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Continued from pg3

no claims to be interested in democracy in the third sector. However, the following Labour governments claimed to be committed to democratic renewal and to increasing community participation and empowerment. They suggested that the third sector was integral to achieving these goals.

More Compact Means

They introduced 'partnerships' between the government and third sector to help achieve this: these partnerships took the form of Compacts, which were developed to provide a framework of principles which would guide and structure the

relationship between the third sector and the government. They differed from contracts insofar as they were developed through consultation between the government and third sector organisations, and because they contained responsibilities for both sides. Ironically this gave the government greater control and influence over the third sector. Due to the partnerships being seemingly 'consensual', the third sector organisations became increasingly willing to regulate themselves.

Compacts were combined with service contracts (albeit now termed 'service agreements') and together these encouraged third sector organisations to become even more 'managerially minded' and accept a framework of government defined as 'good practice', which emphasized and reinforced 'economic rationality'.

Jump Higher

Once again a conducive environment for democratic practices was not created, and the barriers to democratisation

were in fact escalated. Essentially, as third sector organisations became more professionalised, better funded, more formally organized and more concerned with presenting their 'business-like' credentials in order to demonstrate themselves to be 'fit partners', they became less able to deliver on the agenda of community governance.

In essence, an emergent, new breed of organisation has emerged. One which is corporatist, hierarchical and bureaucratic, with a clear division of labour between managers and welfare professionals and volunteers, where passive citizenship is desirable and users are increasingly conceived of as 'consumers' of a service.

Nevertheless, the Conservative and Labour governments cannot take all the blame for this. Some of the responsibility for the lack of democracy in the third sector lies with the third sector itself.

On Board

Third sector organisations have Boards that are accountable for the

organisation's activities, the implementation and integrity of its mission and its legitimacy in the eyes of internal and external stakeholders. As such their role is crucial in terms of steering and guiding the organisation and its managerial hierarchy and, crucially, negotiating over particular government agendas.

Moreover, Boards, along with the management hierarchy, also have a key role in delivering an accountability agenda to workers and service users and not just government bodies and financiers. This requires them to demonstrate a willingness and commitment to actively protect their organisational culture and welfare philosophy and hence develop a process of self-regulation to balance competing demands and thus maintain their organisational integrity.

“Some of the responsibility for the lack of democracy in the third sector lies with the third sector itself.”

They do then have a responsibility to ensure adequate democratic arrangements are in place.

Change

Therefore, if the current government does want to use the third sector as a tool for democratic renewal, a radical change of approach is required to create a new type of relationship between the state and third sector.

It is early days in the new parliament, but there has been nothing so far to suggest that such a radical change is in the offing. Rather we should expect more of the same contract culture, and the encouragement of managerial organisational processes in the third sector, rather than democratic ones.

In the next issue some suggestions about how the government could help promote democracy in the third sector will be provided.



SE Connections
Social Enterprise Connections



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Contents

Loud 'n' Proud pg1
RIERSEP pg2
Opinion Piece:
Why We Have Not
Had Enough
Democracy pg3
The Happening pg4



Loud 'n' Proud
of Being a Social Enterprise



Tommy McGrory (centre)

In part two of our exclusive interview with Tommy McGrory, the founder of local youth charity Loud 'n' Proud shares his opinions on the local sector and why people should start a social enterprise.

What's your opinion of the charity and social enterprise sector in Renfrewshire?

I think it needs more funds for entrepreneurial movers and shakers to get things started and quickly. The problem is that by the time you go through an application process for most funding organisations it can take so long, with other factors creep in while you're trying to survive, that you can give up.

What do you think the future has in store

for social enterprise in Renfrewshire? Do you think it will increase in popularity, have more to offer the local area etc?

I think it will only increase if there are good ideas for projects that have a good commercial edge. You need the people who are going to be passionate about the project and be risk takers. By being involved in this sector you are already a risk taker because you just don't know if you are ever going to get a wage.

What do you have planned for the immediate future for Loud 'n' Proud? And do you have any long term goals you're working towards?

We are gearing up for another *I Was There* show which is our big fund raiser.

Continued on pg2



RIERSEP is a partnership of support agencies and social enterprises across Renfrewshire, Inverclyde and East Renfrewshire.

It was set up to help the social economy sector grow and develop.

Merged from three separate local social economy partnerships, RIERSEP believe working together achieves more for the local social economy sector.

www.riersep.org.uk

Continued from pg1

The Paisley Philosophical Institution were so impressed by the good work of Loud 'n' Proud that they asked you to be a guest speaker at one of their recent events – how did that go?

My topic was "Rock Music Makes Better Citizens". I'm not sure that everyone agreed with me. But the whole premise was that we teach transferable skills by being in a band, ie being on time, having the discipline to practice, being responsible to play your part in the band, having the social skills to get on with people, learning sound technology and having creative skills.

I had a great time and was very honoured to be there (and nervous). I'm used to standing on a stage in front of mad screaming rockers. A quiet, well dressed crowd was a bit out of my comfort zone. I have since delivered a few talks to other groups and if I say so myself it's getting better. So if you want an after dinner speaker with some loud music call me.

What advice would you give to someone who's starting up a social enterprise or thinking of doing so?

Make sure there is a demand for it and it can work. Money is important, the figures need to work. First of all you need a salary - without you it you can't work and neither



will the project. It can't just be what you want to do because you think its a good idea - ask everyone you can before getting to the survey stage.

Most times the people around you are not wrong. If they are right in the community they will know what the buzz is. I think most times the information you get from those in the thick of it is worth more than surveys.

Get all the advice you can from RCVS etc. Speak to other people who have already done it. Probably what you are setting out to do has been done before. Don't invent

the wheel - cut and paste if you can. This is so important. I have made big shortcuts getting to know someone who has been there.

Finally it's better than a real job - but don't expect a day off

loud'n'proud!

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Why We Have Not Had Enough Democracy

by Dr Stephen Elstub

The new coalition government want to make the UK a 'big society'. The Prime Minister, David Cameron, recently informed us that this crucially requires giving a greater role to social enterprises and other third sector organisations to deliver welfare services. A key justification of this is that it would enable these services to be subject to more democratic control.

These suggestions by the government should be received with a great deal of scepticism. However, if the government really is intent on improving democracy in the third sector (it was argued previously here that they should be), they must learn from the mistakes of previous governments.

Hurdles on the Road

A previous article here outlined the significant barriers that exist to democratising third sector organisations.

These included the goals, ideology, amount and source of funding of the organisation and size, geographical dispersion and socio-economic status of the membership. However, it was argued that these barriers can be overcome, but this depended on there being an appropriate relationship between the third sector and the state being in place.

Unfortunately the policies and strategies that both the Conservative and Labour governments have pursued have been counter-productive to democracy in the third sector and have exacerbated, rather than reduced, the barriers to democratisation. Their policies resulted in more third sector organisations being large, hierarchical, and based on management

techniques. These factors are not conducive to democratic arrangements.

Partnerships of Old

In the 1980s the Conservative government contracted out much of its direct provision of welfare services. This resulted in a significantly increased role for the third sector throughout the 1990s. However, due to the use of contracts, democratic arrangements were not promoted.

The Conservatives believed that accountability and legitimacy in service delivery were best ensured through market competition, between third and private sector organisations. Competition was created by enabling local authorities to grant contracts and also terminate contracts with third sector organisations if they were unhappy with the service being delivered, or believed an alternative third sector organisation could deliver it more efficiently.

Just Another Business?

Consequently, third sector providers came under pressure to demonstrate managerial efficiency and a 'business-like' ethos, seen to be synonymous with

'value for money', in order to keep the funding coming in. Research indicates that this led to third sector organisations becoming more reactive as opposed to proactive, conservative and cautious as opposed to innovative, and exclusive as opposed to empowering and participatory.

The conditions required for democratic arrangements in the third sector were then clearly not present, and the barriers to democracy were enhanced. However, we should not be surprised by this. In contrast to the current government, the Conservative government of the time made

"If the government really is intent on improving democracy in the third sector... they must learn from the mistakes of previous governments."

The Happening

Paisley Town Hall,
 Abbey Close,
 Paisley
 9.30am - 4pm

RCVS presents The Happening 2010 - a one day Social Enterprise Trade Fair which will provide the opportunity to buy and sell goods from Social Enterprises from all over the West of Scotland, network with other social entrepreneurs, attend workshops, visit local social enterprises and visit the cafe supplied by local social enterprises.

This fair is suitable for anyone interested in social enterprise, business and community life including those working in Third Sector organisations, local authorities, chambers of commerce, public sector agencies and the private sector.

A number of social enterprises drawn from across the West of Scotland will be exhibiting/trading goods.

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Continued on pg4