ONE MAN'S OPINION

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Everything old was once new! Was everything new once old?

by Jim Burton

The idea of social enterprise is getting a lot of attention—justly deserved, I believe. Finding sustainable means to achieve social good is well worth discussing and studying and well worth any media attention and spotlights that might be cast upon it. There is much good to be achieved and too few who are well focused on achieving it. But the media often makes it sound as if this is all a very new idea.

Wikipedia defines social enterprise as "any for-profit or non-profit organization that applies capitalistic strategies to achieving philanthropic goals." It clarifies this statement by saying that it means "doing charity by doing trade" as opposed to "doing charity while doing trade."

Wikipedia gives examples of social enterprise in different regions around the world. Some examples cited for North America include Greyston Bakery, Housing Works, Cleanslate Property Services, Rubicon Programs, Kidslink, Goodwill Industries, Boss Enterprises, Asian Neighborhood Design, and Ready, Willing and Able.

Harvard University has been hosting an annual Social Enterprise Conference for more than 10 years, and the Social Enterprise Club in the Harvard Business School is very popular with students there. Columbia University also has a Social Enterprise Program within its business school that hosts numerous events. Among the focus areas available in that program is "Corporate Social Responsibility and Sustainability." It is this area of corporate social responsibility that, it seems to me, is the new that was once old.

As a graduate student at the University of Illinois at Urbana-Champaign, I was privileged to study with Professor David Linowes, who authored Strategies for Survival: Using Business Know-How to Make Our Social System Work and several other books, papers, and commission studies of similar concerns. Professor Linowes had been a founding partner of the accounting firms Leopold & Linowes and Laventhol & Horwath. He was still at Laventhol & Horwath in New York when he came from New York to Champaign-Urbana and to the university once a week to teach a course in social accounting. A news article about his death from the News Bureau at the University of Illinois describes him as the "father of socioeconomic accounting." At U of I he also served as the Boeschenstein Professor of Political Economy and Public Policy and as a professor of business administration.

It was Professor Linowes who inspired my dissertation entitled *An Inquiry into the Socioeconomic Accounting Information Needs of Federal Legislators*. Since social policy is often legislated, determining what information legislators had, wanted, and used to determine appropriate social policy seemed a reasonable project. The issue addressed in that study was: *To determine the socioeconomic accounting information it would be expedient for companies voluntarily to disclose and how they should disclose it in order for the information to be useful to federal legislators for the decisions they must make.*

The research questions that followed included:

- What socioeconomic accounting information are companies currently disclosing?
- Is the form in which current voluntary corporate socioeconomic accounting disclosures are being made useful to federal legislators?
- Are there influences on the decision processes of federal legislators that condition the types of information companies should disclose or the form companies should use when they do disclose?
- What are the sources of information a federal legislator uses in his decision processes?

While the corporations in question were not "social enterprises" by the current definition, they were considered to be rather forward thinking in the early to mid-1970s in terms of their apparent desire to "do charity while doing trade." Many people (stockholders of the companies in particular) at the time held the belief that stockholder-owned companies should have only one objective—maximizing profits. Any "social objectives" were considered legitimate only if they enhanced profitability. So those companies that "did well by doing good" might be considered by some to be forerunners of the current thinking on social enterprise.

The concept of social enterprise is a good one. If it did not evolve from, then at least it has been greatly enhanced by, the work of people like David Linowes and others who pioneered corporate socioeconomic accounting and accountability. It should be studied. It should be lauded and applauded. It just should not be thought of as new.