

Preventing Recurrent Homelessness through Social Capital & Social Enterprise

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Presentation to the Social Capital Working Group

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Research aims: “Social regeneration” for “social poverty”

This presentation discusses the *Change Centre* project in Glasgow, and shows:

- How communities of interest emerge to propose social regeneration solutions based on social capital, emphasising actors’ empowerment, inter-generational and inter-group cooperation and social inclusion
- How suggested solutions balance at the same time the need for social inclusion of temporarily disadvantaged categories (homeless people) and the need for social inclusion of wider publics (young people, residents in general).

Problem: “social poverty”

Loneliness and isolation as sources of illness, not confined to areas of deprivation but across regions, social groups, and income categories

Paradoxes of the socio-economic development model dominated by material and technological progress

Intended solutions, such as for example redistributive welfare policies or some spatial regeneration experiences, run the risk of increasing protectionism, inequalities and isolation, not only of single persons but also of entire communities (see Barber and Hall, 2008)

Sacchetti and Borzaga, 2017

Addressing “social poverty”

Social poverty (quoting Sacchetti and Borzaga, 2017):

“paucity of those relations that are not necessarily mediated by power asymmetries, authority, contracts and prices. It occurs when relations are dominated by consumerism, opportunism, and protectionism, and when conflict is high, leading to an erosion of other relational types based on cooperation and, ultimately, to isolation and feeling of not counting”

(Sacchetti et al. 2009; Hirschman, 1979; Sacchetti and Campbell, 2014)

Homelessness in Scotland/UK

A report by CRISIS in 2015 highlighted emerging trends in homelessness in Scotland:

- 61% had four or more support needs, in particular mental ill health, a significant period of unemployment or having served a prison sentence
- 52% have had three or more experiences of homelessness
- 44% of people found the assistance they were offered useful

Past policies

The Christie Commission published in 2011 on the Future Delivery of Public Services called for Scotland to make a “*decisive shift to prevention*” by transferring resources from reactive policies and towards those that seek to prevent negative social outcomes.

*“Despite a series of Scottish Government initiatives and significant growth in public spending since devolution, on most key measures social and economic inequalities have remained unchanged or become more pronounced... **A cycle of deprivation and low aspiration has been allowed to persist because preventative measures have not been prioritised.** It is estimated that as much as 40 per cent of all spending on public services is accounted for by interventions that could have been avoided by prioritising a preventative approach. “*

Beyond traditional welfare

“To re-build rich nexuses of social relations, economic policies cannot be conceived ... as an exclusive prerogative of the central authority and cannot be based only on monetary transfers and standardized social services.”

Sacchetti and Borzaga, 2017

Cooperation and social capital

- For social capital theory cooperative outcomes require trust between and among social actors
- Cooperation may reach actors' close bonds, bridge between different groups, or link actors across decision-making layers within and between diverse levels of enterprising (Woolcock, 2001; Putnam, 2000).
- Social capital has informed developmental models around the world (see Campbell and Sacchetti edited issue in J Entrepreneurial and Organis Diversity, 2017).
- **However, social capital on its own does not address the problem of continuity and persistence.**
- Social capital is one element of a broader situational context (consistent elements must be in place to make it work – Spaces framework by Sacchetti and Campbell, 2017)

Social capital and spaces framework

Sacchetti and Campbell's 'Spaces Framework' was developed to support models grounded on social capital and aimed at the creation of social and environmental value, through reduction of social poverty and sustainable development principles. The Spaces Framework defines a multi-dimensional approach where four spatial dimensions interact:

- a) physical space,
- b) policy space,
- c) relational space (social capital)
- d) organisational space.

Sacchetti and Campbell, 2017

How the change centre project emerged (mix of bottom-up and top-down drivers?)

- Found, David Duke, became homeless at 21 when his father died. After outstaying his welcome at friends houses, David ended up living on the streets. Then came some years of staying in hostels that were a downward spiral of no hope, depression, drink and drugs
- Change came for David when he volunteered for the Homeless World Cup, which led him to set up his own social enterprise Street Soccer 2009
- Christie Commission signalled a change in Government policy toward prevention, Community Empowerment and social enterprise, 2011
- Now David believes that prevention through positive relationships in a well designed centre can change the deliver positive change, described in the Scottish Government's new policies

The Change Centre

An attractive environment, relationship building and putting trust at the core of what it does to achieve change

A strengths based approach seeing each individual as unique and worthy of being part of the Change Centre

Creating a space to build strong social networks around people who have found themselves isolated in that past, providing them with a sustainable asset that can act as a springboard for the future, as a basis for preventing them from ever becoming homeless again. This is enhanced by collaborating with their sister organisations the Homeless World Cup and Street Soccer Scotland to create an extended journey of positive experience and ensure the cycle of homelessness is less likely to be repeated.

A functioning business that reinvests surpluses (a social enterprise) from hiring out various spaces, back into the Centre, reducing cost to the public purse and delivering services for the local community

The Change Centre



The new approach to social regeneration

the public value is generated by inclusion and participation through the spatial dimensions, as they interact with one another. Value can be activated in two steps, as in Sacchetti (2014):

- Ex-ante, during the process of policy and project design, which includes public engagement and deliberation amongst users and community stakeholders, as well as engagement with policy actors on welfare, health and wellbeing, as well as urban planning for the construction of the physical space.
- Ex-post, as users experience the public spaces and the activities.

How the project is expected to decrease social poverty over time

These two phases activate social capital at different levels (bonding, bridging, linking), contribute to change the approach towards the marginalized, their welfare and life experience, and to transmit solidarity values and cooperative behaviours amongst community.

- Should the new values reach a critical mass across the four different spatial dimensions, they will be responsible for a widespread change in the nature of the services, processes and outcomes. (Sacchetti and Campbell, 2017, Pestoff, 2012; Ostrom, 1996).

Preventative Benefit

- The social costs with regards homelessness that will be offset range from an average of **£20,000** per person (The Scotland Institute, 2016) to hundreds of thousand (UK Department for Communities and Local Government) in the most difficult cases.
- Given that Change Centre is likely to have similar or better outcomes than its sister organisations in the Homeless World Cup and Street Soccer Scotland, we can anticipate in the region of **£500,000** annual savings through successful outcomes of 70% of the resident players. In addition, Change Centre will invest **60% of the cost of running the centre** from income generated through the social enterprise model. The social cost saving then for this model of support for homelessness is in the region of £1 million per year.
- Within 5 years Change Centre will have covered the initial **£5 million** investment. There after for the foreseeable future it will be reinvesting at least £1 million every year as well as offering transformational opportunity to 32 people at risk of homelessness, every year. The benefits to those individuals and their friends and families are incalculable to say nothing of the wider benefits to society delivered by the prevention of them returning to their previous state of homelessness.

Questions?

- Can a social regeneration approach really prevent the cycle of social poverty
- What does this say about the role of social enterprise or other forms of socio-economic production in responding to the needs generated by the current economic system and the welfare state?