
From: Julie Doughty [REDACTED]
Sent: 16 May 2019 16:07
To: DRCD SEConsultation
Subject: Re: Response to Public Consultation

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Acknowledgement sent

Dear Elizabeth,

Thank you so much for the call and accepting this late submission. I have just returned to work from maternity leave this week, hence the delay and I know my colleagues have already made submissions representing the company therefore I decided to submit in a private capacity.

Kind regards,

Julie

I would like to add to my earlier submission a note relating to the definition on page 6 of the policy document. "It pursues its social objectives by trading- **or having an ambition to trade-** on an ongoing basis through the provision of goods and/or services, and by reinvesting any surpluses into achieving its social objectives"

The new Social Enterprise Policy for Ireland is an opportunity to bed down an accepted definition of what constitutes a social enterprise. So many varying definitions exist within the literature. "Having the ambition to trade" does nothing to distinguish social enterprises from other non-profits who may have a small level or no traded income. Babos et al (2006) outline that social enterprises take on a greater willingness to take risks for on-going productive activity and have significant enterprise characteristics, with **25%-50% of income coming from traded activities**. If there is no traded income then the organization is not a social enterprise rather a non-profit aspiring to become a social enterprise, the ability to generate a significant portion of income through traded activity is what distinguishes a social enterprise from other non profits. This policy document is a fantastic opportunity to set a strong and clear indication of the level of traded income which social enterprises in Ireland should aspire to achieve in order to be considered a social enterprise. In my opinion, this should be at a minimum of 25%.

Babos P., Clarence E., and Noya A., (2006) Reviewing OECD Experience
in the Social Enterprise Sector. Accessed from <http://www.oecd.org/cfe/leed/38299281.pdf>
on 16/05/2019

From: DRCD SEConsultation
Sent: Thursday 16 May 2019 14:40
To: Julie Doughty
Subject: RE: Response to Public Consultation

Dear Julie

I wish to acknowledge receipt of your submission regarding the draft National Policy on Social Enterprise and expect the additional information about which we spoke on the phone

Kind Regards

Yours sincerely,

Elizabeth

Elizabeth Loftus

Higher Executive Officer,

Rural Strategy & Social Enterprise Unit

—

An Roinn Forbartha Tuaithe agus Pobail

Department of Rural and Community Development

Trinity Point, 10-11 Sráid Laighean Theas, Baile Átha Cliath 2, D02 EF85

Trinity Point, 10-11 Leinster Street South, Dublin 2, D02 EF85

—

www.gov.ie

From: Julie Doughty

Sent: 16 May 2019 12:25

To: DRCDC SEConsultation

Subject: Response to Public Consultation

Dear Sir/Madam,

Please see find attached and below my response for the consultation on the National Social Enterprise Policy for Ireland. My sincere apologies for the late submission, I do hope that it can still be considered.

Kind regards,

Julie Doughty

MBS (Co-operatives and Social Enterprise), MAgrSc. (Rural Development), BAgrSc. (Agribusiness and Rural Development)

Ireland has a lot to learn from international experience in supporting the development of sustainable Social Enterprises. There are a number of ways in which the Irish government can contribute towards improving the effectiveness of social enterprises in Ireland;

Objective One- Creating Awareness of Social Enterprise

- Promote knowledge and understanding of social enterprises within the public sector at national and local level.
- One to one business mentoring support to assist social enterprises with business planning and encourage social enterprises to look at alternative sources of funding to develop, diversify and grow their operations. A study carried out by Clarke et al in 2009 revealed that social enterprises were reluctant to consider loans as a source of finance; only 8% of those studied had availed of a loan from a bank, credit union or social finance institution in the past.

Objective two- Growing and Strengthening Social Enterprise

- Develop a national one stop shop on-line resource bank for social enterprises with information on all funding/supports available and template documents/resources to ease the administrative burden e.g. business planning resources, sample policies and procedures, recruitment/HR documents, health and safety information, financial planning and recording templates and links to relevant support agencies.
- Develop a clear legislative framework for the development of social enterprises, such as those in other EU countries. A community interest **company (CIC)** is a type of **company** introduced by the **United Kingdom** government in 2005 under the **Companies (Audit, Investigations and Community Enterprise) Act 2004**, designed for social enterprises that want to use their profits and assets for the public good. Italian law defines two types of social co-operatives, Type A- social services; providing social care, health and educational services to disadvantaged groups i.e. older people, people with a disability. These co-operatives form a core element of social care delivery for many local authorities in Italy. Type B co-operatives are employment creators disadvantaged groups i.e. people with disability, ex-offenders, recovering drug mis-users. These co-operatives draw their members from four categories: volunteers, service users, workers employed in the co-operative and funders. Having a clear legal framework for social enterprises offers them a clear option for organising their

enterprise and one which distinguishes them as social enterprises distinct from other non-profits and private entities. In Italy, the clearly defined legal structure is seen as a powerful contributor to the growth of social co-operatives (Bland, 2011). The Italy co-operatives also benefit from tax incentives, reduced corporation tax, nil or lower VAT rates and exemptions from PRSI. These and other incentives recognise the social impact that accrues to this type of organisation.

- Introduce social considerations in public procurement: Public authorities are a major purchaser of goods and services, obtained through a process of public procurement. These purchases are often selected on price alone. In 2010 the European Commission issued a handbook “Buying Social; A guide to taking account of social considerations in public procurement”. The handbook aims to increase awareness of public authorities of the possibility to include social clauses in their public procurement practices. It encourages public authorities to support social inclusion through promoting social economy organisations. Social clauses should be included in public procurement. This presents a significant opportunity for social enterprises and governments to work together in a mutually beneficial way. In Italy Social Co-operatives are the preferred providers in the procurement of local authority contracts. (Bland, 2011)
- Reduce the dependency of social enterprises on statutory funding and encourage them to become self-sustaining where the possible. Through the provision of intensive strategic planning and business development supports delivered through Local Development Companies charged with the development and support of social enterprise in Ireland. Social enterprises like any other business require business skills development supports not just at the start-up phase but throughout their life cycle. Networking and peer learning should be facilitated and encourage between social enterprises on a regional, national and international level. Business supports must be delivered at a local level through bodies who have an understanding of the unique attributes of social enterprises.
- Invest in the management capacity of social enterprises, through the provision of appropriate management, governance and HR management training specifically tailored for managers.

Bland J. (2011) *Time to get serious international lessons for developing public service mutuals*. Co-operatives UK., Manchester.

Clarke A., Eustace A., (2009) *Exploring Social Enterprise in nine areas in Ireland*. Eustace

Patterson Limited. Wexford.