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Department of the Senate  
PO Box 6100  
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Canberra ACT 2600

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Dear Secretary

**Re: Senate Economics Committee - Finance for the not-for-profit sector**

Thank you for the opportunity to write regarding the inquiry addressing mechanisms and options for the development of a robust capital market for social economy organisations in Australia.

Given the rich submissions already submitted, I am keen to give some insights from the University perspective, in particular from our research, teaching and outreach activity associated with social entrepreneurship and enterprise. As well as addressing social enterprise in the Innovation & Enterprise teaching programme, for the past 4 years The University of Sydney Business School has been teaching a specialist postgraduate unit of study: Social Entrepreneurship. In addition, the Innovation & Entrepreneurship Research Group (IERG) has been involved with numerous research projects and research supervisions, recently joining the Social Enterprise Fund Australia (SEFA) as research stakeholder. The Business School has also been involved with numerous social enterprises and entrepreneurs through its outreach activities. Please also refer to [http://sydney.edu.au/business/innovation\\_and\\_enterprise](http://sydney.edu.au/business/innovation_and_enterprise) for a review of our programmes.

In the following short submission, I have attempted to address some of the specific issues raised under the Inquiry's terms of reference from a University's perspective. Thank you for your significant work and attention.

Yours sincerely,

Dr Richard Seymour



As way of introduction, academia continues to debate the meanings of terminology such as social enterprise, social entrepreneurship and social value. These debates highlight the conflicting perspectives inherent in the various schools and disciplines, the myriad of philosophies of science and research methodologies, as well as the different contexts and phenomena of interest for researchers. Without delving into these debates, it is appropriate to note that the following submission is based principally on work in the area of social entrepreneurship and social enterprise (as opposed to the broader not-for-profit, and philanthropic- or charity-based sectors).

The University of Sydney Business School has developed a number of programmes straddling these activities including the Innovation & Entrepreneurship Research Group, Innovation & Enterprise Teaching Programme and Innovation & Enterprise Outreach.

The following draw on this experience to address the Terms of Reference: (i) policies, practices and strategies that affect the availability of capital markets for social economy organisations on social innovation, productivity, growth and workforce issues in these sectors; and (j) any other related matters.

## **TEACHING PROGRAMMES**

If social enterprises broadly are to take advantage of new funding opportunities (whether debt or equity), their stakeholders and leaders may require additional skills. Building capacity is key for all stakeholders whether they be part of the administrative, managerial or entrepreneurial functions of the social enterprises or community.

Specialist education programmes for the sector will need to incorporate expertise such as managerial finance, strategic management and enterprise development. A mix of programmes would include those directed at award programmes (such as Graduate Certificates), executive education, seminars and workshops.

Such programmes will benefit from assistance to develop local case studies, local teaching materials, research-led teaching, and a community of scholars. This will, in turn, assist build the profile, capabilities and impact of the sector.

## **RESEARCH PROGRAMMES**

Research programmes can also build capacity and impact. A comprehensive research programme is being developed by a number of organisations. Key themes of interest that emerge from a review of social enterprise and social entrepreneurship related research<sup>1</sup> are the significance of: a) enterprising human action (including individuals as well as organisations); b) in the pursuit of the generation of value (whether pecuniary, social, cultural, spiritual, or natural

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<sup>1</sup> Research suggests social entrepreneurship is a subset of social enterprise, just as entrepreneurship is considered a subset of business. I think these differentiations are immaterial to this Inquiry and so am writing of social enterprise (which will include social entrepreneurs). For more background, refer to the OECD Entrepreneurship Indicators Program as well as the forthcoming Handbook of Research Methods on Social Entrepreneurship (published by Edward Elgar).



value); c) through the creation or expansion of economic activity (i.e. business-like activity and its associated revenues, expenses, capital and sustainability); by d) identifying and exploiting (new) products, processes or markets (noting the associated exchanges and gifts and implications of such transactions).

We are currently undertaking a number of research projects to explore these themes and their reverberations. The research is firmly anchored within the context of social enterprise, but is deliberately not removed from research into other 'forms' of business. Insights come from the periphery, and as well as informing the sector itself, research can be firmly and comprehensively linked to commercial business communities.

Of specific interest to this Committee, we are working with SEFA to ensure that data is collected that will give insight and understanding for enterprises, funders and the broader community alike. The research programme will emphasise longitudinal (and local) data, and include a number of substantial case-based enquiries. Our aim is to generate applied research as well as advance academic theory. Securing data, developing understandings and frameworks, and producing cases for teaching and learning will also support grow and encourage the sector.

Research institutions involved in the sector will benefit from specific funding to seed PhD scholarships, specialist research projects, formal networks, and collaborations with industry stakeholders.

#### **OUTREACH ACTIVITY**

Integrated teaching and research programmes can be further encouraged through appropriate outreach activities. For example, encouraging student engagement with relevant enterprises would also benefit any number of stakeholders. Our RARE (Remote & Rural Enterprise) programme gives some insight of what is possible when industry, academia and students are networked in a programme of engaged practice, action research, and exchanges of learning (for more information refer to [http://sydney.edu.au/business/innovation\\_and\\_enterprise/outreach/RARE](http://sydney.edu.au/business/innovation_and_enterprise/outreach/RARE)).

Research and teaching should not happen in isolation; they flourish in a community of scholarship and practice. Support for such engaged outreach initiatives will help the sector flourish.

#### **IN CONCLUSION**

There are a number of institutions currently involved with aspects of such teaching, research or outreach activity. We hope that The University of Sydney Business School can be one of the key integrating institutions, and our team looks forward to playing a small part in the ongoing development of the social enterprise sector.