



Community Work Ireland working collectively to support and promote community work as a means of addressing poverty, social exclusion and inequality and advancing human rights

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Community Work Ireland

National Social Enterprise Policy for Ireland – CWI Submission

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Introduction

Established in 1981¹ Community Work Ireland is the national organisation that promotes and supports community work/community development as a means of addressing poverty, social exclusion and inequalities. CWI is a membership organisation comprising over 800 individuals and organisations that support community work/community development and work in the most disadvantaged communities throughout Ireland. For over 35 years, Community Work Ireland has played an important role in working to advance policy and programmes that meet the real and pressing needs of disadvantaged communities throughout Ireland seeking to ensure the meaningful participation of communities in the decision-making processes that affect their lives.

As the leading community development organisation in the country whose members work in and with the most marginalised and socially excluded communities in Ireland Community Work Ireland welcomes the opportunity to make a submission on the National Social Enterprise Policy for Ireland 2019-2022.

¹ As the Community Worker's Co-operative

General Comments

Community Work Ireland welcomes the development of a National Social Enterprise Policy for Ireland. This is timely and it is particularly relevant given the development of other complementary policies and strategies.

CWI has engaged with the pre-consultation process for this National Social Enterprise Policy and has consulted with CWI members in the development of this submission. Community Work Ireland strongly suggests that the National Social Enterprise Strategy Policy needs further work. As it stands, the Policy fails to adequately differentiate between:

- **Social enterprise and private enterprise that might either have some social impact or deliberately misuses the social impact principle.** Social enterprise must go beyond individual notions of social impact, be underpinned by a motivational set of values and be undertaken for collective benefit. Without these, there is a real danger that social enterprise will be confused with general enterprise or enterprises to replace essential public services for minimum cost. We believe that the current iteration of the Policy, and the definition underpinning it, fails to describe social enterprise adequately.
- **Social enterprise and work undertaken by the community sector, including community development and local development.** A far more distinct differentiation needs to be made between social enterprise and community development and local development. Under the current description, many community development and local development organisations could be described in their entirety as social enterprises. Far greater differentiation should be made between grants and other forms of income and income derived by social enterprise trading.

Social enterprises should be defined by

- The creation of employment for those marginalised from the labour market;
- The provision of services/goods to those most distant from those goods and services;
- Be non-profit – as opposed to not-for-profit;
- Invest all surpluses to achieve the objectives for which the social enterprise was established, which should be for a collective social benefit of marginalised communities.

Crucially, what are described as deficient demand social enterprise need far more attention in the policy.

Finally, the Policy currently seems to be more of a strategy than a policy document and this needs to be clarified.

Values

We suggest that the policy references the set of values that have been adopted to underpin the *10 Year Strategy to Support Local Development and Community Development*, and only enterprises that share these values should be considered as social enterprises. These values are:

- **ACTIVE PARTICIPATION** - A commitment to active participation of all stakeholders, including citizens and non-citizens. Participation is rooted in the belief that communities have the right to identify their own needs and interests and outcomes required to meet them. Building active participation involves a recognition that policies and programmes targeted at communities and groups will not and cannot be effective without the meaningful participation of those communities in their design, implementation and monitoring.
- **EMPOWERING COMMUNITIES** - A commitment to empowering communities, increasing their knowledge, skills, consciousness and confidence to become critical, creative and active participants. It leads people and communities to be resilient, organised, included and influential.
- **COLLECTIVITY** - A commitment to collectivity. A collective approach requires a focus on the potential benefits for communities rather than focusing only on benefits for individuals. It recognises the rights of communities and groups, including funded organisations, to work autonomously and maintain a critical voice. It involves seeking collective outcomes in pursuit of a just and equal society.

- *SOCIAL JUSTICE* - A commitment to social justice, including promoting policies and practices that challenge injustice and value diversity.
- *SUSTAINABLE DEVELOPMENT* - A commitment to sustainable development, including promoting cultural, environmental, economic and social sustainable policies and practices.
- *HUMAN RIGHTS, EQUALITY AND ANTI-DISCRIMINATION* - A commitment to human rights, equality and anti-discrimination, involving promoting human rights and equality in society and committing to addressing the multiple forms of discrimination experienced by many groups. Specifically, recognising the particular experiences of people in relation to gender based issues and in particular the impact of gender inequality on women (including women from marginalised communities and minority groups) and on society as a whole. In accordance with the *Public Sector Duty*, we are committed to eliminating discrimination, promoting equality and protecting human rights.
- *SOCIAL INCLUSION* - A commitment to social inclusion. Prioritising the needs of communities experiencing social or economic exclusion, including rural isolation, and recognising that promoting social and economic inclusion requires us to recognise and seek to address the root causes of exclusion as well as developing strategies and mechanisms to promote and ensure inclusion.

Definition

We believe that the definition is key to policy and failure to get the definition correct will lead to confusion.

We suggest that the current definition as presented is unclear and suggest:

Social enterprises are enterprises established by community organisations to address social, economic or environmental issues that trade in commercial activities or provide services, and where any surpluses generated are reinvested to achieve these objectives

We suggest that a specific definition covering what are referred to as deficient demand social enterprises is included as follows:

Deficient demand social enterprises are social enterprises that seek to meet the demand for goods and services within a community that are critical to need but not matched by resources to pay for these due to economic and social disadvantage and/or low density of population.

Summary of the research

While there are references to the research and consultation that informed the policy, there is no detail. This policy document would benefit greatly from a summary of the main points of the research with a focus on the elements that were included/influenced the document.

Social Enterprise in Ireland

The community sector and the voluntary sector are two sector and there should be referenced separately, or reference should be made to 'sectors'. See the *10 Year Strategy to Support Local Development and Community Development*.

We would take issue with the phrase – 'Other social enterprises have been established by entrepreneurs who have chosen to use the social enterprise model to maximise the social impact of their enterprise and/or their contribution to society' (bottom of page 7). Social enterprise should be associated with community organisations if there are to reflect the values as outlined above. If social enterprises are not associated with a community organisation, it is difficult to see how their societal contribution can be assessed. If this section is not clarified, there is a distinct danger that individuals will use the umbrella of social enterprise for what is essentially private enterprise.

We would take issue with the description of the range of goods and services delivered by social enterprises (second paragraph on page 8). Social enterprises are not established to contribute to government policy in these areas. If and where they do, it is a by-product of the social enterprise rather than the motivating factor. This needs to be clarified.

The description of the spectrum of social enterprises is confusing. The Forfás description is much clearer:

In Ireland, there are four main types of social enterprise, and often social enterprises may overlap in these goals:

- those with commercial opportunities that are established to create a social return;
- those creating employment opportunities for marginalised groups;
- economic and community development organisations; and
- those that deliver services.

Social Entrepreneurship and Social Innovation

As above, the inclusion of Social Entrepreneurship and Social Innovation is problematic. While they may create a focus on societal need and identifying potential responses, it must be specifically noted that Social Entrepreneurship and Social Innovation are not social enterprises. Social enterprises may take the learning from each and develop an enterprise response to the need which is based on the collective community approach rather than an individual one.

Synergy with the Community and Voluntary Tradition

We take issue with the phrase, 'However, social enterprises are differentiated by their more entrepreneurial approach and the generation of revenue from the on-going provision of goods and services'. We suggest removing 'are differentiated by their more entrepreneurial approach'.

Note that the reference to the Strategy to Support the Community and Voluntary Sectors is incorrect, and it should refer to the 10-Year Strategy to Support the Community and Voluntary Sectors in Ireland. In addition, the Strategy was developed by the Cross-Sectoral Working Group and it cannot be said it was developed in conjunction with the sector (bottom of page 9).

Local Authorities

First paragraph – that is overstating the role of local authorities, many of which have been very remiss in this area. While Local Community Development Committees (as opposed to local authorities) administer SICAP, SICAP is implemented by Local Development Companies. Further, it is not a goal of the Community Enhancement Programme to support local enterprise.

There should be more explicit reference to a requirement for social enterprise supports to be included in Local Economic and Community Plans.

Local Enterprise Offices (LEOs)

While there is a strong argument that LEOs should support social enterprise, the reality is that they do not and their inclusion in this section is misleading.

Policy Objectives

The policy objectives will only work if they are based on a sound definition and understanding/description of social enterprise.

Consolidation

CWI welcomes the fact that policy, support structures and funding supports are now consolidated under the Department of Rural and Community Development. That is a welcome step, as is the ambition that the DRCD has for social enterprise. It makes ensuring that this policy document is robust even more critical. It should be noted that the parent department for the National Social enterprise Policy is the Department of Rural and Community Development, which strongly suggests that the policy needs to be aligned with the department's mission to "To promote rural and community development and to support vibrant, inclusive and sustainable communities throughout Ireland".

Policy Objective One – Creating Awareness of Social Enterprise

Building knowledge and understanding of Social Enterprise

This section is largely repetitive. We suggest omitting this. If it is to remain, reference to the delivery of services in areas such as community development should be omitted.

Initiating social enterprises

This section is largely repetitive.

Reference to the Young Social Innovators programme should be omitted – the purpose is to raise awareness of social issues and not social enterprise.

Suggested Measures

We suggest the creation of a register of social enterprises with associated criteria that reflect a new definition of social enterprise – not the one currently used.

Programmes to increase awareness of the potential of social enterprises should be undertaken.

Policy Objective Two – Growing and Strengthening Social Enterprise

It should be noted that the models used to support private enterprise may need to be adjusted to suit the social enterprise model and it should not be assumed that they can be directly transferred.

In the experience of CWI members, local authorities, the Local Community Development Committees and the Local Economic and Community Plans do little in most areas to support social enterprise. However, they could be supported to ensure that social enterprise support becomes far more central to their work.

The work of the Local Enterprise Offices should be extended to cover social enterprise, but, as above, it should not be assumed that their current models of support will be suitable.

The critical nature of the Community Services Programme should be referenced here.

As allowed by EU Directives in this area, public procurement should be open to social enterprise and there should be a social clause in all relevant public procurement that applies preferential status on social enterprises.

The Public Sector Duty, that imposes an obligation on all public bodies to have regard for the need to eliminate discrimination, promote equality and protect human rights, should be used to maximise the potential of social enterprises to support the groups named by the Equality Act.

Policy Objective Three – Achieving Better Policy Alignment

It is acknowledged that DRCD is the lead department for this policy. However, there are a range of other departments that have an interest in this area, such as the Department of Justice, the Department of Expenditure, the Department of Employment Affairs and Social Protection and the Department of Business, Enterprise and Innovation. CWI suggest a cross-departmental National Social Enterprise Unit be established that includes these and other departments, key stakeholders from the community, voluntary and environmental sectors at national and local level, and relevant agencies that would co-ordinate a collaborative approach to the development and support of social enterprises in Ireland. The unit should ensure representation of particularly marginalized communities such as Travellers and could be tasked with the implementation and monitoring of the Policy.