

Social entrepreneurship in the uk

Business



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UK social enterprises have played a significant role in creating employment for more than 800, 000 people. However, the expansion of social enterprises is hindered by financial problems. For example, 2011 report by the Social Enterprise UK (SEUK) indicates that the public sector, the major beneficiaries of the social enterprises only contributes 19 per cent to the total revenue of the social enterprises (Andrew, 2012). Even though large banks such as Barclays, HSBC, RBS and Lloyds have significantly financed the social enterprises, the impact of middle financial institutions has not been experienced making the social enterprises to result to crowdfunding as the major source of revenue (Othmar, 2012).

Entrepreneurs are now focused at other sources of funds including leasing companies that provide office equipments especially when there is stability in the cash flows (Weerawardena and Mort, 2006). In the same way, government agencies have also been involved to provide subsidies, credits and grants. These are significant especially for the projects that can be managed sustainably. For the small entrepreneurial initiatives, bootstrapping has been the major source of income.

The additional sources of revenue for instance crowdfunding can work especially based on the increased use of social sites such as facebook and twitter. Since the public, banks and the government are aimed at creating a strong linkage, Ridley-Duff (2009) argues that the solutions to financial issues that social enterprises are facing will be effective.