

## **The Liverpool City Region Social Economy Research Brief No.1 January 2017**

The purpose of this brief is to provide an update on the research underway at the University of Liverpool on the scale and scope of the city region social economy.

### **What is the social economy?**

For this research we define the social economy as follows.

The social economy is made up of charities, social enterprises, cooperatives and self-help initiatives that produce and distribute goods and services, employ people fairly and with dignity. It also includes those anchor institutions consisting of universities and housing associations with a clear social purpose who are able to spend their revenues, procure services and deliver their contracts in ways to make the economy more social. Often those involved in the social economy will campaign on behalf of others who have less power to influence and who may find themselves excluded from mainstream markets.

### **Assets, revenue and jobs**

Our research shows that there are just under 1,400 social organisations in the city region and collectively, they have a net asset base of £4.4 billion. The social economy in the city region generates an income of just under £3 billion and directly employs 45,000 people. To put this into context, Liverpool LEP who see visitors and tourism as major growth points for the city region, estimate that the visitor economy has an economic impact of £4 billion and supports over 50,000 jobs. The Liverpool city region social economy certainly punches its weight!

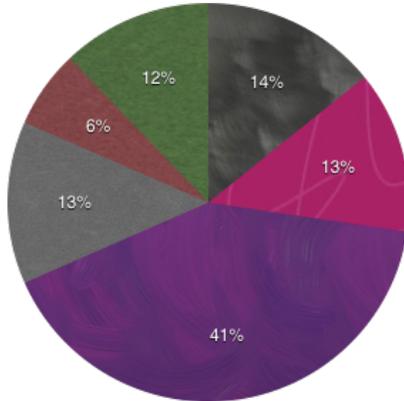
### **What type of social economy do we have?**

Although the social economy in the city region appears to be economically robust we find that income and wealth are skewed. There are a small number of large organisations, just 3% of the total number, operating in education and housing and some larger charities, who account for almost 75% of all the revenue generated, assets and jobs. The rest are small enterprises and organisations. We know that over half of all social organisations have a net asset value of less than £75,000; about a third of social economy enterprises have a net asset value of less than £10,000 while 11% disclosed a negative net worth. Over a quarter of city region social organisations generate an annual income of less than £50,000 while half have an income of less than £250,000. Overall the Liverpool city region social economy appears substantial, although this disguises huge economic difference.

## Where is the social economy in the Liverpool city region?

### Social economy jobs in the Liverpool city region

● Halton ● Knowsley ● Liverpool ● Sefton ● St Helens ● Wirral



### Social organisations in the Liverpool city region

	No.	%
Halton	75	5
Knowsley	119	9
Liverpool	696	51
Sefton	147	11
St Helens	87	6
Wirral	244	18

As might be expected, Liverpool is the borough in the city region that accounts for most of the enterprises in the social economy. Liverpool has 51% of all social organisations accounting for 41% of employment. While Knowsley has 13% of all jobs it has 9% of social organisations, Wirral with 18% organisations and 12% jobs, Halton 5% organisations and 14% jobs, Sefton 11% organisations and 13% jobs and St Helens 6% jobs and organisations.

The largest sectors in the city region social economy are education, housing, health and social work, arts, entertainment and recreation. Charities in the city region employ over half of all social economy employees, while approximately 20% work for schools, clubs, membership organisations and social firms. Cooperatives employ around 8% of the total, while only a meagre 0.1% of all employees are employed by social enterprises.

### What does all this mean?

The size and the scope of the Liverpool city region social economy is impressive. We can talk about the social economy in a positive way, both in terms of its social value and its economic contribution. This is a narrative that needs to be exploited. We also need to recognise the difference that exists within the sector and query how the strongest can shape the social economy and help to stimulate more social and economic benefits. With the right effort this can be achieved.

This work is funded by the University of Liverpool and is led by Helen Heap of Seebom Hill, Alan Southern and Matthew Thompson at the Heseltine Institute for Public Policy and Practice, at the University.

For further information email: [alan.southern@liverpool.ac.uk](mailto:alan.southern@liverpool.ac.uk)