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From: Tom Doyle [REDACTED]
Sent: 14 May 2019 12:09
To: DRCD SEConsultation
Subject: Response to draft policy document on social enterprise
Attachments: SE Response Tom Doyle.docx

Please find attached my response to the Draft National Policy on Social Enterprise.
Kind regards,
Tom Doyle



Tom Doyle PhD

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Response to Draft National Social Enterprise Policy for Ireland 2019-2022

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I welcome the publication of this draft policy document which I hope will start a productive discourse on the role of social enterprise and innovation in the future development of our country. My contribution will be brief and will seek to respond to the opening three sections of the policy dealing with the context in which the policy is framed, its definition of social enterprise and the rationale underpinning the main policy objectives. My overall point is that social enterprises are a product of the prevailing social innovation system and that the role of a national policy is to create an institutional environment that supports such systems. I suggest a structure for that institutional environment and how it might be created. The manner in which state policies and positions successfully fostered technological innovation and enterprise in recent decades is presented as an example of how this works in practice.

To begin, I believe that the context in which this policy is being advanced goes beyond social enterprises being an important part of a social economy. Recent developments in the innovation landscape help us see social enterprise from a broader perspective. The first is a shift towards a more open and socially focussed paradigm of innovation one which involves a 'quadruple helix' of government, academia, business and civil society.ⁱⁱ This new conception of innovation recognises that the social challenges we face are too large and complex to be tackled at organisational level and require collective action at multiple levels, global, regional and within local communities. This more open and inclusive approach to innovation is beginning to be reflected in EU innovation policy framework and in its support of social enterprise.ⁱⁱⁱ Secondly, although there is still much research to be done, there is a growing body of knowledge around the links between social innovation systems – the community of people and institutions involved in addressing social issues – and the processes that lead to the emergence and development of successful social enterprises^{iv}. In simple terms, social innovation and enterprise emerge from interactions between diverse actors within a particular social system or community. These occurrences derive from the quality of that interaction and the interests, commitment, abilities and diversity of participants involved. Effective interaction creates the conditions in which social problems may be reframed and opportunities for new social enterprises are more likely to arise^v. The success of that innovation and associated enterprise depends, as with all innovation, on its relative merits – adaptability, newness, perceived advantage, scalability etc. It depends too on the supporting framework that exists for the enterprise including funding, local and international networking opportunities, access to users/purchasers and training in the principles and tools of social innovation^{vi}.

Against this background, the purpose of any national policy should be to create an institutional environment which will foster a more open and socially based innovation system, one that enables local and cross community involvement and provides a support system that recognises and values the particular character of social enterprises. The three connected elements or pillars of this institutional environment should be;

1. A consensus on the role of social innovation and enterprise in the economic and social development of the country.
2. A strong commitment to the underlying aims and values of social innovation.
3. A regulatory and administrative framework that supports the above conception and set of values around social innovation.

The relative success of Ireland's technological innovation policy in recent decades illustrates how these dimensions of concept, value system and regulatory support can interact^{vii}. Since the mid 1990s a clear and consistent discourse has developed among policy makers around the nature and purpose of technological innovation in economic development. A series of government agency reports consistently emphasised the foundational role of technological innovation in new enterprise development.^{viii} It targeted the emerging technologies in bio and information sciences and the associated research being carried out in universities and other institutes as the source of such innovation. A consensus also emerged around the value of such innovation. It would generally add to our social well-being, reduce our reliance on foreign direct investment, make full use of an increasingly educated workforce to create high quality employment, add to the prestige of our universities and project a modern image of our state. The policies also aligned closely with international best practice and with the aims of the EU Lisbon agenda of making Europe 'the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion'.^{ix} By the beginning of the new millennium there was broad acceptance of a policy narrative on what constituted technological innovation, why we needed to support it and how best to do so. As a result, it was possible to achieve political agreement on the need to make the significant investment in an infrastructure that would encourage such innovation and enterprise. This included the foundation of Science Foundation Ireland in 2003, the upgrading of national and local enterprise support agencies, the construction of incubation facilities in all higher education institutes, education and training programmes in entrepreneurship and the provision of tax incentives for entrepreneurial activity.

This investment has yielded positive results in terms of increased growth and the creation of high-quality enterprises and employment. However, there is also a perception most of the benefit has gone to people with higher levels of education and living in larger urban centres. One of the drivers of social innovation is to give greater emphasis to the aim of social cohesion as one of its outcomes. That said, the point of this submission is that the development of an institutional environment to enable social innovation should emulate and possibly extend the successful strategies employed to support technological innovation. It must reflect a broader perspective of innovation and the particular character and value system underlying social innovation. A possible approach to doing so is summarised in the table below. It contains many of the policy actions listed in the draft document but places them in a slightly different, and I hope a more useful context. Finally, the point should be made that the formation of this institutional environment is a continuous and iterative process involving ongoing communication between all the main players involved in the field of social innovation. Hopefully, the consultation on this draft policy document will begin that process.

Creating an Institutional Environment that will Support Social Enterprise

Consensus on the role of Social Enterprise	Commitment to Underlying Values	Effective Regulatory and Administrative Support
<p style="text-align: center;">Objectives</p> <p>Developing a shared understanding of social innovation and social enterprise.</p>	<p style="text-align: center;">Objectives</p> <p>Generating support for the underlying values of social innovation and social enterprise. Increasing awareness of the benefits it can bring.</p>	<p style="text-align: center;">Objectives</p> <p>Putting in place the regulatory and administrative processes at national and local levels to support social enterprise.</p>
<p style="text-align: center;">Policy Actions</p> <ul style="list-style-type: none"> • Convening of a policy forum on social innovation. • Updated mapping of the field of social innovation and enterprise in Ireland.^x • Defining, as clearly as is possible, the boundaries and relations between the main actors in this field. • Clear articulation of how this policy will support social innovation along with the <i>Framework Policy for Local and Community Development</i> and the pending <i>Strategy to support the Voluntary and Community Sectors in Ireland</i>. • Increased involvement with EU and other international bodies who are promoting social innovation. • Integration of social enterprise into education curricula including business education at higher level. 	<p style="text-align: center;">Policy Actions</p> <ul style="list-style-type: none"> • Articulating the linkage between social innovation and enterprise policy and the DRCD mission of supporting a vibrant, inclusive and sustainable communities. • Increased research on the present impact of social enterprises; development of processes for continued measurement. • Further research on potential application to specific social issues in Ireland e.g. rural development, urban renewal, youth unemployment. • Showcasing success stories at national and international level. • Promoting this potential for growth and the benefits this growth could bring to Irish society; • Promoting the benefits of enhanced networking/collaboration and boosting social capital. • Promotion of networks and networking events that increase awareness of social innovation in public and private sectors. 	<p style="text-align: center;">Policy Actions</p> <ul style="list-style-type: none"> • Improving and extending access to finance for social enterprises. • Aligning tax and benefit systems with above objectives. • Creating a new legal status for social enterprises. • Capacity-building and business supports that take account of special character of social enterprises. • Supporting networking activities for social enterprises • Supporting use of social innovation principles in national and local policy making^{xi}. • Setting up of living laboratories in which these principles can be tested and impact on development of social enterprise can be assessed. • Development of local community leadership. • Public tendering processes that facilitate social innovation. • Putting in place processes for continued oversight and measurement of impact.

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ⁱⁱ See paper by Martin Curley and Bror Salmelin from the EU Open Innovation and Strategy Policy Group. [file:///C:/Users/tomdo/Downloads/OISPGOpenInnovation20ANewParadigm-WhitePaper%20\(2\).pdf](file:///C:/Users/tomdo/Downloads/OISPGOpenInnovation20ANewParadigm-WhitePaper%20(2).pdf)

ⁱⁱⁱ https://ec.europa.eu/growth/industry/innovation/policy/social_en

^{iv} See Philips et al. for a systematic review of literature on this research

<https://journals.sagepub.com/doi/full/10.1177/1059601114560063>

^v Of course, other outcomes may emerge from such processes such as innovative ways of delivering public services, more socially responsible business practice or the emergence of new voluntary organisations.

^{vi} See paper by Neumeier on success factors for social innovation in rural development <https://rgs-ibg.onlinelibrary.wiley.com/doi/pdf/10.1111/geoi.12180>

^{vii} Ireland is rated 9th on the Global Entrepreneurship Monitor

<https://www.irishtimes.com/business/work/how-does-ireland-measure-up-in-terms-of-entrepreneurship-1.3683309>

^{viii} A notable example was the 2004 report from the Enterprise Support Group, *Ahead of the Curve*, which contained recommendations *compiled* by representatives of the three strands of the innovation system, state, business and higher education. <https://dbei.gov.ie/en/Publications/Publication-files/Forf%C3%A1s/Enterprise-Strategy-Group-Report-Full-Report.pdf>

^{ix} <https://portal.cor.europa.eu/europe2020/Profiles/Pages/TheLisbonStrategyinshort.aspx>

^x See last mapping report by EU conducted in 2016

file:///C:/Users/tomdo/Downloads/IE%20Mapping%20Study_%20Report_Accessible.pdf

^{xi} See Social Innovation Community report on how these principles can be applied to the related activities of policy making *for* and policy making *as* social innovation.

https://media.nesta.org.uk/documents/social_innovation_policy_in_europe_-_where_next.pdf