

A Blended Value Proposition: Towards a Regional Sustainability Entrepreneurial Ecosystem Framework for the Social Solidarity Economy (SSE)

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1. Introduction

The focus of this research topic is on mainstreaming the Social and Solidarity Economy (SSE) as an alternative economic system in a post-pandemic world that is still dominated by neoliberalism. This research investigates whether refocussing on equitable economies to create both a fair and resilient regional SSE can be enhanced by adopting a ‘blended value’ approach in the context of the Liverpool City Region (LCR).

Exploratory analysis of regional SSE practice and the effects of their legal and policy frameworks on the development of SSE activities will be based on SSE frameworks in the UK, Ecuador, Canada and Spain. The aim is to uncover the mechanisms, legal measures and policy levers that have enabled structural integration to take place.

This research project seeks to address the following research questions:

1. *What are the socio-political and legal challenges for implementing an inclusive and collaborative regional SSE?*
2. *How does stakeholder engagement enable sustainable and inclusive entrepreneurial ecosystems that offer resilience to communities and to the wider economy post pandemic and future crises?*
3. *How can the Quadruple Bottom Line sustainability model offer a Blended Value Proposition to entrepreneurial development?*
4. *How can the principles of responsible business be adopted to include for-profit businesses into the SSE?*

2. Literature and Theories

“Theories of business are still dominated by a choice between social responsibility (altruistic communitarianism) and private business (neoliberalism)” (Ridley-Duff, 2016). Neoliberalism is still the dominant economic model, but it has failed to adequately address the requirements of a sizable portion of society (Beckert, 2020), and in response, civil society has developed its own alternatives. The impact of COVID-19 has led to many calls for a reimagining of the hegemonic economic principles towards representation of strong collaboration between the state, private business markets and the social economy - and the adoption of a Rawlsian style of principled distributive justice in a well-ordered society (Sensat, 2016).

Many mainstream theorists accept stakeholder theory as the most appropriate theoretical proposition for sustainability research (Jensen, 2001; Freudenreich et al., 2020), therefore this research will be grounded in stakeholder theory. Today, many companies assert that they are purpose-driven, i.e., they are not only committed to maximising *shareholder value* but also *stakeholder value*. Stakeholder theory stresses the interconnected relationships between a business and its customers, suppliers, employees, investors, communities and others who have a stake in the organization (Ng et al., 2022).

Businesses that understand the value of stakeholders have adopted the Triple Bottom Line approach to performance evaluation, which includes metrics for three distinct dimensions: profit, people, and planet (Elkington, 1998). Accordingly, the relevance of a business’ social responsibility, which should take into account its stakeholders and the surrounding environment, gained momentum in modern and unconventional

views of the business (Freeman & Ginena, 2015). To establish a modernised evaluation of business sustainability, this study develops the Triple Bottom Line approach into the Quadruple Bottom Line, with the addition of *purpose* to profit, people, and planet. In essence, this represents the Blended Value Proposition that states that all organisations, whether for-profit or not, create value that consists of economic, social and environmental value components which are fundamentally indivisible. Thus, “economic value”, “social value” and “environmental value” quantities should be considered as parts of one essential value.

Furthermore, there has been extensive research conducted on alternative forms of economy to challenge capitalism (Wolff, 2013; Harcourt, 2014; O’Neill, 2020). Today, at a time when the ‘imperial’ paradigm of orthodox economies is decomposing from the inside, the context holds great promise for one such *alternative philosophical system*, the Social and Solidarity Economy (SSE), to be developed as an “ontological and epistemological framework around the failures of the neoclassical orthodoxy” (Dash, 2016 p69).

A review of the literature has revealed that researchers have still not reached a consensus on definitions of the SSE, and terms are applied differently across continents. According to the International Labour Organisation (ILO), SSE refers to “organizations and enterprises that are based on principles of solidarity and participation and that produce goods and services while pursuing both economic and social aims” (ILO, 2010). The SSE encompasses a variety of entities that all share social and economic objectives, values and operating principles. The extent to which activities fall under SSE umbrella depends on whether they are progressively seeking to participate in this economy (Sahakian and Dunand, 2015), which needs to be evaluated not only in theory and discourse, but also in practice. Traditionally, SSE ‘movements’ tend to either openly oppose and compete with the expansion and intensification of capitalist activities or move along complementary and supplementary paths (Utting, 2016). As a result, the SSE and for-profit businesses have generally been considered incompatible.

This research examines this assumption of incompatibility by considering evidence of the SSE paradigm shift through the lens of the traditionally accepted Social and Solidarity Economy Organisations (SSEO) as well as privately-owned business engaged in responsible businesses practices (Parris et al., 2016) and their contribution to regional sustainability business ecosystems.

3. Aims and Objectives

This research adopts a qualitative, inductive case-based approach to advance knowledge of regional SSE entrepreneurial ecosystems and their specific interconnected component parts.

3.1 Aim: To develop a ‘Liverpool City Region SSE Model’ based on the relationship between global SSE principles, sustainability frameworks, the diverse characteristic of the region’s business communities, and the requisite legal and policy levers.

3.2 Objectives:

- To benchmark the UK Social and Solidarity Economy against successful SSE frameworks in other countries.
- To conduct a comparative analysis of existing SSE Legal Frameworks and conditions for potential replicability in the UK.
- To develop an expanded definition of the SSE to include for-profit businesses engaged in responsible business practices.
- To investigate the extent to which vulnerable and minority groups are included in the processes of developing a framework for advancing SSE within LCR.

4. Relevance and Impact

By moving beyond the Triple Bottom Line to the Quadruple Bottom Line, this research will contribute a timely and deeper understanding of the responsibilities of multiple stakeholders in supporting sustainable and inclusive entrepreneurial ecosystems, that offer resilience to regional economies post COVID-19 pandemic.

This project's evidence will provide a guidance framework for government policymakers, businesses and support agencies, which will support and inform the UK government's 'Levelling Up' agenda for growth (Connolly et al., 2021) and a new vision for the Liverpool City Region post-pandemic socio-economy.

5. References

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