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**Sent:** 15 May 2019 17:12  
**To:** DRCD SEConsultation <[seconsultation@drcd.gov.ie](mailto:seconsultation@drcd.gov.ie)>  
**Subject:** Social Enterprise Consultation

A Chara,

Please find below a submission for the Social Enterprise Policy on behalf of SEDCo Social Enterprise Development Company CLG.

Beir bua.

Rónán Ó Dálaigh

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**Rónán Ó Dálaigh**

**Chief Executive Officer**

**SEDCo - Social Enterprise Development Company**

**Cuirfear fáilte mhór roimh chomhfhreagras i nGaeilge.**

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**RE: Submission to Social Enterprise Consultation DRCD**

**Introduction:**

SEDCo is a support organisation that developed and supports social enterprises in Ireland. We focus on start-up and concept stage enterprises have supported over 50 organisations and entrepreneurs to get their ideas off the ground. We have developed in-house social enterprises that have grown substantially since our foundation four years ago.

## **Points of Note:**

1. We welcome the effort put into this draft policy and believe support for the sector in Ireland has been lagging far behind our European counterparts, therefore a draft policy is a welcome development.
2. The draft policy in its current format is not fit for purpose and needs substantial work to make it relevant, effective, accurate and representative of the sector.

## **Points of information:**

- The definition used for social enterprise is not correct. We suggest giving this further work and taking the lead of the European Commission.
- The largest form of social enterprise globally is the cooperative. It is also the fastest growing form of social enterprise. It appears from the draft that cooperatives are not considered social enterprises in this policy, that is incorrect. The International Cooperative Alliance can provide best practice and most relevant information regarding the cooperative.
- The European Commission has asked that members states create 'a level playing field' for all start-up enterprise, social or private. The draft policy does not make reference to that which is highly disappointing. For example, there is no mention of Enterprise Ireland, the BIC network or any of the dozens of supports that are available to private start-up enterprises.
- Social enterprise that many forms of legal entity in Ireland, not just charitable.

## **Moving Forward:**

An accurate definition and awareness of social enterprise is the crucial first step in policy development. However, we would also like to share proposal for the future that should be incorporated into the policy:

### 1. Level the playing field

Rectify the imbalance which sees Enterprise Ireland, BIC Network, LEO for-profit business supports and multiple other funds, supports and resources restrict social enterprises from benefitting from their services.

### 2. Invest in the eco-system

In order to create an eco-system that can help spin out the level of start-up enterprises required to bring Ireland up to the EU average the State should invest in the following:

- i) The establishment of a social enterprise network through supporting the current voluntary network to become a permanent, full-time organisation. As is seen in all EU jurisdictions that have effective social enterprise policies and environments.
- ii) An education fund for state bodies engaged in entrepreneurship, such as Enterprise Ireland, to train their staff on the concept, operations and structure of social enterprise.
- iii) A national social innovation research centre to conduct research into the sector, based in one or more of our universities. The centre would have remit for providing best-class information and research on the sector.
- iv) A cross-departmental training and travel bursary that would partner with one of Europe's leading countries in the sector to send civil servants to those countries that have developed effective and impactful policies.

### 3. Remove legal barriers

The current company set-up law is not fit for purpose when it comes to social enterprises. We require a separate legal entity that allows social enterprises to employ directors and members of staff. We need to move away from the idea that all social enterprises are charities - this is inaccurate.

The Company Act 2014 should be updated to include a new form of legal entity that enables social enterprises to incorporate with the same benefits of private companies i.e. lower reporting burden and more access to finance.

#### **Séanadh Ríomhphoist/**

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