

# Politics and social entrepreneurship

## Transcript of a speech by Ed Miliband MP to the Skoll World Forum on social entrepreneurship

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I'm delighted to be here and I want to start by thanking Jeff Skoll for all the work he does here at the centre and for this great event.

I just want to make three points.

First, about why I think the social enterprise and social entrepreneurship movement is so important.

Second, about what government can do to help facilitate social innovation.

And, third, I want to make a point about politics and the role of politics.

### **Social entrepreneurship driving change**

I've been minister for the third sector for about 10 months and in a way the most exciting people I meet are social entrepreneurs and people running social enterprises.

Why is that? I think it's for two reasons: one, because social enterprise is driving a big change in the private sector to take ethical values into account. It is a drive which goes beyond the immediate impact of the social enterprises themselves. And, secondly, it's driving a big change in the public sector, to be more focused on users, in its delivery of public services.

I think those two changes will only grow over the coming years and I think they are incredibly important.

And for me, the first of these, the notion of profits and justice not being in conflict, but growing hand in hand is a challenging concept. John [Elkington] mentioned my background. My Dad, as John said, was an émigré from Belgium. He joined the British Navy. He read Marx while, as he put it, not being a very successful Petty Officer in the Navy, and he became a Marxist. For him – and these are the values I grew up with – yes, you should be angry about injustice; yes, you should do something to tackle it; but it was about the state and what the state can do.

I suppose what social enterprise teaches me, and this is where the ethical values of social enterprise are important, is that all round the world, in Britain and elsewhere, social enterprise is showing us how you can make the marketplace fairer through what they do. That is incredibly important.

What is also very interesting to me, is that there are huge numbers of young people in this country for whom that is an incredibly compelling message. They want to be part of that movement.

### **Spreading the message, opening government**

Now, government doesn't create the inspiration of social enterprise. What I've learnt is that it can help or hinder what social enterprises do.

On the private sector side – social enterprises operating in the marketplace – one thing that government needs to do is to spread the message about social enterprise. Only one in four people in Britain know what a social enterprise is. That is a huge loss in terms of the people who might go into social enterprise, the people who might invest in social enterprise and those people who might buy from social enterprise.

And as Muhammad Yunus says, we need to create a separate class of company, which recognises social enterprise. In Britain, we created something called Community Interest Companies – there are 10 registering every week – which recognises the notion of an ethically driven business that wants to lock-in its community values.

So that's one thing we need to do, generate a sense of recognition of what social enterprise can do; that's not just government alone, it's government working with the sector.

I'm also interested in the idea of a social investment stock market, which I know the Skoll Centre has been looking into.

I think the other way that government needs to foster social innovation is in thinking about itself as customer; in particular, in the delivery of public services. I

think it demands in the future that we are far more open about the way we deliver public services, about who delivers them, about understanding that expertise and innovation come from the front line, not from the centre. It comes from those who know most about the particular issues being faced.

And social innovation is breaking down the traditional divide between professionals in public services and those to whom they deliver. Consider the way in which peer-to-peer support and engagement is growing, not just in the conventional ways we would think about but also in relation to healthcare. For example, where people with a chronic disease problem act in support of other users with that chronic disease is perhaps more important than their relationship with the professional. I think it demands a big change in the way we think about the organisation and delivery of public services and who has a major role in them.

There are profound implications for government of this movement, and that is my second point.

## **Politics**

My third point would be, what is the relationship of this to politics? How does social innovation engage with politics? My plea at this conference, not just because I'm a politician, would be let's not ignore politics in this. Bill Drayton is right about change-makers and what they can achieve, but I think it's also right to say that there are huge structural injustices in our society – many of which social entrepreneurs and innovators draw attention to – which cannot be solved without politics and governments.

Think about the trade rules and what they do in relation to developing countries. Think about the resources that social innovators often need to grow. Jamie Oliver, a famous chef in this country, has had a fantastic campaign to change people's perceptions about school meals and to say, school meals for kids are simply not good enough. But Jamie Oliver rightly recognised that it was for government to then invest properly in school meals. He recognised that politics was relevant to what he was doing.

I would also say here, that social innovators and social enterprise have a huge capacity to change politics. When I think about the most recent and successful social innovations, when you consider the environmental movement and what it's doing, it's about engagement with people and what they need to do in every day life. But it's also about engagement with government and realising that government has to change and government has to recognise that this is a problem.

When you think about Make Poverty History in 2005, which had a huge effect in this country, as well as elsewhere, I had eight-year-olds in my constituency

wearing wristbands and asking 'are you part of Make Poverty History'? That is about recognising that social innovation can drive huge change in politics. It's not about social innovation being separate from politics, getting on with its job separately and leaving politics to get on with it.

That is the point I would end on. Politics needs social innovation. Politics needs movements for social change. We need to think about movements for social change in a very broad way. Yes, it's about the environmental movement. Yes, it's about Make Poverty History. But, yes, it's also about what individual social entrepreneurs are doing in their everyday businesses.

### **Changing perceptions**

I'll end by mentioning one person in the audience, Amy Carter, who is the British Social Entrepreneur of the Year. Amy set up an eco-tourism business in Mozambique, which is environmentally sustainable, which is employing local people and is recycling those profits back to the people of the village in which it is based. That's an incredibly important innovation, and it is changing lots of people's lives. It's also important because it changes people's perceptions about what they should be doing and I bet you that anyone going on holiday to Amy's lodge comes back a different person; not only because they've had a nice time but because their perceptions have been changed about a whole range of issues.

I suppose my final plea would be that social enterprise has a huge ability to change business and to change the way the state operates but it also has huge potential to change politics as well, by changing perceptions.

I'm delighted to have had the chance to be here and talk to you and I look forward to the discussion.

Thank you very much.