on but let's get on and do things'.

You've seen his books. His first book was on how you setup coops - a very practical guide. He then wrote one called 'At the Heart of the Community Economy'. This one actually influenced quite a lot of people and it also projected him as being a thinker in the area of community enterprise and then later social enterprise. Then of course he wrote 'Anytown' [*Social Enterprise in Anytown*] in about 2003/2004. He also wrote another pamphlet called Measuring Social Wealth which has been very influential.

John loved conferences and going to talk at conferences which I hate, I don't like it at all. I was a supporter of him and he was very good at networking and attending meetings and conferences. On the other hand, I did a lot more of the detailed stuff.

There was also in the late 1990s a lot of interest south of the border in community enterprises - partly because of European funding. Liverpool council got heavily involved in area-based development that involved community owned businesses. John Pearce did a lot of work in Liverpool and I helped him a lot with that. This led on to a lot of work around social accounting in Liverpool. The first social accounting and audit guide was written with Liverpool City Council money but it emerged out of some work that was done with the New Economics Foundation early in the 1990s.

In the year 2000 there was a lot of interest in community and social enterprise and there were different people getting involved in it. It was a fairly kind of fluid area. The Social Enterprise Academy was setup in 2003/2004. *Social Enterprise in Anytown* was published in 2003. There was a big European funded project on measuring impact called 'Prove and Improve'. It was part of a wider project implemented by the Social Enterprise Partnership GB. The impact project of it was run by the New Economics Foundation and we were part of that. That led to the creation of a set methodology for social accounting and audit.

***That was truly interesting. It would like to get maybe a slightly clearer picture of this scene. So as well as John Pearce who else were you talking to at that time, were there friends, family as well as colleagues that were influential in supporting you in this work?***

I don't think many people were supporting me. But I was supporting people, or I'd like to think I was. There was John Pearce, myself, and the CBSN Board which was changing all the time. At one stage Kevin Robbie used to be a member of CBS Network. I think Martin Meteyard was a member of the Board for a while. Rachael Farley from 'One World Shop'. George Shand was also part of the Board. He is now a minister in Jerusalem, I think – the

Church of Scotland emissary in Jerusalem. There were a number of different people all sort of circulating about at that time.

***Where would you meet to have these meetings?***

I don't know if there was much meeting. CBSN met and just carried on. Patrick Boase was also a director of CBS Network.

***So do you think you were very much working as individuals?***

Yeah. But we were putting the tithe through CBSN. There was only a few of us doing it. It was contractual work, like evaluations that people were wanting done. For a while John Pearce and I were very good at getting contracts.

Then, in 1999, a friend of mine who runs Blake Stevenson (BS), approached me and asked would I be one of their part-time senior consultants to cover a maternity leave of nine months. I worked for Blake Stevenson three days a week for almost a year. The other two days a week I was trying to juggle other contracts. It's a funny thing freelance work, you've got very little security.

***Did you find that it was often difficult to keep going with your work because of that insecurity?***

I had periods of feeling unconfident about getting contracts in future. I would occasionally browse the newspapers to see what jobs were out there.

***Nothing ever took your eye?***

No. I think I applied for one job at SCVO once which I'm very glad I didn't get.

***What's SCVO?***

Scottish Council for Voluntary Organisations.

***Why were you glad you didn't get it?***

Well my experience at Blake Stevenson was complicated. This is a personal thing. I really valued being in control of my own economic activity like when I was freelance. I didn't want a boss. I found at Blake Stevenson, although the two owners are very good friends of mine, I found it very difficult to be there from nine o'clock till five regardless of whether or not I had anything particular to do. I just thought it was a really inefficient way of working. I was not very happy working with BS.

I generally think lots of people recognise that in the past people applied for positions in companies. They would do the job, get their pension and that would be it. Whereas work doesn't work like that, work is usually around tasks and people wanting things done. So contractual work is a much more efficient way of working - you've got a beginning, middle and an end to a particular task.



***Were there other responsibilities that you had that meant that you working on a contractual basis was...?***

Some was paid some was not paid. I was the treasure with 'Community Development Journal' since 1998 until very recently but I'm still on the Board, and that was all voluntary, although you get a stipend of a few hundred pounds a year. I met interesting people, they're all academics, they're all community development academic type – academia is something that is kind of interesting. Then since the mid 2000s the Academy started so I started to get work through the academy. Then I became a tutor at the Academy and I still get work through that.

***How much of your work would you describe as talking and doing, you kind of characterised that there's people who chat and then there's practical people like John Pearce, how have you balanced that in your work?***

I'm doing more teaching (or facilitating, or training, or whatever it is nowadays than I used to do). European projects have been a mainstay in the past. Also, we setup the Social Audit Network (SAN) and I'm a voluntary director on that and I've done a lot of fund raising for them. We also supported the setting up of SAN India. I got money from Lloyds TSB to do that. It was an application for 3-year funding in the mid 2000s.

There was a time when we were going for contracts and getting maybe two out of three which is reasonably high. But then it dropped off a bit and we thought actually we're putting a lot of work into competitive tendering and not getting the work - let's not bother with competitive tendering, let's just go for the work that we know we can get. Alternatively, we setup a project that we are interested in doing.

So in India for example, CBSN got lottery funding at the end of the 1990s to support women's groups, it's very much based on the Muhamad Yunus idea of particularly women setting up savings clubs. That was for projects in Kerala to begin with and then it was expanded to Tamal Nadu and two other states but I can't remember the ones. We were involved in monitoring visits on a regular basis and having an overseas development background I found that really interesting.

***Out of all the projects that you've done in Scotland and internationally is there any one that sticks out as that one really clicked and made exactly the kind of impact that you wanted?***

Yes. If you hung around with John Pearce long enough you kept on finding yourself doing things a bit before their time.

The setting up of that investment fund (SCEIF) for example, was way before its time. A lot of people don't know anything about that nowadays but it had a big influence on community businesses. I do a lot of teaching with the Academy, I go and talk about community businesses, and nobody remembers community business and I think that is a pity.

There was one project in the early 2000s that was a research project called CONSCISE and it was concocted by Mel Evans at Middlesex University. I don't know if he's a professor now but he's still in academia. He put in this application to the EU for three-year funding to research social capital. The design of the project had been discussed with John Pearce and Karl Birkholzer in Berlin along with a variety of other people - somebody called Quim in Barcelona and somebody called Bosse Olsen in Sweden. These research activists across Europe got together and said we can set up this project. But it was Mel Evans that actually drew up the proposal and was successful with the application for a considerable amount of money - I mean hundreds of thousands of pounds for a three-year research project. The research was to look at the relationship between social enterprise which nearly always was community enterprise (but social enterprise was the term that was used in Europe so the one more likely to attract funding); and social capital. It wanted to look at the link between social enterprise and social capital. The research question was - do social enterprises support and generate more social capital in an area and also do they use social capital in that area to setup more social enterprises.

That was the most interesting research project that I was involved in. It was interesting because it posed a number of problems and I think this has direct implications to the work of Bobby and also the work in the case studies and the current MRC funded project CommonHealth. It looked at the link between a community and its society and dynamics; and social enterprise. I think that people should go back and look at the final report and go into some of the detail. At the beginning of the research we had to define social enterprise (many people had done that before but nobody had done it in such a definitive way). Also we defined the social economy using that famous circular diagram. And we defined social capital. In defining social capital we took all the bits and pieces from a literature review on what people said about social capital and we concocted a definition for the social capital.

[These definitions created the foundations that could then be built upon and very practically looked at how to recognise the link between social enterprise and social capital. We decided the way of assessing that link on whether or not social capital was being used and whether or not it was being generated, was to use a case studies. Across Europe researchers identified organisations that called themselves a social enterprise or a community enterprise. We then helped them to keep social accounts over a year. Often they had perhaps four objectives eg. to increase employment in the area, to provide services in the area, etc. Then we asked them to add on two social capital objectives.]

Then in the course of collecting information they would be assessing whether or not those social capital objectives were being achieved. This meant they kept a set of social accounts which would be beneficial for them but this would be beneficial for the project.

The social capital objectives looked at the kind of impact of the social enterprise had on the wider community and in particular of whether or not social capital was being generated and whether or not social capital was being used.

The supposition and the assumption is that social capital is a good thing but nobody established that. Although it is often felt that well connected communities have usually better wellbeing, better health, etc. - that's been documented elsewhere.

[We concluded by saying that social enterprises do generate social capital within an area just by the way that they operate. They also use social capital in the area by the way they've been set up and the way they operate.] So there was a direct link between social enterprises and social capital generated and used.

That was the CONSCISE Project. Now getting hold of any of the reports from this research is really difficult. They were on a website and I noticed recently that the website has closed down. So I don't know whether or not they're in the archive but I have some of them.

There is the final report bringing it altogether 'Contribution of Social Capital to the Social Economy and to Local Economic Development in Western Europe'. (You can find all the reports in English on the Technet website).

**Great.**

The final report in WorkPackage seven, there's six others and they used to be on this website but as I say they're no longer. [try Technet - <https://www.technet-berlin.de/> ]

***This seems like a good point to actually move on a little bit and talk about...***

...do you want a break or a cup tea or anything? How are we doing for time anyway?

***We've still got an hour I think.***

It's half ten.

***Well I'm alright if you are. To think a little bit more about community and the impact of the work that you've been doing. I was wondering, how is a community or the idea of community defined in social enterprise?***

This is an area of debate. It's been debated since the 1980s - what do we mean by community?

When you start working abroad you realise 'community' means different things in different countries. In Germany there is no word for community in the same way that it is understood in Britain. In France they talk about 'commune', which is very much geographical. It is one of these words that mean different things to different people and in different contexts.

Some people say there's clearly a geographical community and then there's a community of interest. Thus, everybody on Facebook is a 'community'. The Germans find that really odd and say that's a different thing all together.

Also definitions of what is a community business and what is not a community business is also open to debate. But for SCEIF, they had to come up with a definition of a community enterprise and the said it had the following criteria: community ownership, open membership, democratic control, no distribution of assets, restricted profit use and community benefit objectives.

When I first got involved in community businesses I didn't really understand what they meant by 'community' because if you bring in 'community of interest' then you can say a golf club like Muirfield is a community business and the 'community of interest' is anybody who likes playing golf. They have membership, who democratically elect in a committee, the committee employs a manager, the manager manages the club and the club house. It's usually not for profit and most of the money goes back into improving the golf course and it's up keep. Under the definition Muirfield Golf Club is a community business. So what is the special thing about that? If it was to benefit the least well off in the estates around the golf course then, yes I can see that - but it's to benefit the people who play golf.

This 'community of interest' leads you down paths that actually causes more division within society and possibly more inequality within society. Personally I wanted to kick 'community of interest' definition into touch and then we can talk about geographical communities.

You've got the same thing at the moment with social enterprises and some people saying some are 'community based'.

I was interested in something recently. Douglas Westwater (CE) was asked what is the future of social enterprise and did he think that in Scotland we will come full circle and there would be recognition that there has to be a community link, a geographical community link for social enterprise to be successful. He said yes he thought that probably that would be the case.

This idea of social enterprise without a geographical community link is a minefield. The idea of what we mean by 'community' is very difficult.

[Having said that, I think there is a significant role for mutual companies though, like insurance companies those buying things collectively and having cooperative and democratic rights.]

***So do you think this idea that was established in the community business days, the kind of self-help in the poorest communities, do you think that's possible, do you think community enterprises and social enterprises should be able to initiate that?***

Yes, to a degree. There are problems with community enterprises though. There is the kind of 'gang hut' mentality which is where there are some people inside the 'gang hut' and there are some people outside the 'gang hut'. The people in the 'gang hut' are the ones that are making the decisions for that community and the people outside feel excluded.

So the concept of community enterprise is not a perfect system by any means but I think that over the last ten years there has been a move south of the border towards localism even within UKIP. That MP in his victory speech this morning mentioned about localism. There is a recognition that in this society where you can get instant access to all sorts of information from all over the world at any time, is that local communities should have more say about how they're run and how development happens within their communities. I welcome that, I think it's a good idea. I think empowering local communities is good. I'm slightly disturbed that it's been high jacked by UKIP. I thought also that 'localism' was

going to be adopted jacked by the SNP but they're the most centrist government ever in my view. They want politically control much more than they should. There's an empowerment bill going through the Scottish Government at the moment. But it is unlikely to allow subsidiarity to the degree I would like.

***Do you think that's been a key part of your work the idea of empowerment?***

Yes, social accounting is all about empowering organisations, taking control of what they are measuring and what change is happening and having some say in what the change it is that they trying to address. It's all about empowering people. So many people are disempowered.

If you broaden that out, I was a student in the 1970s, we didn't have particular political power over anything as students but we had a lot more power over our future and what we could do. You had a situation where part of the student population of Aberdeen University went off and wandered around India and bought camper vans and travelled to Greece to live in caves and so on. That empowerment doesn't happen nowadays because of poverty.

There are two reasons for poverty as I see it at the moment. One is the squeeze on wages which are very small at the moment for lots of people. So people who are coming out of university with degrees and having to get jobs in retail and hospitality which are not very well paid and have often zero hours contracts. Added to this there's something about wages not increasing with inflation. The recent collapse and the credit crunch that they talk about is that wages have not really gone up anything like inflation.

Then secondly is debt. People get into debt very quickly. We're creating a society where young people are going to have to pay for their education through going into debt. After coming out of university they may want to buy a house and immediately get into more debt. If you want to control a population and not have a people rioting on the streets against [political and economical injustice, then get them into debt because you can then control them. They're not going to go on strike, they're not going to join unions they're going to just make sure they've got enough money to pay off some of their debt. If you keep them in debt for longer you are able to control and disempower the whole population.]

***That's very interesting I'm wondering if from the time you started in community business until now this idea of empowering people has that taken different forms, practically, what have people needed help with and how have you tried to empower them?***

I think lots of people struggle with the legalities of managing money for community businesses. For people who have never done that before in can be challenging when they become a Board member of a community business.

That document by Keith Hayton talks about all kinds of collapses of community businesses. One notable one was in Barrowfield Community Business (BCB) in about 1990. BCB was a big community business run and controlled by local people. There were allegations that some of those in charge absconded with half the money from BCB.

These things might have happened anyway but the community businesses got blamed and lots of people that weren't used to dealing with a lot of money and a lot of legal things, found themselves in positions where the temptation was too much and it was quite difficult.

[So empowering people through knowledge, information, assistance, support, mentoring and help is necessary. Especially for those who are not used to dealing with legal and money things.]

Recently, I think I'm slightly concerned that social enterprises is seen as any other business. We have banks getting particularly in on the scene of supporting social enterprises with a standard template for business planning. Often people will write business plans for social enterprises paying only lip service to the reason why they've been setup in the first place which was social purpose. A lot of the business plan templates are all about business.

Recently I've been working to try and get people to adopt a different business plan, a 'social enterprise plan' that will help people to actually maintain the importance of the social purpose.

***Following on from that what has been in your experience, you've mentioned that it has been difficult to manage this relationship between community developers, managers of community business and the people on the Boards, what type of people use the social enterprises or community businesses that you've been involved in, the beneficiaries?***

I think community enterprise it was very much community based. BRAG in Fife for example has a particular catchment area, or area for development. When you broaden it out in to social enterprise without a particular community orientation then you begin to think well actually is this right? For example, there is something called Social Bite which has a shop in Rose Street in Edinburgh and it has been set it up as a social enterprise. Its reason to exist is to employ a certain proportion of people that have learning difficulties, that's my understanding.

[There have been lots of muddying of the waters of that, for example with social firms they started off addressing the needs of disabled people. Then they said it's not really disabled people it is people who have been long-term unemployed as well. The main purpose was to offer employment to anybody vulnerable. Social Bite was like any other enterprise but it was addressing the social need as being unemployment only.

Fourth Sector was very similar to that, but then as soon as it had to compete in the market place with efficiencies and so on, and without really explaining what the social purpose is, it is very easy to drop the social profit and you finish up just running a business like any other business.]

Take the Academy down the stairs. They will say they are a social enterprise and to an extent it is because it's non-profit distributing, it's got a voluntary Board of Directors but it measures its success in its growth and its increased turnover. I'm going... 'well that's all very nice. It's interesting that your turnover and your growth is increasing, but I'm much more interested in the change that happens as a result of what you do - not what on your financial turnover'.

I think more than ever before there is a need for social accounting in some way. I mean that with a small 's' and a small 'a' as it's not a particular method. It is about saying social accounting and audit is prescribed so that Social and community enterprise have got to account for their social impact much more.

***Can you remember working with a group, or a community that made you feel differently about community business and social enterprise?***

Not as such. There have been a lot of often high profile organisations that you wonder about their purpose – what does that mean and what change has happened.

For example – with Impact Arts there are lots of good things coming out of the organisation but it's a bit like sort of catching eels. They slip away sometimes and I'm not quite sure what is happening. It often depends on the person who is at the top. There is a huge dependency on individuals within business. This word 'social entrepreneurs' is widely applied but there is a kind of tension between the individual and the collective. Community enterprises and community development is very much around the collective, the social responsibility to the wider whole, the commonwealth and the cooperative role based around that. With social enterprise what I find disturbing at the moment is the emphasis on leadership and you can't go anywhere on the internet without stumbling over some kind of website on leadership and 'leaders of the community'.

People define 'leadership' in different ways. Jackie Scutt, who I worked with after John Pearce stopped working, did a lot of facilitating around leadership but she would define leadership as much more of a collective leadership and a benevolent leadership enabling other people to do things. Whereas others see themselves as the driver and the single person that is actually pushing things forward to make the change happen.

I must say I get quite frustrated and slightly annoyed with this emphasis on the individual. I'm much more interested in how people work together, than individuals showing 'leadership'. It's indicative of our society, that class is no longer used as a way of analysing society, it's all about individuals and individual consumers.

***So how would you see the relationship between social enterprise and community developing?***

Well it's funny because being part of the Community Development Journal Editorial Advisory Board means that if I ever mention 'social enterprise' at any of the meetings there would be sighs. CDJ people see 'social enterprise' as the first wedge into the destruction of the public sector and the state having less and less control because social enterprises are just going to come in and deliver services. [They see that there is a danger of the state and public sector declining and going out of business. Then, private companies would take over and we will no longer have this idea that taxes are for the benefit of all but that taxes are used to benefit individual companies.]

The NHS seems to be dismantled particularly south of the border but it's going to come to Scotland as well. So these CDJ people would go...social enterprise is just the thin end of the

wedge. However, I would always take the left wing view of social enterprise which is it offers an alternative way of doing things and we've got to find social enterprise or socialist ways of doing things...of providing goods and services rather than capitalist ways of doing things. That view was kind of accepted to a certain extent within the CDJ but there are many different factions within the social enterprise sector. The one that is prevalent at the moment is that with a few social objectives you can call yourself a social enterprise and take over managing some kind of contract on behalf of the NHS and make companies quite a lot of money out of it.

***Do you think social enterprises currently do help the poorest people in society?***

Some do and some don't. There are lots of examples of really good things happening.

***Could you think of an example just now?***

I think BRAG Enterprise used to focus on benefiting the poorest in Benarty in Fife. But I'm not sure if that is still the case.

There are lots of voluntary organisations that have been doing really good work and they are moving into more of a trading aspect and looking at how they can be more sustainable.

I think most of the ones that have assets are more likely to survive. The Engine Shed they've got no assets, they rent their building from the Council. That's been one of their problems. They put a lot of effort into doing up the building and renovating it and they're going to lose all that by closing down. They were doing a lot of really good work but with only a few people and that's been one of the problems - not having as big an impact as it could have had. Kibble has a lot of impact on a small number of people as well.

A lot of the Development Trusts I think are doing really good things and the area that a lot of the rural ones are moving into is community energy. This is an extraordinary expansion at the moment I think. All these wind farms are being setup and it's often in conjunction with a private sector company. In some cases, if the community tolerates the wind farm, they will get a proportion of the profit from the private wind farm companies. This means that they receive a significant amount of money per head of population to spend on community development in that area.

[There are also Development Trusts that are looking at belonging and social capital type things in areas. Heritage and looking at vulnerable parts of society like elderly people - that's expanding. And young people there's huge expansion in social enterprises around child care. All these I think are doing lots of good things.]

***What areas of people lives has social enterprise intervened in?***

Well I think in the community-based social enterprises are have had quite a significant impact on people that have been employed, people that have been involved, directors and so on. Particularly the ones that have been around a long time, like Govern Workspace for example and Brag Enterprise.



So the impact has been wide but the organisations need to describe that and track that change - otherwise they'll lose it. It's like history, if you lose your history you will become disempowered, you become just a single individual in a sea of different influences.

***What kind of social problems...***

Can we just have a small break? I think I'm ranting and raving a little bit.

***My next thing I'd like to talk about is have the goals of social enterprise that you are involved in changed over time?***

There are the ones that we have been talking about. Very much on a community basis and so community benefit. Other social enterprises have changed inevitably through working with a particular target group, or an ethnic minority or whatever - so that's changed over time.

***Why do you think that's been?***

I think that one of the driving forces behind the creation of [social enterprises have been a) the historical one that we've been talking about and b) a lack of ability in providing government services – this has left opportunities for social enterprise.]

Lots of voluntary organisations have, in a bid to become more independent or to service the needs as defined by the public sector, have taken on contracts to provide public sector services. This is a huge thing at the moment with the NHS and procurement in Scotland.

What I think lots of people in government think is if an organisation takes this over then we won't need to pay them as much. Local authorities don't need to pay out as much as if they were delivering the services because they don't need to pay staff pensions and lots extra costs associated with recruitment and employment. So it is cheaper for them to contract the provision of services out to social enterprises.

The voluntary sector used to get support just because they were doing good things. Now it's much more on a contractual basis as can be seen with service level agreements. The voluntary sector have moved in to this area of social enterprise in the provision of services, so that's changed the landscape dramatically.

Another thing that has changed the landscape is social investment. This is about where the money is going to come from to pay for these public services? There are lots of clever people particularly in London and in North America who are thinking up schemes of using private sector money in order to support the provision of social services. I think that is beset with problems actually. I am very wary about any social investors in any form and I'm not sure that they've really thought it through. Also I think that quite often payment is 'by results'. [But how do you measure these results and what about the results that you can't measure, or that are very difficult to measure? How do you deal with things like that?]

***So for you what would be a preferable source of funding?***

I'm not sure that there is actually.

If you look things historically, a lot of the welfare state that was set up post Second World War was partly coming an increase social capital and connection that came from the war. Everybody was in it together and they wanted to come out of it. That was one of the reasons Winston Churchill was defeated by Labour. It was a feeling that we're part of an entity and a decline in wanting to sustain an empire. We had companies that were based in the UK eg. BP and ICI and they were attracting a lot of the wealth from parts of the empire and parts of the commonwealth and they continue to do that but they were getting taxed by governments. Governments were saying you are based in this country and you should pay taxes. This led to considerable revenue money available for the provision of the welfare state. [Nowadays companies are much cleverer at not paying tax any more and behaving to a multinational strategy. They are moving money around and registering in different places and not paying taxes - falling between two stools of not paying taxes here and not paying taxes there.]

The actual amount of money available to governments is no longer as great as it used to be. Then there is more and more pressure on public services. With the NHS - there is more pressure on it as people are getting older and there are more ways of keeping people alive than there used to be. We also have an expanding population and so we are no longer able to provide services at that level. You could say we should tax people more and that's a difficult one because it's very unpopular with political parties. But we're getting taxed in all sorts of different ways. Have you read that article that was written quite recently about hidden tax? It's not only tax from government but its tax by the private sector who run utilities? Utilities often have a monopoly and can keep on putting up prices. It's like a tax that we're paying just to have our electricity which we should now regard as a necessity. Once you're paying more out to private companies that are quite often avoiding paying tax back into the general pool. I'm quite pessimistic about what will happen eventually.

***Thinking about the impact that social enterprises have, how do you measure the impact?***

[This is an area that I've been working in for many years. People now refer to 'impact'. Impact is actually quite difficult to fully understand and it's used in different ways as well.]

We in the Social Audit Network have defined what we say is impact. It is 'usually the change that happens as a result of what you've done but on the wider community or society in general'. [Therefore, if you're training people to get jobs then the outcome maybe a job for the person. But the impact might not necessarily the job itself. Rather is that a household has more money; there's less inequality; that society has more people who are more equal and more able to reduce the unemployment in the area.]

It's actually very hard to track impact because it's very hard to attribute the change all the way along that line to something that you've done further back in the line.

You can assess and interpret outcomes and describe outcomes and you can speculate about the wider impact but measuring it as you would measure the length of this board is really difficult to do.

***In your experience what kind of things have worked best in really to unravel that problem?***

Do you mean techniques?

***Yes.***

I think Social Accounting and Audit (SAA) works best because it helps an organisation understand more fully what it's doing. It can then help with managerial and strategic decisions about what it should be doing more of or less of.

It allows an organisation to base [its decisions on hard evidence in the main and can show the direction which an organisation should go in. For example, if your mission is to improve the wellbeing of people in a particular area, how do you do that? It might be by a number of different ways. Then you say OK these are our activities and these are the kinds of outputs coming from these activities] - like a training course, or child care facility or something like that. Then what changes is people to be slightly better off and the organisation is addressing some of the problems of lack of services; there is the wider impacts – people are healthier and there is more wellbeing in the community. SAA doesn't say because you can't measure it you shouldn't do something about it.

Lots of people, particular accountants will say 'if it can't be measured, it can't be managed'. This is their mantra, not them all but I've heard it a few times just recently and I say well that's rubbish. We're managing things all the time that we can't measure - like going for a long walk on the West Highland Way. What does that mean for some people? It means huge amounts for some people, being outdoors, seeing a beautiful scene, the company of friends, the benefits of a family party or the love of children. We're managing our life around all these things that we can't measure. How do you measure a beautiful scene? Is that even important? It is often to do with your priorities and you're managing priorities all the time.

***Do you think this pressure to measure impact has increased over time, was there this kind of pressure in the community business days to do what you were doing?***

We never used the word measure. We had to account for the social and community benefits which is not necessarily the same thing.

Measurement came recently and it's indicative of a society wanting everything to be in numbers. We've been taken over by accountants basically and they're very keen on accounting for things in financial terms, hence the rise of Social Return on Investment (SROI). There are lots of things we can't measure therefore some people want to create a system that will enable us to measure them – and give them a financial value. Well that's OK up to a point but how do you measure 'family life'? It's an unnecessary cul-de-sac to go down.

Much more important than that is putting a value on things understanding that value means different things to different people. Then you recognise that some things are more valuable than other things and some are really valuable. Your health for example, how do you

measure that? What's the point of putting a price on health? Value it yes. Account for it or explain it alongside other things and prioritise it but what's the point in measuring it?

***So how in your days back in the 1980s would you have accounted for, what would you have been accounting for when you analysed impact?***

Social change. There is this (show sheet on 'social audit'), which I'm sure you've got in the archive as well. It is one of the first things about social auditing which is what we called it in those days. This was written I think in about 1988. What's interesting is that they've got seven objectives so you might be an organisation which chooses maybe two of them or something like that. Then you're saying OK, well what are the kinds of questions that we might want to ask on each objective? What's the cost of that? Which is not necessarily in financial terms. What needs to be done. Then what is the value to society.

With this matrix we were attempting to try and look at the change that happens. We didn't use inputs and outputs or outputs and outcomes in those days but we were trying to explain the social change in those ways resulting from the actions of a community business.

I think lots organisations get a lot out of going through the process of social accounting - of trying to see what they're doing and reasserting and reaffirming their overall purpose. Keeping track and not drifting their mission into becoming something else.

Funnily enough one of the areas where I think social accounting has become particularly important is in fair trade. The better fair-trade organisations account for social change much better because they have to... Because they could easily slip into being just another broker that is buying things cheap abroad and selling them in this country and making a profit.

***When you were trying to start up social accounting or develop the idea of that were you working with community businesses to try and encourage them to do this? How did you do that?***

Well that's been our downfall and our strength. Social accounting and audit came out of working with organisations. It wasn't something that people thought up in a university and said right we'll apply it to everybody. It came from working with organisations - some things worked and some things didn't. Some people got better at explaining what they were doing and some people didn't.

There are reports, you've got stacks of social reports, some that are pretty awful, some that are OK. But they are the organisation's report. They're not some outsiders report. If organisations get sharper about what they're actually trying to do, I think that's important. It's a cycle of reviewing and reflecting on what you do and moving and taking decisions on the basis of that.

***Can you remember any particular organisations that were very good at doing that?***

I'm often asked that. There is an organisation SES down in Sunderland and its social accounts were good. You have to get rid of all the dross that they wrote about themselves, and go back to the specific things that they did...but they are a good example of an

organisation learning from keeping social accounts. The trouble is they insisted on writing elaborate, long reports rather than being short sharp reports.

I've been working one employee-owned company in Inverness recently, Highland Homecare, and their social accounts have got better and better.

Shared Interest is a fair trade organisation their accounts are getting better and better because they're focussing on social change and not just focussing on outputs.

***In thinking back to the earlier years, were there any organisation that you worked that you remember thinking wow that's really helped me clarify my thinking on social accounting?***

Yes, in Liverpool a lot of the early work and lots of Liverpoolian organisations were supported by European funding and there was a programme that included them keeping regular social accounts. The problem is a lot of them don't exist now although some of them do.

Also housing associations are having to get better at accounting for explain their additional social change. They've played around with SROI and realised that it doesn't actually help them manage their organisation very well strategically or on a day to day basis. So they're moving into a kind of area which is partly using financial proxies and partly not. City West Housing Association in the North West of England has written a good set of social accounts.

Housing associations are interesting because they're not just managing the repair and maintenance of houses but they're looking at their wider impact on society. I think that's a good thing. They are looking at accounting for how it improves the life and wellbeing of people within the area – Hardwick or wherever.

So to go back to the CommonHealth project, I think there are huge areas the project could learn from - particularly around housing associations.

***Did you ever find any organisations that were very resistant of going through this process of social accounting?***

People agree with keeping social accounts in principle, but they often say 'that's a lot of work, time and resources'. It is to a certain extent but it should be what you are doing as a matter of course. Organisations already put a lot of time and resources into financial accounts. Quite often they employ a finance director, a book keeper, a financial auditor and if you add all that up it might be ten per cent of the overall turnover - just on keeping financial accounts which is not the main reason you're as an organisation exists.

[True, you've got to keep financial accounts but you should be putting in about the same amount of money into your social accounts - or even more because that's primarily what you're about.] If we did this we would be in much stronger position to actually explain what are the real changes and benefits of the social enterprise. At the moment we're not good on that.

***Do you have any idea on what you think is distinctive about what social enterprise brings?***

I think what it's brought out is a lot more private sector companies recognising that they've got corporate social responsibility regardless of whether or not they recognise it. The recognition of that is much more mainstream than it was twenty years ago. It was slightly odd twenty years ago to have social responsibility objectives but now private sector companies of all sorts are recognising that they have an impact on society more generally.

I think that's a good thing. Whether or not they're social enterprises or not, then I would say no – they don't need to be social enterprises.

[Then you've got lots of social enterprises at the moment that are aping the private sector. It's all this corporate speak that you get from the mouths of social entrepreneurs, that really is scary. You think oh just a minute, you're not just running a business here - albeit you're running a business for a social end.]

***It's a question that we've kind of hinted at before, do you think political support is a help or a hindrance for social enterprise?***

[Again, this is one of these questions that need qualification. In some cases yes and in some cases no.]

There are some people in the Green Party that understand social enterprises, but there are some politicians that don't really understand them at all and yet they both would be supportive.

A case in point is SROI came from nowhere to be the dominant way of describing and accounting for social change within social enterprises. Well in my view it's completely an inappropriate tool. It's got its place in cost benefit analysis to help in decision making, but it should not have been applied to all social enterprises.

There was a director of finance when the Labour party were in power and certain people spoke to him and said this is what we can do we can now explain social impact in financial terms. He was an accountant and he said, 'oh yeah great we'll put money into that'. Then the government and they put a whole heap of money into SROI and everybody was talking about it.

[That political support was possibly a good thing but it was completely inappropriate to put it into SROI. It confused everybody and the fallout from that is still happening at the moment. I'm not saying that social accounting should have been in receipt of that money but at least just thinking and understanding a little bit more about what SROI was and how it worked, would have actually helped things.]

***Do you feel that there was political support for community business back in the 1980s?***

Well there was among the regions but then when the regions stopped and the Urban Programme money stopped, there wasn't particular support for community business.

Then there was a backlash against community business with the Hayton Report and other research. Then there were well documented disasters like Barrowfield and Ferguslie Park when half the Board of Directors got into trouble for corruption and all sorts of different things.

Over time this constant community business baby gets thrown out with bath water and somebody reacts in a knee jerk way without actually looking at the broader picture.

***So what issues do you think social enterprises are facing today?***

There are a number of them.

One is about the definition. I don't want this to go into this because I've already gone into that quite a lot but I think that at this time being unable to say what a social enterprise is, or is not, is crazy. I think people should just say this is what social enterprise is and if you don't match that criteria then don't try and change the criteria just go somewhere else, call yourself something else.

The second one is the split between left-wing and right-wing social enterprises? What is the reason for setting up a social enterprise? What is the need that is being addressed? Are you trying to change society into more socialist and more equal society, or are you just aping the private sector and running a business with one or two social objectives?

There is the wider issue about tradition and the role of government. I think that we have in Britain a strong State sector and we've paid taxes into the state, going back to the Magna Carta in England and the declaration of Arbroath - the nation building.

Then the Welfare State was created to get away from these inequalities being addressed until that point by charities – the philanthropy that existed pre-war. Britain has had a strong state and that's also the case with states throughout Europe. North America, on the other hand, never had a strong state. It was always seen by North Americans as being a hindrance to development. That's fine in but inequalities are getting wider in America. Who is going to look after the one in thirty children who become homelessness in the United States? That's a huge proportion, which came out recently. There are more and more divides in society now and yet people who are looking at social change in this country are quite often looking at the United States as a model that we want to emulate. We shouldn't be. We should be looking more to Europe. I think the problem with looking to North America is because it's easier with them speaking the same language or the papers and articles are in the same language. They are more accessible, easier to understand. If you ever go to the United States, I've only been once, I was staggered at how different it was. Somebody said to me... everybody you'll meet speaks English but don't forget it's completely different - and it is completely different. Attitudes to politics, race, society and community, are all quite different. I think looking to the future we should be looking more to Europe and less to the United States.

Also , the idea of this social investment is coming from the States. In a way the rich and famous who have got money pouring out of their pockets are looking at new ways to invest

that money. Investment opportunity is something that is driving the idea of social investment rather than social need and I think that's a problem.

[There is an area of means to an end illustrated by the triangle diagram. When you're a social enterprise, your economic activity is in the centre and you change the environment, people and society.] I think the triple bottom line that is usually understood as impact on people, impact on environment and impact on the economy is wrong. That has taken us completely down the wrong route. We're then seeing the economy and the creation of jobs as a means to an end and not an end in itself. Where the economy and economic activity lies is in the middle of the triangle and what we should be doing is to say...well we're actually creating jobs in order for to address some of the inequalities within society. Therefore, I think that this is important and one of the key issues.

[Ultimately, I question whether or not the idea of social enterprises does 'work' - whether or not they can do what they're expect to do. Politicians particularly expect social enterprises to create not only a financial profit that can improve their sustainability and grow; and at the same time maximise social profit. I don't think this can be done. You've got to choose one or the other and lay emphasis on a particular path.

Then there's localism. I'm going to make enemies saying this. But both UKIP and the SNP share a kind of retrenchment of values into an area. It manifests itself in nationalism and I think nationalism is really dangerous. I think it is Europhobic eventually and it's really tricky.]

It was scary, one week before the Brexit referendum some of the things that people were coming out with on both sides was actually quite worrying. Funnily enough one of the UKIP candidates that won, in his acceptance speech talked about freedom. SNP uses this word a lot as well. Freedom, I don't think we really understand what that word means. If you talk to Americans, especially in the Republican Party they're always talking about freedom. Freedom to do what? That's what's really worrying. Freedom from what? I question that whole area. Localism and the political manifestations of Britons wanting to break away. The Welsh wanting to do this. We're beginning to lose some of our understanding of internationalism.

***You've talked a little bit about European models as perhaps a precedence, what is attractive about the European style?***

There is something called the Social Solidarity Economy which I've only recently come across. I think it's closest to what I mean by social enterprise. It's much more about solidarity. In Europe and particularly in French 'solidarity' has a particular meaning which focusses on the collective rather than the individual. Because the French speak in French and we speak in English, we've always been suspicious of each other. We haven't shared enough of the same experiences. That's why it's interesting going to Canada. I'm supposed to be going to Canada in February with colleagues from the Yunus Centre. In French speaking Canada there is a stronger understanding of the French Social Solidarity Economy. It has not really reached the States. [It centres around local identity, community, mutual support, and more social capital happening around reciprocity - understanding that responsibilities are to the collective rather than responsibilities to the individual.]



***What kind of initiatives are happening in France that you find particularly interesting?***

There's something called PACTS which I'm associated with. I can't remember exactly what it stands for but they've been a partner on a European project that I've been involved with for the last two years.

[It's quite an interesting EU project. It involves visits to other organisations to learn more about what other people are doing. I'm particularly interested in how they have that kind of commune mentality in France. Social responsibility is at a collective level and to the wider whole and not just individual competition between each other.

We've got to, as a society, get away from believing that competition is always good. At times collaboration and cooperation are going to be of more benefit to society. Competition has done lots of interesting, good things like the development of technology. But it's not always the best way in trying to fashion a society that is more equitable and have more social responsibility to those that are not quite as well off as others.]

***Do you feel optimistic about the future of social enterprise?***

Again, I think there will be a split within the 'social enterprise movement'. I think that some people will go down the route that I have been talking about; and other people will just say that everything's a social enterprise.

[What will happen is a degrading of the term 'social enterprise' and particularly when there's no definition. Eventually, people will look back and laugh at social enterprise saying ... well that was a cul-de-sac that we went down and somebody will invent something else - the solidarity economy or [Laughs] something.]

There's no getting away from, if you can people to work together to help each other and the wider community and have a responsibility to the most vulnerable in society, that's what people should be doing with their lives.

***I don't have any further questions but is there anything else that you'd like to mention?***

No, you are probably exhausted from listening to me.

***Or did you have any questions for me?***

I think this project, this historical aspect is particularly crucial but not as an academic exercise, do you see what I mean? It's all very well just writing up history but history quite often goes onto a shelf - saying it is over there. History has got to be brought into the present.

That's why the link between you and Bobby's work is really important but I'm not sure that he's really recognised that yet. I don't know either your work or his work well enough.

I think when it gets into the case studies and that kind of work a lot of the benefits will be the connections that you and your project make with Bobby's project and with the other people that are going to be employed. It's not to focus on the content on what you do it's to focus on the connections. That sounds esoteric and a little bit impossible but that's what I think. That's why in some ways I think that the knowledge exchange forum has up till now been a show case to others. That's all very well because of the stage this project is at, but I think it should be much more about people working together across the different projects.

Coming together with people from all the projects not just the researchers will lead to exchanging ideas and cross fertilise. Then I think things will really gel – the sum of the whole will be more important than the individual things. I'm not sure that's going to happen but we will see.

***We will see indeed [Laughter]. Thank you very much.***

That's not meant as a criticism.