

# THE SOCIAL ECONOMY IN THE CREATIVE TROPICAL CITY

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Mark Lyons

University of Technology, Sydney

# Outline

## Part 1

- The Creative Class
- Organising Creativity
- Importance of Social Economy
- Yet Australia Ignores the Social Economy

## Part 2

- Dimensions of Australia's Social Economy
- Signs of Decline
- Why?
- What Can Be Done?

# The Creative Class

## **The new importance but ambiguity of “Creative”**

- Arts and culture, but also
- Science, Engineering, Finance, Journalism, Education....

# Organising Creativity

## Advantages and disadvantages of the three forms of organising

- Business??
- Government??
- Social Economy (cooperatives, mutuels, associations, charities)??

# Importance of the Social Economy

- Countries with strong social economies also score highly on creativity
- Crucial role for social economy (or civil society or non-profit sector) in 21st century
- Seen by international agencies as counterweight to global business and corrupt governments
- UK and Canadian governments negotiate “treaties” with social economy
- A source of innovation, but needing to rebuild capacity after years of government exploitation

Yet Australia ignores the social  
economy

# Some Dimensions of Australia's Social Economy

## **Present position**

- c 700 000 organisations
- 380 000 incorporated
- 35 000 employers
- All but 1500 meet non-profit distribution test

## Present position cont..

### **1999/2000, Employing nonprofits**

- Turnover: \$33billion
- Staff: 604 000
- Contribute to GDP: 3.3%
- 4.8% when 600 million hours of volunteering added
- bigger than agriculture or mining industry

# Contribution of social economy in some key industries

- Community services 60% of employment
- Sport and recreation 50% of employment
- Hospitality 50% of employment
- Schools 30% of employment
- Arts and culture 25% of employment

# Sources of revenue (for nonprofits)

- Sales of goods and services 50%
- Government grants and contracts 30%
- Fundraising and membership 18%
- Investments 2%

But this is only the economic  
contribution

- The social economy is essential part of open, tolerant society, and
- A vigorous democratic political system
- The product of peoples' preparedness to work together for a common good
  - for themselves (mutuality) or for others (altruism).
- They institutionalise these virtues

This is how nonprofits underpin a  
creative society

# Most Australians are part of the social economy

- 66% are members of at least one; 33% of two or more
- 25% are active members
- 70% make donations of money
- 28% make donations of time – by volunteering

The social economy is a generator of identities; a source of innovation

# Signs of Decline

- Falling membership in unions, service clubs, political parties, youth organisations, some sports
- Social movements (eg feminism, environmental movement) no longer as influential
- Numbers identifying with, and attending worship at mainstream churches declining
- Collapse of mutuels and cooperatives
- Capital crisis forces many nonprofits to sell their hospitals, nursing homes next

# Signs of growth are mixed

- New social economy organisations (eg anti-globalisation groups, reading clubs, pentecostalist churches) not reversing a decline
- Volunteering increasing...but only an Olympics boost?
- Event volunteering is changing volunteering into a commodity

# A Hostile Environment

- Governments indifferent and sometimes hostile
  - the impact of ideology of “economic rationalism”
- Business pushes into many fields
  - copies social economy models (eg Qantas “Club”)
  - turns members (organisational citizens) into consumers

# Social economy slow to respond

- to review and renew
- to organise across industry boundaries
- to publicise and thus legitimise its contribution

# What can be done?

## **Social economy organisations (their leaders)**

- Must work together – nationally, state/territory, town/city
- Must review renew, adapt to changing patterns of living and values

# What can be done?

## **Governments**

- Must simplify and rationalise confusing mess of laws and regulatory authorities (as they did for business)
- Must restore capacity drained by decades of exploitation – but via an independent authorities

# What can be done?

## Australians

- Must rediscover possibilities of autonomous, collective action – not wait for government or the market to provide