**20 -** **A Blended Value Proposition: Towards a Regional Sustainability Entrepreneurial Ecosystem Framework for the Social and Solidarity Economy in the Liverpool City Region**

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1. **Introduction**

“There is no alternative” (TINA) is a slogan that is strongly associated with Margaret Thatcher. The phrase is used to signify Thatcher’s claim that capitalism is the best economic system, based on her belief in a so-called moral society where the State is not responsible for everything, and people have freedom to make their own choices (Berlinski, 2011). This led many to believe that capitalism is indeed without alternatives (Altvater, 2007).

With increasing inequalities and income disparities across the world, the discourse on *alternative or diverse economies* has gained momentum (Fisher, 2022). This study is motivated by one of the developing alternative economy approaches to capitalism; namely the concept of the *Social and Solidarity Economy* (SSE). Over recent years the SSE has gained increasing visibility, but Morais & Bacic(2020) contend that one of the main challenges to the strengthening of the SSE is the establishment of an Entrepreneurial Ecosystem for the SSE. This study aims to fill a gap in the research on of an Entrepreneurial Ecosystem for the SSE by first delving into the emerging academic fields of Entrepreneurial Ecosystem, Sustainable Entrepreneurial Ecosystem and Sustainable SSE Entrepreneurial Ecosystem.

There are examples of some places in the world that have implemented Entrepreneurial Ecosystems for the SSE. Exploratory analysis of those in Canada (Quebec), Spain (Barcelona) and, Luxemburg will be conducted to uncover the interconnected elements, mechanisms, legal measures, and policy levers that have enabled their structural integration. These will form a benchmark for developing a Sustainable SSE Entrepreneurial Ecosystem for the Liverpool City Region (LCR).

The LCR, comprising the six boroughs of Liverpool, Sefton, Wirral, Knowsley, St Helens, and Halton, has been the subject of extensive research across various disciplines, shedding light on its social, economic, and cultural dynamics. One such study, conducted by Thompson *et al*. (2020), presented findings from a case study of the LCR’s social economy, highlighting the scale, scope, and value of its social economy. Their research provides valuable insights into the social fabric and economic dynamics of the LCR social economy, and this research responds to their call for future research in this field.

In 2020, during the Covid-19 pandemic, the LCR declared its ambition to ‘Build Back Better’ a “fairer, greener and more equal” city region that is “the most progressive, values and ethics led economy in Europe” (LCRCA, 2020, p.1-2). At the core of this ambition are six principles that embody people-focused recovery, environmental sustainability, and the development of an inclusive and supportive LCR Entrepreneurial Ecosystem. This provides an opportunity for this research to explore how sustainability can be embedded in an LCR SSE Entrepreneurial Ecosystem.

* 1. **Research Question**

“How can a sustainability-oriented Social and Solidarity Economy (SSE) Entrepreneurial Ecosystem be developed in the Liverpool City Region?”

1. **Literature Review**

Over recent years the SSE has gained increasing economic, social, and political significance, culminating in the UN International Labour Organisation (ILO) adopting the very first universal definition of the SSE in 2023. The ILO defines the SSE as a concept that designates organisations and enterprises, particularly cooperatives, mutual benefit societies, associations, foundations (CMAF), social enterprises, and other entities that are engaged in economic, social, and environmental activities (ILO, 2023). These organisations and enterprises share various social values and principles that place people and the environment over profit (ILO, 2023). The 2023 ILO definition signals a strong acknowledgment of the SSE and is an important step towards its strengthening. It also provides new opportunities for exploring Morais & Bacic’s (2020) proposition that the formation of the Entrepreneurial Ecosystem for the SSE is a fundamental tool for the strengthening of the SSE.

In spite of a growing scholarly interest in Entrepreneurial Ecosystems, a review of the literature has revealed that researchers have struggled to reach a consensus on its definition and the concept remains loosely defined and measured (Stam & van de Ven, 2021). Overall, Entrepreneurial Ecosystems are a set of interconnected social, political, economic, and cultural elements within a region (Spigel, 2017) that formally and informally coalesce to connect, mediate, and govern the performance within the local or regional entrepreneurial environment (Mason & Brown, 2014).

Isenberg’s (2011) work on presenting the Entrepreneurship Ecosystem as a model is widely cited. His model identified six elements as key determinants of the dynamics of an Entrepreneurial Ecosystem. Those factors are favourable culture, workable policies, financial availability, capable human resource, enabled market mechanisms and subsequently a range of institutional support. A recent study by Audretsch *et al*. (2023) investigated how the sustainability orientation of Entrepreneurial Ecosystem actors shapes outcomes and proposes that sustainability orientation could become the 7th and the most important pillar of Entrepreneurial Ecosystems. In relation to Entrepreneurial Ecosystem, they define sustainability orientation as the extent to which actors balance social and environmental initiatives along with economic considerations that ultimately help to increase the level of sustainable-oriented entrepreneurial activity (Audretsch *et al*., 2023).

The SSE presents itself as an alternative economy that seeks environmental, economic, and social sustainability, promoting collective ownership and equality in the means of production (Telles *et al*., 2017). Accordingly, it is unclear why the organisations and enterprises that make up the SSE have rarely been the subject of Entrepreneurial Ecosystem research (Catala *et al*., 2023), despite the growing incorporation of the ecosystem perspective into numerous government policies. Additionally, the 2023 ILO definition of the SSE (ILO, 2023) offers an opportunity for research into incorporating new entities into the SSE, particularly as it refers to the inclusion of *other entities* that share the values and principles of the SSE. Indeed, there is a growing body of literature that focuses on for-profit enterprises that purposefully generate economic, social, and environmental value providing ‘Blended Value Proposition’ first articulated by Jed Emerson in the early 2000s (Nogales Muriel, 2023). Furthermore, in contextualising social entrepreneurship Seelos & Mair (2005 p.243) declared that there is no such thing as ‘non-social’ entrepreneurship. Since then, the concept of blended value has gained attention in the context of entrepreneurship. Blended value models have been proposed as comprehensive and coherent frameworks for business sustainability, offering a progressive approach to harnessing the Sustainable Development Goals for businesses (Redman, 2018). Furthermore, the notion of blended value has been linked to the broader discourse on shared value, corporate social responsibility, stakeholder theory, and social innovation (Voola & Voola, 2020). These are all consistent with the other substantive concepts, along with the aim of this study.

1. **Aim**

This research aims to propose a Blended-Value inclusive sustainability-oriented SSE Entrepreneurial Ecosystem Framework in the LCR. The Framework will be based on the global SSE principles, and the diverse characteristics of the region’s entrepreneurial communities, and the requisite legal and policy levers.

1. **Relevance and Impact**

This study provides new insights into the academic field of entrepreneurship by advancing knowledge on the relationship between Social Entrepreneurship, Entrepreneurial Ecosystem, Sustainable Entrepreneurship, and the SSE as a burgeoning and credible alternative economic system. The importance and originality of this study are that it aims to propose a new guidance framework for a novel LCR Blended Value, inclusive SSE Entrepreneurial Ecosystem.

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