Different ways of dealing with tensions: practices of (re)negotiation in local social economies

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Introduction

A wide range of organisations define themselves (or have been defined) as social enterprises, from workers' cooperatives to small community enterprises, or from big charities specialised in the delivery of welfare services to public sector spin-offs. For the purpose of this study, social enterprise is taken to mean the organisational unit of the social economy, recognising the diversity of legal forms, income generation modalities, motivational impetus and social objectives of these organisations. Mounting interest in social enterprise has brought to public attention fairer ways of engaging in the economy and has secured further resources for a traditionally underfunded sector. However, there has been a longstanding expectation for social enterprises to be efficient (i.e. profitable) businesses while meeting social aims. Indeed, the more social enterprise has risen as a government priority, the more it has been defined narrowly around the idea of a firm, or of a business model successful in combining social and economic goals (Dey and Steyaert, 2010; Teasdale, 2010).

Theoretically, the conceptualisation of social enterprise, albeit contested (Teasdale, 2012), has developed from a label used to describe a variety of organisations and activities worldwide (Kerlin, 2010; Teasdale, 2010) to an (assumed) economic entity (Hudson, 2009) often characterised as hybrid (Dees and Elias, 1998; Doherty et al., 2014). Blurring the boundaries between the notions of profit and not-for-profit (Dart, 2004), social enterprise creates contradictory prescriptions for action (Smith et al., 2013) and generates ethical dilemmas for managers (Dees and Anderson, 2003). The fact that managing business and social goals may generate challenges and tensions is recognised by many scholars, but what is less clear however is to what extent and how these tensions are reconciled. Three perspectives emerge from the literature: i) scholars who argue that the relationship between business and social goals generates tensions which are not reconcilable and thus there are trade-offs between the two (for example see Teasdale, 2012) ii) other researchers who argue that the presence of these tensions and the ability of organisations to harmoniously balance them is indeed the distinctive feature of social enterprises (see for example Dees, 1998; Defourny and Nyssens, 2006) and iii) those scholars, who instead argue for a middle

ground, where different strategies can be adopted to mitigate the effects of these tensions (Moizer and Tracey, 2010).

This paper seeks to contribute to this debate in the following ways. Firstly, it demonstrates the complexities at the heart of social enterprises, constantly subjected to diverse tensions, which are seldom reconciled. This paper argues that business and social goals are problematically related when social enterprises are confronted with a variety of motivations, values and pressures. Simultaneously solving social and/or environmental problems, engaging with markets, covering costs, and making a profit for social and/or environmental ends is an ambitious undertaking. Secondly, the empirical insights emerging from this study indicate that negotiating tensions is a dynamic process with different outcomes dictated by the context. This is a process laden with complexities and tensions, which requires continuous negotiation and the production of differentiated outcomes, as well as alleviates conflicting interests. It is the focus on these factors in the following analysis which distinguishes this contribution, namely by enriching our understanding of tensions through empirical evidence beyond single case studies.

Drawing upon the evidence collected through a qualitative study, this paper provides empirical insights into how different social economies work by reflecting upon the ways in which organisations deal with the tensions emerging from attempts to reconcile business and social goals. The research underpinning this paper adopted an ethnographic approach to study the social economies in two UK localities, namely the Greater Manchester and the Tyne and Wear city-regions. In both locations, significant policy efforts and substantial funding have gone into developing 'social enterprise' as a business with primarily social objectives (DTI, 2002), providing business solutions for the public good (ibid., p. 13). Through interviews and informal discussions with members of staff and other stakeholders, I was able to collate views about the lived experiences of the people involved and their own impressions of the organisations. By observing how these views were enacted in practice, I explored the ways of working and the ways in which organisations act and react to natural conditions. This "opened a window" (Scott and Teasdale, 2012) on the natural setting of the social enterprises. I focused on a process-driven and relational understanding of

how identities, places and events are produced and changed in practice (Hart, 2004). I also explored the institutional and social environment in which organisations operate, by immersing myself in the local socio-political context (Amin et al., 2002). By offering nuanced empirical insights, gained through an ethnographic approach, this paper unveils the complex reality experienced by social enterprises. It argues that tensions are always present in social enterprises and that these must be constantly renegotiated.

Reconciling business and social goals? Perspectives on tensions in social enterprise

While earlier research literature - enthusiastic about the notion of a socially entrepreneurial spirit in the third sector - embraced the idea that social enterprises create social and economic value (Dees, 1998; Dees and Anderson, 2003) or blend value (Emerson 2006; Alter 2004) by successfully combining social and economic goals (Dey and Steyaert, 2010), more recent accounts recognise the presence of tensions and trade-offs in the pursuit of economic and social objectives. These tensions are considered as inherent to the combination between the contrasting demands posed by the market and the social welfare logics (Pache and Santos, 2010; Smith et al., 2013). Indeed, the presence of tensions has become central to the definition and understanding of social entrepreneurship (Bacq and Janssen, 2011). However, there is still only a limited body of research on the lived experiences of 'doing' social enterprise. There is also little understanding as to the manner in which the 'double bottom line' is managed (Bacq and Janssen, 2011) in practice. Previous studies have focused on specific organisational forms, such as the Work Integration Social Enterprises (Teasdale, 2012; Pache and Santos, 2013) in order to illustrate that managing both social and economic goals is challenging and often leads to trade-offs. Pache and Santos (2013) argue that strategies can be used to limit many negative consequences associated with the act of negotiating tensions, thus highlighting the middle ground in the relationships between business and social goals.

Generally, these tensions have come to be understood as inherent to social enterprise because of the "hybridity" encapsulated by the latter (Bacq and Janssen, 2011; Pache and Santos, 2013). Different theoretical perspectives formulate a different understanding of the nature of tensions within social enterprise. For example, Smith et al. (2013) draw on four theoretical lenses in order to understand the

nature and management of tensions within social enterprises. Their findings indicate that the stakeholder theory provides insight into the pressures emerging from the conflicting demands of multiple stakeholders. The adoption of an instrumental justification to address tensions between stakeholders' demands informs the development of the mutually beneficial relationships social enterprises establish between various stakeholders (Laville and Nyssens, 2001; Smith et al., 2013). The organisational theory distinguishes between the utilitarian and normative identities of social enterprises, highlighting the tensions that emerge while creating an integrated identity and how "tactical mimicry" (Dey and Teasdale, 2013) can serve to explain the multifaceted nature of social enterprise (Teasdale, 2010). The use of the paradox theory refers to the contradictory yet interrelated elements that exist simultaneously and persist over time (Smith and Lewis, 2011) providing further understanding as to the nature and management of multiple tensions. In certain circumstances, the process of exploring and exploiting tensions can lead to a competitive advantage (Smith et al., 2013). Finally, the institutional theory suggests that environment creates demands for the organisations (Di Maggio and Powell, 1983), both in economic and social terms. Institutional scholars tend to refer to organisations embedding such competing logics within their core as hybrids (Smith et al., 2013) and recognise that the increasing pervasiveness of hybrids results from the prevalence of a pluralistic institutional environment (Pache and Santos, 2011, 2013).

Different authors however place different emphasis on these tensions, on their form/nature and mostly on the extent to which organisations may (or may not) overcome them. For example, some authors suggest that the value and distinctiveness of social enterprise is indeed associated with the tenuous balancing (Grant, 2014), without which organisations would simply be either for or non-profit. Embedded in this notion is the idea that social enterprises generate social and economic value (Dees, 1998). The idea of reconciliation is often used by scholars either in order to depict the ability of social enterprises in an attempt to balance different economic relations - the social, economic and political dimensions integrated in the "ideal-type" (Laville and Nyssens, 2001) – by combining the characteristics of the economic and social spheres (Defourny, 2001), or indeed in order to enhance the social impact of productive activities, thus highlighting the innovative approaches generally taken by a single, skilful

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individual, who seizes opportunities and uses his/her entrepreneurial skills, to earn money by solving social problems (Dees, 1998; Leadbeater, 1997; Alter, 2004). Other scholars (Alegre, 2015) believe that different types of social enterprise experience different degrees of 'intensity' of the tensions between the social and the economic aspects and as a result some harmonise them better than others. For example, from Alegre's perspective, the severity of the tensions depends on whether the social enterprise focus is on the input (e.g. organisations such as those of the Fairtrade market), the process (e.g. Work Integration Social Enterprise - WISE) or the output (e.g. microcredit).

Other authors (for example: Dees and Anderson, 2003; Bull, 2008; Teasdale, 2012) warn against a tension between the social and the economic aspects in social enterprise, which is likely to result in challenges (Austin et al., 2012) and trade-offs (Teasdale, 2012). Drawing on extensive literature and case study reviews, Dees and Anderson identify the challenges experienced by social enterprises and warn social entrepreneurs that "market forces and potential incentive problems can lead even the best-intentioned social entrepreneurs astray" (Dees and Anderson, 2003:7). Teasdale's (2012) qualitative exploration of six work integration social enterprises operating in the homelessness field revealed that the tensions inherent to the model are rarely overcome unless additional support is provided to organisations. Consequently, in the majority of cases, organisations faced a trade-off between social and commercial considerations. Others (for example: Smith et al., 2013; Doherty et al., 2014; Cornforth, 2014) recognise there is some middle ground whereby strategies can be used in order to limit the consequences of negotiating tensions. For example, Moizer and Tracey (2010) indicate there are at least three strategies social enterprises can adopt in order to overcome the tensions in their pursuit of both social and economic goals, namely by separating social and commercial missions, integrating them so that they are not easily separated by customers (ibid.: 262) or building alliances/partnerships with for-profit firms. However, these considerations provide little reflection as to the nature of these tensions and the practical implications in pursuing these strategies.

The research underpinning this paper sought to understand whether and how social enterprises reconcile the tensions emerging from managing business and social goals. By exposing the ambivalence and dilemmas associated with the day-to-day practices, this paper argues that negotiating tensions is an on-going process, approached in different ways by different types of social enterprise (dependent on their motivations and therefore ethical underpinnings), but also constrained by external forces - market conditions and/or public sector contracts. In doing so, this contributes to toning down the emphasis placed on the rationality of the economic actors posed by managerial accounts (Dey and Teasdale, 2013:250).

The empirical investigation: an ethnographic approach

Given the exploratory nature of this research, the aim was to approach the field in an attempt to learn and question the "inherited givens" (Gibson-Graham, 2006) about social enterprises and their ability to combine business and social aspirations. Ethnographic approaches have been extensively used by human geographers as a means to explore relations, as well as spatial and cultural interconnections, *performativity* and the creation of meaning through interactions, negotiations and practice. Similarly to other methodologies, ethnography entails different variants (Hammersley and Atkinson, 1983). As Ley (1974: 121) stipulates, such research "is concerned to make sense of the actions and intentions of people as knowledgeable agents; indeed, more properly it attempts to make sense of their making sense of the events and opportunities confronting them in everyday life." This paper draws from this rich tradition that values the active participation of the researcher, as a mode of engagement in the lives of others, offering scope for more in-depth reflection and critical dialogue (Hörschelmann and Stenning, 2008).

Teasdale (2010) noted that organisational impression management enables the social enterprise to be *seen* as a different entity by each resource holder, and in this manner it can artificially demonstrate that it is capable of meeting each individual and conflicting demand. Organisations therefore can be found to "perform" the (ideal-type of) social enterprise in order to acquire resources and to gain legitimacy (ibid.). Ethnography can make it possible to better understand this performance, because as Herbert argued, it

offers "uniquely useful methods for uncovering the processes and meanings that undergird socio-spatial life" (Herbert, 2000: 550). Drawing from multiple sources of evidence in order to disclose bias and/or "self-representation", this research sought to understand "how things work" in organisations (Watson, 2011: 204) that define themselves or are defined as social enterprises. This was achieved on the basis of close-observational or participative methods undertaken between 2010 and 2011 in two locations in the north of England: Greater Manchester and Tyne and Wear. Despite sharing a common industrial past, Tyne and Wear (North East) and Greater Manchester (North West) have developed distinct approaches to social enterprise: "managed" versus "laissez-faire", respectively. The former reflects the central role of statutory agencies in developing social enterprise through funding, support and endorsement. Conversely, the latter denotes a free-form attitude towards social enterprise development, which involves a plurality of actors and ambivalent statutory agencies (for a comparative discussion on the findings see Author). This emerged in a clear manner from an early review of the Regional Economic Strategies[1] (RES), which revealed varied regional approaches and understandings of social enterprises and their role in the respective regional economies.

I spent six months in each location engaging with 20 organisations to varying degrees of intensity, which were selected to reflect the heterogeneity that constitutes social enterprise. This included organisations which can be characterised as adopting different legal forms (Community Interest Company, charity with trading arm, Industrial and Provident Societies etc.) and operating in a variety of sectors/fields. The sample was also reflective of the various stages in organisational development, so as to include younger and more established cohorts and to assess whether commercialisation or business orientation increased with the age of the organisation (Amin et al., 2002). The interaction with such a multitude of organisations has resulted in the study losing some depth while gaining a broader perspective in relation to the practices within social economies.

In Greater Manchester, snowballing techniques were used to draw the sample as there was no pool of data available from local intermediary organisations, whereas in Tyne and Wear the regional social

enterprise network provided a comprehensive list of organisations. The primary data collection was based on (semi-structured) interviews and unstructured participant observation (Gilbert, 1993). This entailed spending time in the organisations and being involved in a variety of activities. It was indeed this participatory element of the research that stimulated my investigation into the different means in which the relationship between their business and social goals is managed. Through interviews and informal discussions with members of staff and other stakeholders (beneficiaries and partner agencies), I gathered a range of perspectives on the lived experiences of the people involved, their own impressions of the organisations, the ways of working and the ways in which they act and react to change. Reviewing secondary data and organisational publications, I developed a contextual understanding and probed specific inconsistencies that emerged from the research. However, despite the combined use of methods, it is worth noting in this context that there was a significant variation in their application, particularly as I transitioned between participant and non-participant observation in conversations, board meetings, staff meetings, client meetings, workshops, and sometimes a more active participation in daily organisational tasks. There was also a significant variation in the breadth and depth of interviews and observations from case to case, reflecting the specific features of each organisation.

Interviews were recorded and transcribed shortly afterwards, wherever possible. When carrying out observations or simply when involving members of staff, volunteers and/or beneficiaries in conversation, the dynamics of the interactions required a flexibility that would have been jeopardised had I recorded the material or indeed taken notes. In such cases, I noted the conversations and my impressions after their occurrences. Indeed, keeping notes on the impressions that each situation triggered was particularly important for making sense of the data. After most visits to organisations (or interviews) I wrote a few comments on the event and my impressions on the people and the place. This proved useful during the analytical phase, as it made it possible to better understand the events. The analysis was interpretative, with the intention to advance our understanding of a complex phenomenon, relying on the importance of each case and seeking to produce an overview, thus revealing the complexity thereof rather than reducing it. The subsequent sections of this paper present an interpretative reflection on some of the

findings of this research, illustrating practices as I observed activities and events, presenting anecdotes from the field and reporting extracts from recordings and/or interview notes. In a sense, the following sections therefore present the final stages of the process of sensemaking. During the initial phase of the analytical process, the existing theory was combined with my own interpretations. By moving back and forth between the existing literature and the research context, the analytical categories became more convincing. I have anonymised the organisations and participants in order to maintain their privacy. The overall aim is thus to present the breadth of data emerging from the field, to reflect on the variety of tensions and different ways they were dealt with by different organisations and to demonstrate that the reality is more complex than existing theoretical arguments.

Diverse experiences of tensions

Contrary to idea of balance, and/or dual value creation, this study has found that organisations are immersed in a process of constant negotiations between diverse and competing goals, motivations and commitments, which often lead to trade-offs. The nature of the tensions and challenges arising however varies, entailing differing implications depending on the circumstances, motivation and the market in which the organisations operate. In this section, these differences are briefly explored – as they emerge from the ethnographic data – in order to reflect upon the complex space intersecting the interests of beneficiaries, funders, and staff (i.e. the organisations themselves).

In general, social enterprises, similarly to other organisations, operate in a volatile environment where changes can occur unexpectedly. These changes exert an impact on finance, which in turn dictates what happens to the social aim, with different implications depending on whether organisations operate in consumer markets or public service markets. Organisations dealing with people needs, for example providing services to the most disadvantaged groups in society, are confronted by complex (ethical) dilemmas when it comes to making financial decisions that impact either their clients or their organisations (staff numbers, wages). As one of the local stakeholders noted, there is a difference between what could be called ethical businesses and public sector social enterprises:

> *"There is a great difference between businesses with ethical principles and organisations delivering services on behalf of Local Authorities - or the NHS - forced down the route of procurement. These are dealing with real people coming through their door with significant needs."* (Greater Manchester Voluntary and Community Sector Stakeholder)

As this quote alludes to, the difference lies in the implications entailed by different choices. In most cases, public sector social enterprises were said to be struggling to maintain sufficient income levels in order to guarantee service delivery and were often involved in "*playing the game with local authorities and other funders*" (Organisation 4) to win contracts. Most organisations in this study benefited from public contracts and some of them had learnt how to fully benefit from these contractual agreements through the years. For example, one organisation disclosed that they were extremely thorough in pricing their services, sometimes down to minute details, as otherwise they would have lost money. However, as the development officer of one of the organisations said "*underspend goes back to the commissioner, all the costs need to be considered: like bus tickets for clients to go to an interview and more! But mainly it is about not working at a loss*" (Organisation 15).

The greater the beneficiary support, the more resources organisations need to deploy in order to provide a quality service. This is seldom recognised in contractual agreements and organisations tackled this matter in different ways. For example, changing from flexible New Deal to the payment by result systems employed by the Work Programme meant that some organisations had to focus exclusively on delivery, withdrawing other services and placing people into jobs, whatever the job. With little time to look for quality placements, one trade-off was to focus on beneficiaries who were easier to place, providing further evidence of the existence of "creaming" and "parking" in welfare to work programmes (Carter and Whitworth, 2015). In conversation with various members of staff it became clear that the organisation, by necessity, had to focus on those people that were more skilled and able to find and keep a job, and not necessarily on those most in need, as was their original aim. When I visited their offices, and reviewed their reports, I was surprised to find out that despite being in area of the city where small

businesses were thriving, they had not developed any links. In confronting some of the staff members and the management team about this, I received the same answer: "*It is difficult working with local employers as they can't pay a minimum wage, so we rely on big employers like Asda*" (Organisation 10). However, in further conversations, a different narrative had begun to emerge, which reflected the need for the organisation to find quick solutions in order to release payments since "*the employment sector is all about outcomes now and the funding/payments follow the achievements. We must to find placements quickly or we won't get paid*" (Organisation 10).

Throughout the fieldwork, it became increasingly apparent that even those organisations that displayed a business orientation from the outset, for example organisations seeking to exploit sectors underserved by the mainstream (i.e. organic food sale) could not claim a secure position when confronted with these tensions. Despite establishing their offer through a solid client base and expanding organically by investing in ventures consistent with their ethos (i.e. buying land to develop organic farming), these organisations were still vulnerable to market changes. For example, in the case of Organisation 1, the tension between the choices of ethical products, profitability and keeping abreast of the constant changes in the corporate world (e.g. buy-outs), resulted in the adoption of flexible ways of working, experimenting with different ways of doing things and learning through "trial and error". The strategy adopted was to liaise and cooperate with network organisations such as Ethical Consumer or Corporate Watch, as well as local informants, groups and movements in order to share valuable information. Indeed, while carrying out the fieldwork, one of their key suppliers was bought by a multinational company. I noticed however that the shop kept the product on sale but had added a "did you know?" note informing the clients about the corporate buy-out. When I asked for clarification about this, I was told that this was in fact a technique to overcome the issue of buy-outs (often occurring in this line of business) while being able to sell the stock without losing money (as they had a significant amount of products in stock). In this manner, it was also possible to introduce alternative products while discarding

the remaining stock, thus leaving the choice to the customers. This extract from an interview with the marketing officer explains:

> "*People coming to the shop want a trusted brand; a trusted provider where they know what they are getting is certified. […] It is fundamental to always keep a close eye on things, monitor and in this business keep on top of information. We have to always monitor sources, of all types not only products sold but those used within the shop, down to the cleaning products. Our clients are well informed, so it is important to keep up to date*" (Organisation 1).

Organisations tend to opt for transparency, sharing information among the various stakeholders, and redefining market relations based on trust, in this way creating a space for longer-lasting, fairer relationships to emerge. For organisations selling "ethical" products - traded and produced fairly - maintaining the trust of the customer is fundamental, as it shows that these organisations are true to their values and credible. From a business perspective, it is their unique selling point, and from a social perspective it is their ethos. In the case of this organisation, this is evident in the way the shop is run and organised. It is furnished with recycled materials/items and provides only recycled bags while encouraging customers to reuse their plastic bags and collect other items for disposal. In this way, it has developed a "reputation" in the local area for the way it remains true to its principle.

Some organisations have built credibility among their stakeholders (whether customers, employees, volunteers and/or funders) by focusing on quality and operating ethical working practices, which has sustained them in both good and bad times. In practice, this means that employees are willing to accept lower wages and/or customers to pay higher prices in order to reflect the cost of producing organic food. The emotional attachment and commitment (Ridley-Duff, 2008) these organisations mobilise among their customers and employees or volunteers also contributes to their achievement. However, enterprise-specific characteristics alone are not sufficient to explain their success. A valuable product and location are also key contributors towards their success. The profitability of ethical products and/or services is

based upon their quality and a shared recognition of this quality (i.e. buy in from customers). Indeed, Organisation 1 was located in neighbourhoods populated by "ethical middle class" residents who wanted to buy their products, sharing the same ideas as environmentalism. Similarly, the people employed in this organisation were environmentalists and alternative lifestyle seekers that shared the same principles of sustainability and environmental values. Being an "ethical company" for them is not about aspiring to become one, rather "*it is embedded within everything the organisation does and the high ethical standards of all the members*" (Organisation 1). It could be argued therefore, that when there is a commitment to the cause, beneficiaries and customers are also willing to share the costs of a resource intensive product.

Diverse ways of dealing with tensions

Generally, when time and resources were available, organisations were found to reflect and debate the ethical implications of change. The example of a second-hand furniture provider (Organisation 3) aiming to recycle and sell low-cost items to people in financial difficulties is indicative of this. While working with them, questions about the stock emerged (an issue that has frequently appeared) particularly as to whether the principle of recycling should be prioritised over that of providing people in need with furniture. Essentially, some members of staff wanted to buy new furniture (e.g. beds and white goods) in order to fulfil the social aim without penalising or marginalising customers and to avoid the creation of a "market for the poor". However, other members of staff saw the initiative to purchase new items as a drift from their environmental aim to recycle and reuse unwanted goods. This on-going debate in board meetings and staff shop-floor discussions formed the basis of the democratic, ethical decision-making process. All proposals are vetted against the "ethical framework" - what it stands for - of the organisation and in seeking evidence on whether this route should be pursued or not, all members of staff along with the board members participated in the wider debate about organisational values. It is through this process that organisations pursue their ethical commitments, and make decisions about their future activities.

However, the same organisation in a different situation revealed a different way of dealing with tensions. While showing a strong commitment to their "reuse and recycle" mission I realised that Organisation 3 engaged in poor quality work practices. For example, the small administration team was working on very low (sometimes no) wages and on precarious contracts. While this was justified as exemplar of "loyalty and commitment" to the organisation, some of the employees disclosed the unease associated with short-termism and job insecurity. Moreover, in order to sustain the commitment of the numerous volunteers - which formed the backbone of the organisation - some promises were made that were later not fulfilled. As my notes from one visit to the organisation's premises indicate:

> "*One of the people I spoke to was working there on a six-month contract, part of the Lottery Fund. He was a volunteer before and he had been for a while. Unfortunately, his contract is coming to an end so it is the last few days he is going to join the [name omitted] team. He was annoyed by the fact that the management at the [name omitted] has raised his hopes making him believe that there was going to be a chance after the Lottery and then a few days before the end of the contract he was informed that there was no chance! Now he has nothing else to do but continue to volunteer.*"

The second example is that of Organisation 6, a recycling and waste management social enterprise that also runs a national charity franchise aimed at fighting food waste. Franchises generally engage volunteers (people out of work and who need to gain skills) to collect food from retailers and then distribute it to organisations providing catering for communities in need. The national charity was financing the franchisers to deliver the food but in 2010 - at the time I began the fieldwork - a significant reduction in their funding required the franchises to cover their costs. Organisation 6 faced the issue in consultation with the various groups benefiting from their food donations. It presented the community food members with the problem and suggested the need to introduce payment for the food parcels that were previously free. The idea of trading the "unwanted" food for money was not welcomed by many people within the organisation as it opened a complex "ethical" space between the community food

network beneficiaries, waste food priorities and the needs of the franchising organisation. As one employee argued:

"*A membership fee introduces a purely commercial relationship. Basically if you don't pay you don't get the food. But food needs to be shifted as that is the purpose of the programme. But how does this sit with the ethos of* [name omitted] *that is to give food away?*" (Organisation 6)

Organisation 6 did not want to introduce a flat fee, as smaller groups would have then suffered. It was a tense time, with ongoing discussions among team members and the management about whether to work firstly with bigger organisations and see whether they would contribute in order to enable smaller groups to benefit from free unwanted food. However, when Organisation 6 finally consulted with the community food members, they found that small and large groups were happy to support this initiative by paying a fee for the food delivered. They saw it as a fair exchange and they called it a "solidarity payment" that enabled Organisation 6 to sustain the activities. The community food members decided to share the cost in order to support the continuation of this environmental and social service. However, food waste is not a priority for this organisation, relative to its core work in waste management and recycling. After having pioneered this market, they are facing fierce competition by private sector firms that keep low overheads and compete on prices, driving them effectively out of the 'waste market'. While Organisation 6 is aware that their unique selling point is indeed their (perceived or real) "ethical" (environmental and social) stance to maintain operations, and generate income, they are struggling to maintain their market position and, at the time of the study, the charitable side was subsidising the business, in contrast with much of the assumptions often held about social enterprise sustainability (Leadbeater, 1997; Drayton, 2011). Practically, this meant that the management was preparing to make people redundant. In fact, during the several board meetings I attended, the first figures investigated by the attendees were those of staff costs, as they believed that the only way to overcome this tension was to reduce expenditure. The debate was ongoing as the fieldwork was being conducted, but it was clear that the job security of many

employees was once again the trade-off in the management of the relationship between business and social goals.

Finally, I want to discuss the example of a social enterprise (Organisation 16) operating in the field of homelessness, providing accommodation and training and employment programs. These volunteering, training and educational opportunities are delivered through a series of initiatives including some income-generating ventures, such as a maintenance service, a second-hand clothes shop and a franchise of the same national unwanted food redistribution charity discussed in the first example of this section (for Organisation 6). The beneficiaries are guided throughout their training and volunteering, and supported by case workers who help them identify activities that might help. In my notes, taken after one of the visits to the organisation, the individualised approach is evident:

"*When Eva started she had training and she also had a mentor looking after her, she said: 'This experience has given me my life back!' The support group she is part of is the [name omitted] Women's Support Group and Eva has her own support worker who explained the various options and helped her with the application. The support group works with the* [name omitted] *and they do gardening, breakfast on Wednesdays, including women from all walks of life and ethnicities. There is also a crèche for mothers attending the meeting*s."

While the organisation's reputation both internally (among volunteers and staff) and externally (stakeholders) reflects the validity of this approach, throughout the course of my engagement, it became clear that their main dilemma was to manage the needs of clients (users volunteering) and the business duty of the various ventures implemented in order to accommodate the training needs. The manager of the second-hand shop for example had to deal with volunteers either not turning up or coming to work in an unfit state. In conversations, she disclosed that when an individual was becoming a problem for the shop, other ways to accommodate his/her needs are sought within the organisation, ensuring for instance that training is provided under different circumstances. However, during my observation of the shop's activities I could only see a limited number of beneficiaries and students working alongside the

shop manager and two paid employees (from retail and fashion backgrounds). Throughout the process of observing and being involved in the shop's activities, it became apparent that the idea was to develop the shop as a revenue-making opportunity and turn it into a thrift boutique. This revenue-making venture which was supposedly developed in order to support previously homeless people accessing training and employment opportunities, appeared instead to rely on paid members of staff and on the most competent volunteers, thus "creaming off" (Teasdale, 2012) in order to generate income rather than accommodating the needs of the clients.

Discussion

The empirical sections reflect the focus on two main sets of findings emerging from this study. Firstly, and perhaps less surprisingly, there are varying tensions between the "social" and the "economic" factors in all social enterprises (Hudson, 2009) reflected in the examples of the organisations' experiences of various pressures. The conflicting demands stemmed in some instances from an attempt to be inclusive while generating an income in competitive conditions, as was the case of those organisations subjected to changes in the contractual agreements (i.e. Work Programme introduction). For other organisations, changes in the market in which they operate brought to the fore considerations as to how their environmental commitments ought to be pursued without losing income. Exploring the different degrees of tension organisations faced throughout the time I was involved with them, indicated both variety and volatility. Changes in the market in which the organisations operate - whether public (e.g. changes in funding criteria) or private (e.g. corporate take-overs) indicate that many challenges faced by organisations are circumstantial or time specific, and organisations were found to experiment with different solutions, reacting in line with their motivations underpinned by the circumstances at that moment in time. For example, the conversations with some public sector social enterprises revealed that for some, "creaming-off" (Teasdale, 2012) was the solution the organisation had found in order to overcome the challenges introduced by the Work Programme payment by result. Other organisations (15) had instead opted for a comprehensive costing that enabled more flexibility for action - playing a game

with the funders. Similarly, organisations operating in the mainstream market are also faced with (different) challenges, such as corporate take-overs. The examples discussed in the previous sections indicate both cases of progressive practices, such as the "did you know" policies adopted by some, and the reactive practices privileging the financial interests of the organisations over those of the employees – as was the case of Organisation 6.

These findings indicate that it is not the intensity that changes between different organisations (Alegre, 2015), instead it is the practices employed to negotiate these tensions that create very different consequences. For example, the choices made by public sector social enterprises in dealing with the tension between their social and economic goals have the potential to harm people more directly and severely than those social enterprises that sell organic products. These findings resonate with Teasdale's (2012) recognition of the challenges in managing the relationships between social and economic objectives and Alegre's (2015) differentiation between tensions and motivations.

Indeed, similarly to the analysis conducted by Teasdale (2012) on homeless work integration social enterprises, what emerges from this study is that organisations adopt various implicit and explicit strategies in order to negotiate the tensions associated with the pursuit of a social aim while competing in the commercial marketplace. However, it further problematises the inherent complexity in social economies by suggesting that organisations constantly renegotiate the shift of tensions, depending on their circumstances. As pressures change, organisations renegotiate their position depending on what is the most immediate threat in that moment in time. The same organisation therefore behaves differently in different circumstances, renegotiating the relationship between their social and the economic goals. The examples presented above illustrate this dynamism, by indicating how in some circumstances the same organisation (Organisation 3) privileges environmental goals over the economic ones, whereas in others priority is instead given to the economic interest of the company over that of its employees/volunteers. In this description of how tensions between the economic and social are managed, there is no balance (Grant, 2014) or dual value creation (Dees, 1998). These examples

emphasise the dynamic nature of the practices enacted, as the product of constant negotiations, experimentation and conflict-resolution over needs and opportunities. These diverse practices act as resources, that when guided by the principles of solidarity and reciprocity contribute to the consolidation of mutual recognition and work for the common good, as revealed in the example of the solidarity payment of Organisation 6. However, within the same organisation, practices hostile to the employees were also going to be enacted in order to favour the immediate earnings of the organisation. This dynamism is often neglected in the extant policy and academic literature, where there is a scarce appreciation of the implications of everyday engagement in the social economy, and where discussions are dominated by binary interpretations of reconciliation and/or trade-off.

The empirical evidence of this paper therefore offers a novel understanding of the ways in which organisations were managing the relationship between social and business goals. Practices were found to vary depending on the circumstances as organisations renegotiate shifting tensions. Ultimately, this paper speaks to the understanding of the relationship between social and economic goals as an on-going process of experimentation with different practices, of negotiation among various interests, motivations and priorities. It is also dependent upon the context in which the organisations operate, where they are located, which determines much of the nature of the relationships they forge with various stakeholders and the statutory recognition/response (Mazzei, 2016). Indeed, those organisations that have managed to sustain their "ethical" consistency tend to operate in a context in which other stakeholders assume some of the "responsibility" or indeed costs, as alluded to by Teasdale (2012).

Conclusions

The evidence discussed in this paper shows that attempting to reconcile shared but competing goals and commitments is a process involving on-going reflections, explanations, and recurrent negotiations. Indeed, managing tensions is an on-going process that is approached in different ways by different types of social enterprises (dependent on their motivations and "ethical" underpinning), but also constrained by external forces - market conditions and/or public sector contracts. The main contribution of this paper

- and the ethnographic approach adopted - is to demonstrate how these tensions must be constantly (re)negotiated. Policy demands and expectations should recognise the difficulties and complexities organisations driven by ethical commitments face in balancing these with the financial objectives thereof, and should rebalance the emphasis on self-finance through trading and/or contract delivery accordingly.

In concluding this section, I want to reflect upon the use of ethnographic approaches to study social enterprise. Ethnographic approaches have been used by geographers in order to understand the trajectories within the social economy. For example, Graham and Cornwell (2009) provide a snapshot of the activities of two social economy organisations in Massachusetts using ethnographic data in order to indicate the dynamism behind building community economies. While the work of Amin (2008) indicates that although much of the current literature and policy discourse foregrounds the social entrepreneur as the life and blood of a social, ethnographic research, successful social enterprises are sustained by a distinctive set of actors. This paper is therefore situated within a tradition of using ethnographic approaches in order to better understand the diversity of practices and tensions which characterise the existing experience of social economies. Through observation and participation in the localised practices of organisations in two distinct settings, this study has unveiled some of the on-going processes of experimentation with different practices of decisions on conflicting issues and of negotiation among various interests, motivations and priorities, which underpin much of what pertains to "social enterprise" activities. On the one hand, this approach provides an opportunity to gain insights into everyday practices, as they occur in their natural settings. By doing so, it provides empirical evidence that contrasts the assumptions often formulated about the ideal type of social enterprise (Leadbeater, 1997; Drayton, 2011) evidenced by Organisation 6, where the income generated to sustain their operations was the result of grants (charitable side) rather than of the commercial waste management services. The disclosure of such information once again validates the ethnographic approach given that it was the result of in-depth engagement with the organisation, gaining not only access, but acceptance.

On the other hand, by its exploratory nature, this study can offer but a "window" into the varied size and shape of social/organisational life (Scott and Teasdale, 2012) and the dynamic and contradictory processes at work in voluntary organisations (ibid.). As indicated earlier in the paper, there was a significant variation in the use of different methods of data collection and the breadth and depth employed from case to case, depending on the nature of the organisation and its remit. This brings me to my positionality in the research and my ability as a qualitative researcher to capture and make sense of what I was witnessing. Whilst I am confident in my research skills, I endorse Scott's view stating that it is inherent of qualitative research (where a fieldworker operates alone) that the intensive involvement in one corner precludes comparable access to another (Scott, 2010: 17). Focusing on some aspects might preclude the observation and the understanding of others, and the skills of a researcher are always inadequate when compared to the complexities of life. Moreover, and perhaps more practically, in order to obtain a reliable picture, the observation must often continue for a long time, and the unevenness of the observations conducted and perhaps the size of the sample might have precluded this. However, this study sought to understand whether and how social enterprises in their diversity reconcile business and social goals; therefore it was deemed necessary to have a broad sample. A critical reflection upon the positionalities (Hopkins, 2007) of my role as a researcher, such as my level of involvement with the organisations, the consultation process, and the participation allocated to the different groups has underpinned much of this work. I feel that throughout the research process I have kept this in mind, alongside the need for securing participation.

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