



SUBMISSION TO DRAFT NATIONAL SOCIAL ENTERPRISE STRATEGY

SUMMARY

CRNI welcomes this opportunity to feed into the National Social Enterprise Policy. Our main points in the submission below are as follows:

- We welcome proposals for a **more coordinated approach** across Departments and **enhanced engagement** with social enterprises.
- As a general note, the detail we anticipated from background research, international best practice and previous consultations is lacking, which has made it difficult to effectively respond to this consultation.
- We broadly agree with the shared values in the definition but still require a definition that **describes social enterprise legal form** and do not agree with the requirement for a voluntary board
- We support the development of an awareness strategy delivered by an **independent advocacy body** with support, making use of existing campaigns where possible.
- We would advocate a **three year programme of support / funding** for start-up social enterprises
- We support local, regional and national **“one-stop shops”** to share knowledge on resources, funding and other supports and are surprised to see this has not been developed further in this paper.
- We would welcome appointment of a **Junior Minister** with specific responsibility for social enterprise.
- We encourage the consistent and nation-wide **inclusion of social enterprise within LEOs remit**
- We would like to see a shift to a **more positive mind-set and language** used to describe social enterprise and related activities in the context of labour activation schemes.
- Supports for additional training and greater **support for management teams** would be welcomed to help capacity building and succession issues.
- Supports in the form of **rent or rates concessions** or facilitating investment and procurement with social enterprises would be welcome.
- We strongly support the exploration of a new fund or scheme that ties together the social and environmental benefits of the **Circular Economy**.
- We propose that a **passport scheme** should be established to help streamline funding reporting and the involvement of social enterprises in informing new funding programmes.
- **Greater justification for and clarity** on displacement policy is required.
- Capacity building is needed to support **procurement professionals** in understanding the value of and steps to implementing social and environmental clauses.
- A stronger mandate is required to **phase out least cost tendering** in favour of widespread implementation of Community Benefit Clauses
- We believe that **explicit reference** to social enterprise across a range of policy documents is necessary for consistency and would like to specifically encourage **greater alignment between the DRCD and DCCAE**
- We have included proposals for metrics but suggest a requirement for increased data collection by social enterprises **should be financially supported**.



INTRODUCTION

CRNI is an all-island representative body for community based reuse and recycling enterprises. Our vision is an Ireland where the word 'Waste' doesn't exist and where our entire community benefits from the social, environmental and economic value of all reusable resources.

We believe in a thriving social enterprise sector that will play a leading role in driving reuse and recycling. In this vision, the sector has the resources and capacity to expand significantly in order to meet the Circular Economy challenge, through business and financial supports that drive sustainability and continuity, and increased public and enterprise awareness about social enterprise.

This will create a more sustainable and resilient society, additional jobs and training opportunities and benefits the local economy. Re-use and repair activities, which help prolong product lifetimes are difficult to delocalize and are labour intensive. Experience has shown that a circular economy and waste management provide significant employment opportunities for low-skill employees, long term unemployed and people for vulnerable groups. In addition, the development of circular economy creates local jobs and opportunities for social integration, closely interlinked with key EU priorities on jobs and growth, the social agenda and industrial innovation.

GENERAL COMMENTS

CRNI welcomes this opportunity to feed into the National Social Enterprise Policy. The recent positive developments, including assignment of responsibility for social enterprise to one single Department, the new Social Enterprise Measure through the Dormant Accounts Fund and the expansion of the CSP scheme, have given reason to be optimistic for Irish social enterprise. With a **more coordinated approach** across Departments, **enhanced engagement** with social enterprises and various measures we outline below, we feel social enterprises will be provided with the supportive environment to grow and contribute to a fairer and more inclusive society.

Overall the draft policy is well structured but lacks much detail at this stage. Given the joint research project undertaken over the period 2017/2018 contributing to the development of the policy, and the detailed consultation with stakeholders in December 2017, it is surprising that there remain many open ended questions. This has made it difficult to effectively respond to this consultation.

For example, it would be useful to see what the research or previous consultation revealed about potential legal forms of social enterprise, effective business supports, procurement clauses and financing/funding schemes, delivering a "one-stop shop" service and/or supporting an advocacy body for the sector, and how best practice from international experience might address these. Many of these points have been discussed in workshops and consultations previously and as they are not elaborated in the policy paper, many of the points CRNI raised in our December 2017 submission are included for completeness in the response below.

As it seems much of the detail will be left to subsequent stages, CRNI would be grateful for an opportunity to contribute toward the implementation group referred to in the paper as a social enterprise stakeholder.



DEFINITION

Having a clear definition will go a long way to communicating and clarifying the role of social enterprise in the business and funding landscape. CRNI broadly agrees with the following shared values included in the definition of social enterprise:

- Objectives: Social enterprises are driven by social and environmental goals
- Non-profit: They use their profits primarily to achieve social and environmental impact
- Trading: As an enterprise they trade - or have an ambition to trade - goods and/or services
- Transparency: They ensure accountability and transparent governance
- Independence: Social enterprises are independent from the public sector

We would also advocate that social enterprises provide quality employment e.g. fair working conditions, non-discrimination, remuneration, healthy and safe workplace, development and upskilling of employees.

A lack of legal form or definition for social enterprise has long dogged the sector. Data is not formally collected e.g. by CSO on social enterprise partly because there is no legal understanding of it. Commercial businesses are able to call themselves social enterprises without any requirement for validation. There is also confusion about the difference between social enterprises and charities. Many social enterprises have to become charities in order to meet funding requirements. However, due to the perception of charities as fundraising rather than trading entities, this can create confusion about the activities and goals of the social enterprises. A better definition of social enterprise in its own right could avoid this.

We feel therefore it is important that social enterprises can be clearly identified and distinguished from other entities through a definition that **describes their legal form** e.g. they should be CLGs.

However, we **do not agree** with the requirement to have a voluntary board on the basis of being a CLG. Not all CLGs must have a voluntary board and the EU definition of a social enterprise does not specify a volunteer board. If this is retained in the definition, then social entrepreneurs acting as sole traders for example will be precluded.

The trading element also distinguishes social enterprises from the wider community sector activities. While both are important and form part of the overall DRCD strategy, we welcome this separate policy for social enterprises which reflects their specific nature.

Finally, we note that in the benefits delivered by social enterprise activity CRNI typically refers to the “triple bottom line” inclusive of environmental benefits due to the nature of our sector. We are happy to see the contribution of social enterprises to environmental challenges expressly acknowledged throughout the policy paper.

POLICY OBJECTIVE 1: CREATING AWARENESS

RAISING AWARENESS

As a network, CRNI works with a subgroup of social enterprises, who conduct reuse and recycling activities as part of the Circular Economy. Further information on this is included Annex A. We engage with other social enterprise networks and advocacy bodies including ILDN, The Wheel, Socent Ireland and the RREUSE network



Europe as part of our regular activities and are keen to further develop these and other relationships to help with the implementation of this policy.

[1] WORKING CLOSELY WITH SOCIAL ENTERPRISE STAKEHOLDERS TO DEVELOP AN AWARENESS STRATEGY TO RAISE THE PROFILE OF SOCIAL ENTERPRISE IN IRELAND.

We have already referred above to the confusion around the definition of social enterprise. We therefore welcome a more strategic approach to raising awareness about social enterprises and their impacts.

As for any communication strategy, it will be important to consider the **key stakeholders, messages and communications channels**. Our members identify the following priority stakeholder groups to be better informed about the benefits of social enterprise:

Target Audience	Purpose
Government Departments and Agencies including Dept. Business Enterprise & Innovation, Enterprise Ireland, Local Enterprise Offices, Dept. Communications, Climate Action & Environment, Dept. Employment Affairs & Social Protection, Dept. Housing & Local Government	Enhance joined up policy / funding, consistency of messaging, changing the perception that social enterprises are high risk investments
Businesses	Gain a shared understanding of what a social enterprise is, demonstrate the value of working and procuring with social enterprise, change the perception that social enterprises are high risk investments
General Public	Gain an understanding of the value of social enterprise to the community and encourage communities to work with them and support them e.g. through buying social.
Future social enterprise leaders (through higher education / recruitment agencies)	Making social enterprise as a career more attractive

We believe the best agency to deliver on such a strategy and run campaigns would be a supported **independent advocacy body** to represent social enterprises.

It will be important as part of this strategy to consider how any awareness campaigns might be funded. Social enterprises tend to have very limited resources especially for Public Relations campaigns. Funding would therefore be required to carry out broad awareness campaigns or work, through an advocacy body / network to promote social enterprises in a particular area or on a particular message. This funding may be best leveraged by going through existing campaigns, such as:

- The international BuySocial campaign (<https://www.socialenterprise.org.uk/>), helping to drive social procurement.
- In the context of reuse and recycling, CRNI’s Quality Mark (ReMark) pilot project aimed to encourage consumers to buy second hand (<https://crni.ie/re-mark>). Social enterprises are expected to make up the majority of ReMark accredited organisations. CRNI is currently working toward rolling this mark out at a national level.



[2] IDENTIFYING, WITH SOCIAL ENTERPRISE STAKEHOLDERS, BEST PRACTICE EXAMPLES OF SOCIAL ENTERPRISES TO IMPROVE PUBLIC UNDERSTANDING OF SUCH ENTERPRISES AND TO HIGHLIGHT THEIR CONTRIBUTION TO SOCIETY AND THE ECONOMY.

It is important to showcase best practice in any field, but this must be done with the specific message and audience in mind in line with the awareness strategy above. For example, to engage other Departments it may be important to share best practice regarding joined up policies (see Case Studies C and D). Business on the other hand may be interested in procurement projects between commercial and social enterprises that resulted in a mutual benefit.

We would envisage an advocacy body as noted above fulfilling the role of developing case studies.

[3] HOLDING AN ANNUAL SOCIAL ENTERPRISE FORUM FOR ALL STAKEHOLDERS TO PARTICIPATE IN SHAPING POLICY, BUILDING UNDERSTANDING OF SOCIAL ENTERPRISE, DISSEMINATING INFORMATION, AND SHARING BEST PRACTICE.

It will be important for this forum to have clear goals and channels for participants to contribute.

CRNI has been a long term participant on the EPA's National Waste Prevention Committee. This committee previously met annually with focus on information sharing between members, but following an internal review the Committee is now holding biannual meetings and is more focused on having an impact e.g. on policy through focus groups and externally communicating the work of the programme and its participants. Building on this experience, we suggest it will be important for the Department to be clear about the actions a Social Enterprise Forum can take, how a large group can collectively contribute toward policy and how focus groups might help deliver impact.

SUPPORTING SOCIAL ENTERPRISE INITIATION

We welcome this acknowledgement that social enterprises have different finance, funding and supports requirements at different stages of their lifecycle.



[4] SUPPORTING SOCIAL INNOVATION AND SOCIAL ENTERPRISE START-UPS THROUGH TARGETED PROGRAMMES AND INITIATIVES.

Start-up organisations in particular require seed funding for core activities to provide continuity while the enterprise becomes established. We would suggest a **three year programme of support / funding** would best facilitate this. Such funding opportunities have not been identified.

It is also important to provide training / assistance especially to start-up organisations in managing the complexity and professionalism involved in accessing finance, and greater access to **business incubation space**. Support in the form of reduced PRSI rates for staff during the first 2 years of a new post arising would also facilitate growth (this service is currently available to commercial enterprise via LEOs but not to social enterprise). Other supports that could greatly assist in the early development phase of a social enterprise include funds towards acquiring tools or delivery vans and administrative support.

Start-up enterprises can also struggle to fill skilled roles, especially in the current highly competitive jobs sector. As noted in response to Policy Objective 1 (1) above, assistance in promoting social enterprise and **making work in this area more attractive** through higher education / recruitment agencies is required to help overcome this.

[5] EXPLORING THE SCOPE FOR FURTHER INCLUSION OF SOCIAL ENTERPRISE AND SOCIAL ENTREPRENEURSHIP MODULES IN THE EDUCATION AND TRAINING SYSTEM.

We would support exploring the scope for more social enterprise / entrepreneurship models in secondary or higher education and are aware of many good courses or modules on offer through higher level including for example Athlone Institute of Technology (Social Enterprise Course through Equal Ireland), Cork Institute of Technology (Social Enterprise modules), Institute of Technology Blanchardstown (Masters in Social Enterprise) amongst others.

In addition, we would like to see modules included in **business training provided by local enterprise offices** (LEOs) and local development companies. We are also aware that some local development companies provide social enterprise development camps which have been well received. At all levels, social enterprise “taster” courses involving practical, hands-on experience could help highlight the benefits of working in this area.



POLICY OBJECTIVE 2: GROWING AND STRENGTHENING SOCIAL ENTERPRISE

IMPROVING BUSINESS AND LEADERSHIP SUPPORTS

[7] COMPILING AND MAKING AVAILABLE INFORMATION ON THE VARIOUS BUSINESS SUPPORTS AVAILABLE TO SOCIAL ENTERPRISES, ALONG WITH DETAILS OF THE PROVIDERS OF THOSE SUPPORTS.

We understand there is widespread support for local, regional and national “**one-stop shops**” providing social enterprises, entrepreneurs and communities with an overview of resources available, funding opportunities and general support. It is not clear why the background research work and previous consultations could not inform a more detailed proposal in this policy paper about, for example, how such information hubs could be implemented and/or who might provide this service.

[8] IDENTIFYING ANY GAPS WHICH MAY EXIST IN BUSINESS SUPPORTS AVAILABLE TO SOCIAL ENTERPRISES AND WORKING TO ADDRESS THOSE GAPS.

We anticipate that the research and previous consultations have already highlighted gaps in this area. Some of these identified by CRNI with its members are outlined below.

As noted above, we welcome assignment of responsibility for social enterprise to one single Department. We would propose that, to give full accountability within Government, a **Junior Minister** should be appointed with specific responsibility for social enterprise. This would greatly support enterprises through raising the profile of the sector and providing an advocate for all matters relating to social enterprise.

Many of our members have raised strong concerns about **differential treatment of social enterprises** by LEOs. The policy paper acknowledges a lack of understanding of social enterprise models on the part of the service providers. However, our members’ experiences indicate it is not just awareness but cultural and procedural barriers that prevent LEOs from working with them. For example, our members have been refused any access to LEO supports in some areas (“LEOs don’t deal with social enterprise”), or denied access to specific supports e.g. innovation vouchers due to their structure / business models. Greater transparency and clarity is required. LEOs need to be instructed by Government to support social enterprise within their remit in a consistent manner throughout the country. Having noted this, we would like to highlight in certain areas the LEOs have established strong and supportive relationships with social enterprises (e.g. South Dublin County Council amongst others).

In addition to these supports, our members have voiced concerns about the climate in which labour activation schemes operate. Currently many of these schemes (with the exception of CSP) use social enterprises as a vehicle to move participants into the labour market. However, this degrades the value of work in the social enterprise sector and creates issues with sustaining skills and experience in the sector as the participants are pushed to move on.

We would like to see a shift to a **more positive mind-set and language** used to describe social enterprise and related activities. It needs to be made clear to prospective trainees that positions are desirable rather than framing them as handouts or obligations associated with retaining allowances. Language around “target groups” also needs to be moderated to ensure employees do not feel labelled or feel like a “statistic”. This



positivity could be bolstered by reporting on the social, economic and environmental benefits of social enterprise.

To achieve this, we recommend that DRCD, in collaboration with the Department of Employment Affairs and Social Protection, address the following in relation to labour activation schemes (not including CSP):

1. Providing business certainty, through
 - a. greater transparency and forewarning on the availability of schemes
 - b. supporting schemes that facilitate longer term training positions for effective personnel development
 - c. assisting organisations for a transitional period where minimum wage increases occur at national level but are not reflected in wage subsidies.
2. Ensuring the placements are more sustainable and effective by running them on a voluntary / application basis, so that participants are more likely to have an interest in working in the area and the positions remain sought after.
3. Framing training and job opportunities in a more positive light to potential participants, by:
 - a. Encouraging potential participants to engage in schemes as a personal development opportunity rather than penalising them for failure to participate
 - b. Reviewing the obligation on job seekers to attend interviews, as this can be time wasting for social enterprises
 - c. Providing participants with basic reimbursement of travel expenses (e.g. current subsidy does not cover this) for the duration of their training
 - d. Promoting the benefits of training to potential participants
 - e. Assisting potential participants with skills in interviews (e.g. many have never been in an interview before)
 - f. Offering active retirement programmes that will open opportunities to younger participants
4. Providing training and supervision resources during the first number of years (e.g. 3 years) of operation of a scheme

[9] PROVIDING ACCESS TO ADVICE AND SUPPORTS TO ASSIST SOCIAL ENTERPRISES AND SOCIAL ENTREPRENEURS TO DEVELOP THEIR BUSINESS PROPOSALS.

Mentoring supports are already offered to SMEs through the LEOs. We propose these supports should be extended to social enterprise in line the incorporation of social enterprises into their remit as noted in response to question [8] above.



[10] PROVIDING TAILORED TRAINING FOR SOCIAL ENTERPRISES TO HELP THEM TO IMPROVE THEIR BUSINESS POTENTIAL AS WELL AS LEADERSHIP AND GOVERNANCE SKILLS.

Job schemes have historically supported individual's needs. Greater focus is now required on supporting the enterprises' needs to provide for more sustainable growth in the sector. In particular, this requires greater **support to the management team** (or individual) within an organisation through mentoring or supporting additional management resources. This should also aim to help social enterprise to develop a management team and address succession issues.

In addition, supports to facilitate the management team during a period of expansion can be important in the case of limited resources. A tailored management development programme, such as that delivered by Plato for start-ups and SMEs, could be developed and rolled out to social enterprises.

The policy paper outlines on page 18 a number of training requirements for enterprise in the growth phase. We would like to highlight that many social enterprises undertake outstanding work on limited budget and therefore already demonstrate strong leadership and business skills. Areas where social enterprises do require training and mentoring of those not already listed on page 18 include **tendering, funding, procurement, branding, marketing and volunteer management**. All training schemes would benefit from being delivered with real examples of social enterprises both in Ireland and internationally that could serve as role models.

From our experience, peer to peer learning through networks and shared projects opens new opportunities for social enterprises. This again highlights the potential value of an umbrella organisation or network for the sector.

IMPROVING ACCESS TO FINANCE & FUNDING

[11] CATALOGUING AND DISSEMINATING INFORMATION ON FINANCING/FUNDING SCHEMES AVAILABLE TO SOCIAL ENTERPRISES AT NATIONAL AND EU LEVELS.

As noted above in Policy response to question [7], we support the development of local, regional and national **"one-stop shops"** providing social enterprises, entrepreneurs and communities with an overview of resources available, funding opportunities and general support.

[12] IDENTIFYING GAPS IN FINANCING/FUNDING SCHEMES AND WORKING TO ADDRESS THOSE GAPS.

We anticipate that the research and previous consultations have already highlighted gaps in this area. Some of these identified by CRNI with its members are outlined below.

As noted above, our members have raised concerns about the difficulty of accessing funding via LEOs, which prioritise companies in the tech sector, manufacturing and exports. We would like to see the creation of local jobs and support to the local economy **equally recognised and valued** in the way that supports and funding are allocated.

Securing suitable premises can be very challenging for second hand and upcycling retailers in this sector, particularly where footfall is an important driver. Support in the form of **rent or rates concessions** would



considerably to help especially in the early development phase of the enterprise. An example of where this and other supports have driven the development of innovative and successful social and green enterprise is provided below.

Case Study A: Rent concessions for City of Amsterdam

The municipality of Amsterdam has taken a strong supportive position on social enterprise, with a vision that everybody must be able to participate in society. They focus on facilitating a pathway to work for everyone, through supporting active participation, as well as facilitating social procurement, supporting social enterprise through investment funds, helping social enterprise find investors and sending trade missions to promote relations between social enterprise and commercial companies. The city also facilitates reuse social enterprises through rent concessions on leases.

In response to question [1] we also noted the misconception that social enterprises are high risk investments. The sector and Government need to demonstrate this is not always the case to improve the flow of finance.

Finally, for those organisations able to take on loans, start-up funding could be provided by Microfinance Ireland www.microfinanceireland.ie, which currently provides loans up to €25,000 to small start-up and existing businesses. Their remit could be extended to include social enterprises.

[13] EXPLORING THE POTENTIAL FOR NEW INNOVATIVE FUNDING SCHEMES FOR SOCIAL ENTERPRISE.

New funding schemes are required that combine key priorities from different sectors. One example of an environmental fund supporting community-led organisations is provided below. See also our response to question [15] for an example of how cross Departmental policy incentives can support social enterprise below.

Case Study B: Climate Challenge Fund (CCF) Scotland

The Climate Challenge Fund (CCF) provides grants and support for community-led organisations to tackle climate change by running projects that reduce local carbon emissions. The CCF was launched in 2008 and over 1,100 projects across all 32 local authorities have been awarded CCF grants. The fund is operated by Keep Scotland Beautiful on behalf of the Scottish Government.

In relation to the Circular Economy, the fund supports projects that aim to reduce emissions by working to reduce over-consumption, encourage the reuse of items, extend the life of everyday items through repair and maintenance and promote recycling of materials. For examples of Circular Economy projects currently live under this programme please see [here](#).

As outlined below, the Circular Economy is a key European priority for driving resource efficiency, climate mitigation and job creation. At present it remains a challenge to break the “make-take-dispose” linear model in favour of a more circular model. Social enterprise is in an excellent position to deliver innovative and leading solutions to this sector. We would therefore strongly support the exploration of a new fund or scheme that ties together the **social and environmental benefits of the Circular Economy**.



[14] SEEKING TO IMPROVE ALIGNMENT OF FUNDING SCHEMES TO SUPPORT THE OBJECTIVES OF SOCIAL ENTERPRISES, WHILST AVOIDING ANY DISPLACEMENT OF EXISTING SUPPORTS FOR COMMUNITY AND VOLUNTARY ORGANISATIONS

Many social enterprises juggle a range of supports through labour activation and funding or grant other schemes. The Charities Regulator is currently exploring a “passport” scheme to streamline compliance and reporting duplication between State bodies. We propose that there should be a similar **passport scheme** to help streamline reporting on different funding streams to different agencies that social enterprises work with.

Members have also raised concerns about the conflicting demands on social enterprises to generate traded income on the one hand while avoiding displacement on the other for certain funding schemes. There appears to be little consistency in how and when displacement is raised as a concern by relevant agencies and there is no clear definition of same. It can be very difficult to define, since almost any trading social enterprise activity will compete in some way with a commercial activity. The distinction for social enterprises is the community based employment and training. **Greater justification for and clarity** on displacement policy is required.

Better alignment and operation of funding schemes could also be achieved through:

- **Involving social enterprises** in consultations on new funding programmes to avoid inconsistent or unworkable clauses.
- **Avoiding penalising organisations** in receipt of finance / funding for carrying a surplus / being efficient with resources
- Better facilitate social enterprises to **take risks** (e.g. through provision of flexible finance, stakeholders being more open to risk)

IMPROVING ACCESS TO MARKETS FOR SOCIAL ENTERPRISE

[15] SUPPORTING CAPACITY-BUILDING FOR SOCIAL ENTERPRISES IN RELATION TO PROCUREMENT PROCESSES THROUGH WORKSHOPS AND TRAINING.

Supports in this area would be very welcome, although there are still too few procurement bodies engaging with social enterprise and – in our particular sector – reuse and recycling. Therefore this capacity building should not only take place with social enterprises but should also **support procurement professionals** in understanding the value of and steps to implementing social and environmental procurement.

[16] WORKING WITH STAKEHOLDERS TO IDENTIFY HOW TO IMPROVE OPPORTUNITIES FOR SOCIAL ENTERPRISES IN THE BUSINESS-TO-BUSINESS SUPPLY-CHAIN.

Many social enterprises already engage with the private sector. However, some actions that could help drive further collaboration include:

- Sharing **positive experiences** in procurement with the public sector to help drive new relationships with the private sector.



- Promoting the **benefits of social enterprise**, and the more widespread use of positive rhetoric around social enterprises, to demonstrate to business the value of working with social enterprise and dedication and professionalism of same.

[17] HELPING POLICY MAKERS TO BETTER UNDERSTAND HOW PROCUREMENT CAN BE USED TO FACILITATE THE ADVANCEMENT OF SOCIAL POLICY OBJECTIVES WITHIN APPROPRIATE AND STRUCTURED PUBLIC PROCUREMENT GUIDELINES.

Some successful examples of procurement, or pilot projects, are needed to encourage the development and delivery of procurement projects with social enterprise.

Government needs to drive greater support for the use of social and environmental clauses in procurement and demonstrate a willingness to work with the sector. We need to see a stronger mandate to **phase out least cost tendering** in favour of a more widespread implementation of Community Benefit Clauses.

Community Benefit Clauses (CBCs) can be used to build a variety of economic, social or environmental (triple bottom line) conditions into the delivery of public contracts¹. They can be viewed as contributing to the Best Value and sustainable procurement agendas. For example, these clauses may require tender accommodate the smaller scale of the sector through assigning lots or supporting through extra points awarded those contractors who work with social enterprise partners.

In Northern Ireland, the proposed Social Clause Act placed a duty on procurers to take social value into account. We support this approach for Ireland. Public concessions contracts have also proven successful for one of our members. Authorities should also be required to report on social / environmental metrics achieved from such green and social procurement especially at Local Authority level.

POLICY OBJECTIVE 3: ACHIEVING BETTER POLICY ALIGNMENT

BETTER POLICY ALIGNMENT

[18] DEVELOPING A BETTER UNDERSTANDING OF THE INTERACTION BETWEEN SOCIAL ENTERPRISES AND RELEVANT POLICY AREAS ACROSS GOVERNMENT TO ENSURE CLOSER ALIGNMENT WITH SOCIAL ENTERPRISE AND ENABLING SOCIAL ENTERPRISES TO INCREASE THEIR CONTRIBUTION TO DELIVERING ON POLICY OBJECTIVES.

We believe that **explicit reference** to the role of social enterprise across a broad range of policy documents (e.g. related to Jobs, Enterprise Development, Environment, Local Government, Housing, and Health) is necessary to gain greater policy consistency, raise awareness about social enterprise and garner recognition.

Specifically with regards to the Circular Economy, it is noted that the European Commission's communication on green jobs acknowledges that "social enterprises have significant potential for providing high quality employment in the circular economy with activities related to re-use, repair and recycling". This important role

¹ Full description available at Soцент.ie site <https://www.socent.ie/community-benefit-clauses/>



of social enterprise in delivering on a more Circular Economy has been formalised through inclusion in the revised Waste Framework (2018/851 - see [here](#)).

Article 8a and 8b specify that Member States should define the role of social economy enterprises when implementing Extended Producer Responsibility (EPR) schemes. Social economy enterprises should also be included in regular stakeholder dialogue at national level. In France this has been interpreted as a legal obligation on EPR agencies to establish partnerships with social economy actors where they exist. In recital 29 Member States are also asked to “facilitate innovative production, business and consumption models that ... promote reuse including through the establishment & support of reuse and repair networks, such as those run by social enterprises”.

In light of this point and the above Articles, we would encourage **greater alignment between the DRCD and DCCAE** to ensure the above Articles are correctly implemented, and to identify potential support mechanisms or policy instruments for our sector, including, for example, **an incentivised labour action model for social enterprises delivering climate action**. Furthermore, we recommend that the link between social enterprise and the Waste Framework Directive is acknowledged in the policy and/or related documents.

Examples of how reuse and labour activation have been linked through policy instruments are provided below.

Case Study C: Flanders reuse target tied to jobs

The Flemish Government has implemented a unique social and environmental target in its waste legislation. The target was developed in collaboration between the Environmental Agency OVAM and the Ministry of Employment and required that 5kg/inhabitant goods were reused and 3,000 jobs were created by 2015. This target applied exclusively to activities under the social enterprise reuse network Kringwinkeloop operating in Flanders and is an excellent example of joined up thinking. With buy-in from both Agencies, the target was achieved.

Case Study D: French Producer Responsibility scheme linked to jobs

In France there is an Extended Producer Responsibility scheme (a mechanism used to recover costs from producers to subsidise reuse / recycling) in place for textiles, named EcoTLC France². Reuse enterprises within the scheme wishing to increase their textile sorting capacity are rewarded at a rate of €50 to €125 per tonne sorted, where there are additional jobs created for workers distant from the labour market. Sorting of textiles has provided 1,400 full-time jobs in France as of 2017, among which 49% has been reserved for workers facing employment difficulty. In this way, the scheme drives both the social and environmental agenda.

This demonstrates the importance of reporting and highlights a need to include social enterprise indicators in mainstream reporting related to a range of Government policies. For example,

- Including in the development of regional indicators under the Action Plan for Jobs explicit KPIs recognising social enterprise start-ups and job creation

² For further information see Bukhari et al (2018) [Developing a national programme for textiles and clothing recovery](#); WRAP (2018) [UK textiles Extended Producer Responsibility](#)



- Engaging social enterprises in the ‘grand challenge’ clustering approach under the Action Plan for Jobs in identifying challenges and developing solutions to key national and international societal and/or economic challenges

Further elaboration on the policy overlap between social enterprise and the Circular Economy is highlighted in Annex A below.

[19] ENSURING THAT IRELAND ENGAGES CLOSELY ON SOCIAL ENTERPRISE POLICY DEVELOPMENTS AT INTERNATIONAL LEVEL SO THAT IRELAND CAN INFLUENCE INTERNATIONAL SOCIAL ENTERPRISE POLICY DEVELOPMENT AND, WHERE RELEVANT, SOCIAL ENTERPRISES CAN BENEFIT FROM INTERNATIONAL SUPPORTS.

It is noted that CRNI, through its membership of the RREUSE network, regularly engages in social and Circular economy policy discussions and contributes to shaping such policy at a European level. The RREUSE network is currently funded by DG EMPL for its support to social enterprises and networks of social enterprises throughout Europe, knowledge-base, role in informing and improving the effectiveness of EU policy and funding in supporting social enterprises, and other activities. CRNI would be happy to engage and share with DRCD where appropriate the work ongoing in this area.

DATA AND IMPACT

[20] IMPROVING DATA COLLECTION RELATING TO THE EXTENT OF SOCIAL ENTERPRISE AND THE AREAS IN WHICH SOCIAL ENTERPRISES OPERATE.

CRNI supports improving data collection to help drive better policy and other incentives for the sector.

For example, in the area of reuse we are working on a 2 year research project funded by the EPA in collaboration with CRNI member the Rediscovery Centre and with the Clean Technology Centre to define and quantify the level of reuse in Ireland. This work, in parallel with European guidance on measuring reuse, will help gain a better understanding of the sector with a view to setting targets for reuse in future. This will also help to clarify the impact of social enterprises in our sector on job creation.

One important caveat is that any requirement for increased data collection by social enterprises **must be financially supported**. For example, we are advocating that any requirement to measure and report on levels of reuse be supported either directly or through the implementation of a reuse target, which should see allocation of funding to the sector as a whole.

[21] DEVELOPING MECHANISMS TO MEASURE THE SOCIAL AND ECONOMIC IMPACT OF SOCIAL ENTERPRISES ACROSS THE FULL SPECTRUM OF SOCIAL ENTERPRISE.

CRNI currently uses metrics to measure social impact derived from the EPA report “Developing a sustainability framework for the reuse sector” (Miller, S. et al, Report to the EPA for Green Enterprise Programme Phase 2, Project Ref 51) (available on our website here - <http://crni.ie/research/>).



This model adopts the Housing Associations' Charitable Trust² (HACT) Social Value Bank - the largest set of methodologically consistent social value metrics ever produced, an approach increasingly used by UK Government departments. This approach is also included in Green Book guidance and recommendations of the Organisation for Economic Co-operation and Development (OECD³).

While the HACT proxies are adopted to assess the value of Part Time Employment, Vocational Training and Regular Volunteering, we have also adopted local values in our metrics based on Enterprise Ireland for the value of full time employment.

Based on these metrics, we estimate that the members of Community Reuse Network generated €24.8 million in employment value by supporting 800 jobs, over 1570 job scheme positions and 5,540 voluntary positions in 2017.



ANNEX A

CIRCULAR ECONOMY

The EU's circular economy strategy recognises that greater levels of reuse and recycling offer the potential to contribute to the EU's jobs and social agenda. The Commission estimates that by 2030, the growth in the Circular Economy could save the EU economy €600bn a year. In the UK³ it is estimated that the circular economy could create between 200,000 and 500,000 gross jobs and reduce unemployment by between 54,000 to 102,000 by 2030.

According to *Moving Towards the Circular Economy in Ireland*, a study for the National Economic and Social Council (NESCC) by Dr Simon O'Rafferty, the potential for job creation in the Circular Economy covers a broad range of skills and wide geographic distribution including rural areas and areas of economic and social deprivation. Skills include trade and craft (e.g. carpentry, upholstery), industry (e.g. health and safety, forklift / van driving, waste management systems), retail, business management and life skills (e.g. team work, first aid).

Due to the labour-intensive nature of reuse / recycling, these jobs and training opportunities will be new or net additional jobs. This is due to the labour involved in repairing, upcycling or deconstructing the highly diverse and complex mix of products that are returned via reuse and recycling loops.

Through retaining the value of products sourced and returned to market within the local community, local economies are supported and local activity facilitated at both small and large scale. This also supports competitiveness by protecting businesses against volatile commodity prices and scarcity of resources.

ADDRESSING SOCIAL NEEDS

Community reuse and recycling operators work with individuals or groups that are long-term unemployed, people with disabilities, ex-offenders, people from drug rehabilitation and disadvantaged communities—such as members of the Traveller and Roma community— thereby promoting equality. These employment and training opportunities can help lift people out of poverty, enter the job market and learn new skills that can support career progression. The personal impact of these services on trainees can be seen through CRNI's video, *Inclusive Communities at Work*, found on CRNI's videos page: <https://www.crni.ie/videos/>.

Many of these operators address poverty and social inclusion by providing refurbished or reused goods at affordable prices and in some cases, at a significant discount. This enables low-income families to meet their needs without incurring debts or making do without essential items. By creating volunteer opportunities, they help to address social exclusion by offering a sense of community, purpose and belonging to those who are lonely or otherwise excluded. There is a proven positive impact of volunteering. According to a Volunteer Ireland study, the impact of volunteering on the health and well-being of the volunteer, 55% of respondents to an online national survey of volunteers stated that their mental health and well-being had increased following their volunteering experience. It is notable that volunteers often also progress into part time or full time employment within the same organisation.

³ Morgan & Mitchell, 2015, *Employment and the circular economy - Job creation in a more resource efficient Britain*, Green Alliance, available at <http://www.green-alliance.org.uk/resources/Employment%20and%20the%20circular%20economy.pdf>



SOCIAL IMPACT

In 2017, members of the European RREUSE network, which includes CRNI, diverted around 1 million tonnes of materials from landfill through re-use, repair and recycling and generating a combined turnover of 1,500,000,000 EUR. These activities enabled the 1,000 social enterprises federated by RREUSE's wider network to fulfil their social mission, which for the most part, is the provision of work opportunities, training and support services for disadvantaged individuals. Approximately 140,000 employees, volunteers and trainees were engaged in the activities of RREUSE's members.

More locally, CRNI's members provided over 1570 high quality training opportunities in 2017 alongside 800 jobs and over 5,540 voluntary positions. Training opportunities are provided through a range of labour activation schemes, with generally high succession rates.