



Trinity College Dublin

Coláiste na Tríonóide, Baile Átha Cliath

The University of Dublin

Centre for Social Innovation, Trinity Business School

Policy Submission to the Department of Rural and Community

Development RE: Review of National Social Enterprise Policy for Ireland 2023

April 2023

Trinity Business School's Centre for Social Innovation (CSI) is a research centre with expertise that encompasses the areas of social innovation, social enterprise, philanthropy, venture philanthropy, social investment, impact measurement and nature based solutions.

As the Department of Rural and Community Development (DRCD) are preparing a new policy for social enterprise and social economy, the CSI would like to put forward the following recommendations based on our research, teaching and engagement with social enterprise in Ireland and internationally.

There are four main themes that arise from our work that shape our evidence-based policy recommendations:

1. Ireland's unique story that strong ties and influences from abroad results in a wider range of different types of social enterprises than might be expected from international frameworks.
2. The growing awareness and urgency of the climate and biodiversity crises influencing social enterprises' work, missions, and operating contexts.
3. The value of satellite accounts as a reliable way of gathering data on nonprofit SEs.
4. The distinction between social enterprise and social entrepreneurship.

We set out these four themes briefly and can amplify them if required by DRCD.

1. Ireland's wide range of SEs.

Based on research conducted over the past 7 years, we have published a model of Ireland's SE sector in the recent special issue of the Irish Management Journal's on Social Enterprise and the Social Economy (Cannon et al 2023). Drawing on both international comparisons of social enterprises sectors, we applied Kerlin's framework to Ireland, as well as Defourny and Nyssens typology of SEs, and asked the question: given Ireland's institutional context, what types of SEs would we expect to find. While international frameworks classify Ireland as having a 'dependent focussed' model of social enterprise, i.e., the prevalence of state funding for SEs such as work employment schemes, we actually find ALL the types of SE that Defourny and Nyssens identify (entrepreneurial nonprofit, public social enterprise, social cooperatives, and social businesses). We attribute this to the institutional influences (social, historical, cultural, economic, political) in Ireland of having strong ties and overlaps with the United Kingdom, USA, and Europe.

Recommendation 1: while the 2019-2022 SE policy focussed on the dependent focussed model – state funded nonprofits often with the company limited by guarantee (CLG) form – we recommend that the next policy give more consideration to Social Cooperatives and Social Business. At least acknowledging these types of SEs in Ireland provides a more realistic and evidence-based starting point for conceptualising and supporting the sector.

2. Social Enterprise in the midst of climate and biodiversity crises.

While social services and societal challenges are often considered separately from the natural environment, the climate and biodiversity crises are forcing all sectors and industries to consider how they operate, their missions, and the impact of their work. While the greening of social services, social movements, and nonprofit missions has been relatively slow to start, there is a growing interest and urgency in environmental sustainability in all areas of life. For example, the coordinator of the Irish BioEconomy Forum, Patrick Barrett (Dept of Agriculture), has encouraged us to apply our (CSI) expertise in social enterprise to that policy activity.

The most common way so far to consider the interaction of social and environmental issues is through Climate Justice and Just Transition (Murphy, Cannon, Walsh 2022). Our research on Beef Farming in Ireland is influencing policy as it has been included in the Environmental Protection Agency report, Volume 4 of the Five Year Assessment Report on Climate Change (5YAR). Furthermore, we are currently implementing a European funded initiative, EduWORLD, that includes working with Offaly County Council on a range of nature-based solutions supporting just transition from peat and energy based economic activity to a low carbon, nature positive local economy. We highlight this work here to point out that while Climate Justice is often treated separately to social enterprise, our research and findings question the separation of social and environmental purpose in theory and policy, when in practice we find so much overlap.

CSI work in the area of socio-environmental organising has come under the umbrella of an EU Horizon2020 funded project, Connecting Nature, where we coordinated multiple countries and cities to implement and analyse Nature Based Solutions (McQuaid et al 2021). We homed in on the actors delivering these services and have highlighted a type of social enterprise: Nature Based Enterprises, defined as autonomous hybrid organizations that deliver nature-based solutions, so having nature at the core of their business models (Kooijman et al 2021). Examples of nature-based enterprises include regenerative agriculture, tourism and forestry, green buildings, smart technologies for nature and nature-based health and wellbeing businesses. This research was highly commended by the Financial Times as academic research with real-world impact in February 2023¹ and has been taken up in EC² and international policy reports³ and as a priority for future EU research and innovation funding⁴.

¹ <https://www.ft.com/content/679f19bd-92eb-475c-9eb2-7dbc9b82846e>

² https://research-and-innovation.ec.europa.eu/news/all-research-and-innovation-news/vital-role-nature-based-solutions-nature-positive-economy-2022-04-28_en

³ https://www.ilo.org/global/topics/employment-intensive-investment/publications/WCMS_863035/lang-en/index.htm

⁴ <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/topic-details/horizon-cl6-2023-biodiv-01-10>

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In response to the fragmentation of existing research that treats environmental and social initiatives separately, we are now studying how social and environmental goals interact in nature-based enterprises. We have applied a nested model, such that social and commercial activity has to take into consideration the context of the natural environment, as an appropriate way to study this interaction. We found that while commercial and social goals can sit separately, commercial and environmental goals need to be integrated to avoid claims and risks of greenwashing (Cannon, Kooijman, McQuaid 2023, forthcoming).

We have also highlighted how environmental goals have been treated as one type of social goal in the nonprofit research. By testing out how social and environmental goals interact, we have found that practitioners find great value in using social missions to shape the meaning of their environmental initiatives (Wu, Cannon, Coughlan 2023, forthcoming).

Recommendation: We recommend that the climate and biodiversity crises are deliberately and explicitly considered as the context of all social enterprise efforts and initiatives. In doing so, new policy should acknowledge the specific role of social enterprises in addressing the crises, and also recognise the value of those social enterprises that have specific environmental missions, such as Nature Based Enterprises, recognising their value in addressing climate change and climate justice.

3. Satellite accounts and gathering data on SEs

National accounts are produced by a country's central statistics office (here the CSO - <https://www.cso.ie/en/statistics/nationalaccounts/>) and provide the basis for comparing GDP, GNP and other macro level economic indicators across nations. Satellite accounts focus on a particular sector or field of activity and seek to capture a fuller economic value than might be apparent from the respective national accounts. In other countries these can look at the economic impact of say the tourism sector, the environment or households.

The CSI has been working with researchers in Austria, Sweden and the UK on methods of looking at developing satellite accounts for the civil society sector using the UN Handbook Satellite Account on Non-profit and Related Institutions and Volunteer Work (2018). Following from this we believe that there is potential for developing social enterprise satellite accounts in Ireland. First, the absence of third sector data with the closure of Benefacts generates an imperative to capture sectoral data in alternative ways. Further, the link to national accounts would create an independent and empirical validity that would underpin the authority of the research recently undertaken by DRCD.

Recommendation: We recommend that the revised policy explores the potential for social enterprise satellite accounts and develops a pilot project to test the concept in the Irish context.

4. Social entrepreneurship as a related but distinct concept

We have noted that in the current policy “social enterprise” is mentioned 224 times but “social entrepreneurship” only nine times. By “social entrepreneurship” we mean a set of organisational and individual behaviours where entrepreneurial processes such as innovating, resource mobilisation and opportunity recognition are applied towards a social purpose. Social enterprises are often considered as the organisational embodiment of social entrepreneurship, but socially entrepreneurial behaviours can also be evident among

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individuals and in other organisational settings. Among the latter we note a recent PhD in Trinity CSI that considered social entrepreneurship across the gamut of Irish nonprofits, including sports, arts, social services. One can also note, for example, among the case studies of Social Entrepreneurs Ireland (SEI) instances of social entrepreneurship in health and education settings.

The teaching of social entrepreneurship in the Trinity Business School at undergraduate and masters levels is an important element of our pedagogy. It aims to nurture a set of academic and practical skills which will lead to students' engagement in achieving social value as well as economic value in their future careers. Social enterprises such as Food Cloud, Evocco, and Change Donations started in Trinity in this way.

Recommendations: we recommend that the revised social enterprise policy recognises the need to nurture social entrepreneurship among emerging entrepreneurs as a necessary antecedent to the development of the social enterprise sector. We also suggest that it may help the social enterprise definition debate to distinguish between social enterprises, as defined by the policy, and other organisations that have developed a socially entrepreneurial project or activity or otherwise exhibit social entrepreneurial behaviours.

CSI activities / outputs related to Social Enterprise

Since the last policy was developed (from 2019 to 2023) the CSI has undertaken the following research and teaching activities:

Research:

- Article in Nature Based Solutions (2023): "An integrated process for planning, delivery, and stewardship of urban nature-based solutions: The Connecting Nature Framework" Collier et al.
- Article in Irish Journal of Management (2023): "Institutional influences on social enterprise types in the Republic of Ireland" Cannon et al.
- Article in Nonprofit and Voluntary Sector Quarterly (NVSQ) (2023): "The Emergence and Evolution of Digital Social Ventures in Dublin, Ireland" Cannon and Dart.
- Article in Journal of Rural Studies (2022): "Just Transition Frames: Recognition, representation, and distribution in Irish Beef Farming" Murphy, Cannon, Walsh.
- Special Issue in Social Enterprise Journal on Complexity & Social Innovation/Entrepreneurship (2022) editorial: "Complexity as a model for social innovation and social entrepreneurship: is there order in the chaos?" Rhodes.
- Article in the above on: "Social Innovation and Temporary Innovation Systems (TIS): Insights from nature-based solutions in Europe" (2021). Rhodes and Donnelly-Cox.
- Article in Sustainability journal (2021) "Innovating with Nature: factors influencing the success of nature-based enterprises" McQuaid et al.
- Article in Sustainability journal (2021) "Innovating with Nature: from nature-based solutions to nature-based enterprises" Kooijman et al.

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- Chapter in the 'Handbook of Collaborative Management': "A Key Actors Governance Framework (KAGF) for nature-based solutions to societal challenges" (2021)
- Conference paper in EurOMA27 (2020), "Sustainability-oriented process innovation and emergent social mission" Wu, Cannon et al.
- Book: Social Enterprises in Viet Nam and Ireland (2019). Cannon and Rhodes.
- PhD thesis on Social Entrepreneurship in the Irish state-funded third sector (2022). Byrne.

Teaching

- MBA - Social Enterprise projects (every year)
- MSc in Entrepreneurship - Social Enterprise (every year)
- Undergraduate 4th year - Social Innovation / Social Impact (every year)
- Undergraduate 3rd year - Introduction to Social Enterprise (every year)

Engagement

- Social enterprise MBA projects (every year)
- ENFUSE programme (2023)
- FENIX programme with Swedish civil society organisations (every year)

If you would like further information on any of the points discussed above, please contact us:

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