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**Subject:** Submission  
**Attachments:** Social Enterprise Submission.docx

Hello

Please see attached (somewhat rushed) submission on the National Social Enterprise Policy for Ireland.

Thank you

James

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## Social Enterprise (SE)

### Submission on Draft Policy – James Coyne - Westside Resource Centre

The creation of a national policy is very welcome and we hope that the benefits of social enterprise will be better acknowledged and understood and that the sector will be better supported as a result of the policy.

(The comments below follow the format and headings of the Draft policy. The Draft is logical in its approach and contains many good and very relevant points. We comment only where we wish to make a point or to diverge / disagree with the Draft or where we feel that further points should be added.)

#### Introduction

SE is best looked at as a method of delivery...it is not a solution in itself. The room for growth in the SE sector is an opportunity for addressing the challenges faced by society. The objective of the policy should not simply be to 'grow the sector' but to support the sector, promote the sector and advance SE as a very useful approach that can be adopted – by certain organisations under the right circumstances – to address societal issues.

The Introduction speaks of SE's valuable contribution to our country. I would also emphasise the very important contribution SE's make to the local economy where they operate. The concept of entrepreneurship in social enterprise is welcome and there is great scope for organisations to grow and be creative. Correspondingly, there is opportunity for government to be creative in how it supports and liaises with SE's and utilises SE's as conduits for delivery of policy.

*We believe the concept of Social Entrepreneurship is quite distinct from Social Enterprise and it may be somewhat unhelpful to deal with both in this one policy. Social Enterprise is about collective effort, structure, long term stability and accountable board governance. Social Entrepreneurship, whilst very interesting in itself, appears to be more about 'start up' situations, more individualistic / personality based and therefore different from main stream Social Enterprise.*

The concept of SE is not, in our experience, generally well understood. This is the case amongst clients, in local government, in community groups, in state agencies and government departments. This policy will hopefully help to build understanding and bring the concept into focus. SE is one of several tools that can be used and it is best used in circumstances where the SE approach actually fits the situation on the ground.

There are challenges for SE that the draft does not appear to take into account. Far from the 'best of both worlds' scenario – a worthy cause thriving and trading professionally – SE's can and do occasionally fall between two stools. Not fully belonging in the charity world because you 'trade' and not comfortable in the commercial world because you are 'charitable'.

"Why are you not doing this for free?", some people ask. "Are you not a charity?". Others may say "...why don't you leave that kind of thing to the market place to deliver? Why are you in competition with us businesses?" SE gets pushed from both directions at once!

## Defining social enterprise

The following definition - previously used by Forfas – is very good.

***A social enterprise is an enterprise that trades for a social/societal purpose, where at least part of its income is earned from its trading activity, is separate from government and where the surplus is primarily reinvested in the social objective.***

Social enterprises, like charities, hold themselves to be working for the benefit of society in some fashion. They may therefore receive donations, government funds, public funds, voluntary contributions etc. The definition of a social enterprise should therefore conclude with reference to governance.

The lines in the draft which suggest that an SE be governed in an...**accountable and transparent way by a voluntary Board and...if dissolved, it must transfer its assets to another organisation with a similar mission...**are very reasonable and covers the matter adequately.

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The policy should ensure that the term 'Social Enterprise' has an official and recognised meaning in Ireland. There should be no room for the deliberate misuse of the term SE by organisations who wish to only capitalise on public kindness whilst actually operating for straight forward commercial gain.

The government should consider a **Register of Social Enterprises** to which organisations who wish to use the term can apply.

It is notable – and perhaps regrettable – that the policy makes no reference to the idea of having a purpose built type of legal entity entitled 'Social Enterprise' in Ireland. There is room for discussion and research on this point and the example of Community Interest Companies in the UK may offer some interesting insights.

## Social Enterprise in Ireland

It is true that there is a wide and interesting spectrum of social enterprise activity in Ireland. It may be confusing, at this point, to speak of 'different forms' of SE. We would suggest that the list on page 7 be described as a (non-exhaustive) list of the ways in which SE is used. The term 'form' may be taken to mean the legal entity involved. All of those on the list may be, for example, in the legal form of Company Limited by Guarantee. They are not distinguished by *their form* but by the way in which they seek to employ SE in their work. Because SE is not a legal form of organisation the term can be used by different kinds of organisations.

## Synergy with the Community & Voluntary tradition

We very much welcome the statement that **...the Government's objective is to ensure that a full range of appropriate supports are available to all organisations seeking to deliver on social and societal objectives that will support a better Ireland, regardless of the model they use for service delivery.** As noted above, SE is not a suitable tool in all situations.

## Local level support

We find statements of support for SE's in many quarters but they are often 'aspirational' in nature and of little real assistance. Our organisation is long established and very much involved at many levels in civil society locally and we work well and closely with many bodies and agencies. (We have a good knowledge of LDC's, SICAP , CEP etc.) **However, we have not benefited from any significant support which is specific to established Social Enterprises.** We are not aware of supports for existing SE's through the Local Enterprise Office.

*Nationwide Funds - We attended information workshops, for example, on the Social Enterprise Development Fund. The availability of funds for the sector is very welcome. In truth however the application processes appeared very convoluted and competitive. Some funds seek an ongoing commitment to attend workshops / meetings with mentors etc. whilst other funds ask for substantial matching funding over an extended period. If our organisation was fortunate enough to win substantial funding, for example to extend our premises, we would seek expend our energy on getting the work done and increasing our services to our clients rather than attending further meetings etc.*

*We feel that the design of such funds should take account of 'the costs - to the sector as a whole - of actually applying. Is it the best use of time and resources to have countless organisations working away on applications, travelling to attend meetings and competing for often limited funds for which there is strong competition? Is this really the best approach for a sector that is working to enhance society and the environment?*

## Establishing Policy Objectives

We welcome the consolidation of responsibility for social enterprise and we hope this consolidation has a positive impact on the sector. We welcome and acknowledge the supports which already exists through, for example, the CSP. As intimated above, **a straight forward funding scheme to support expanding SE's would be very much welcome.**

## Better knowledge and understanding

We welcome the intention to "...raise awareness with the public, other businesses and across government. Developing and promoting an understanding of social enterprise will therefore be a key part of the implementation of this Policy. A particular focus will be to better quantify and explain the positive socio-economic impacts achieved by social enterprises." We would add that consideration should be given to the difficulties and barriers faced by social enterprises and that the government should look at what if any measures can be taken to unburden SE's and allow them to focus on delivering their core work.

Other policy measures...(1) Make SE a specific category in community awards / mayors awards etc. (2) Open / develop / encourage links between SE's and Credit Unions. (3) Examine the possibility of specific legal entity for SE.

### Initiating social enterprise

We would encourage entrepreneurship, creativity and innovation in SE's. New organisations are emerging and doing excellent work. Existing SE's are however 'the bird in the hand'. They too should be supported and encouraged to extend and expand.

*References to Social Entrepreneurship, as noted earlier, are problematic here again. The policy should not be 'leading' or prescriptive about how SE's come to into existence.*

Education is at all levels is important and it is good to see SE being included in the various curricula. It is vital that a clear distinction is made between SE and say Socially Responsible Business. These are not the same thing and indeed including them in the same discussion may be adding to existing confusion.

It would be interesting to see SE specifically included in a Community Education format.

### Business Support for SE

SE's should be able to avail of business supports to enhance their trading possibilities and it makes sense therefore – in order to avoid unnecessary duplication - that this is done through conventional channels for example the LEO's. (This does not mean that specialist training and support to enhance the SE's *social objectives* cannot be access elsewhere.)

### Access to Finance and Funding

Support to SE should have its roots in a willingness to support 'the work' on the ground. In this we mean that the social objective is the important point...not the format of how we go about having it delivered. The less 'strings attached' the better...allow the organisation to do the work it set out to do as much as possible. Consider that SE's need to grow and extend and that levels of support may need to change over time.

### Enabling market opportunities

Consider that charity SE's may have a limited pool of people with whom they can do business and that their 'market' may be fixed.

### Achieving Better Policy Alignment

Other policy measures...(1) Talk to SE's directly about their experiences (2) Explore areas of challenge / difficulty and identify practical solutions and options (3) Explore areas where SE's can assist government and see how government can reward SE's for assistance with, for example, information campaigns, public awareness, education etc.