



**Submission as part of the**

**Department of Rural and Community**

**Development's public consultation on**

**the National Social Enterprise Policy**

**2024-2027**

**31 January 2024**



## Executive Summary

Rethink Ireland warmly welcomes the proposed social enterprise policy, viewing it as a significant stride towards cultivating an enabling environment for social enterprises in Ireland. We commend the Government's dedication to fostering growth and impact within the sector.

In our assessment of the policy, we draw parallels with our recently published position paper, accessible on our [website](#), identifying shared objectives such as the imperative for improved capacity building, increased access to finance, and enhanced opportunities in public procurement for social enterprises. Nevertheless, notable gaps exist, particularly in addressing legal form challenges and fostering cross-departmental collaborations. Despite acknowledging the pressure for social enterprises to adopt charitable status for funding eligibility, which pushes them away from the enterprise side of their activities, the policy lacks ambitious commitments to address this issue comprehensively. Moreover, the policy underscores the need for whole-of-government support, however, fails to specify key departments or articulate firm commitments for collaborative initiatives.

We must set an ambitious vision for the development of the sector. The policy should consider the development of the Social Economy in Ireland, in accordance with the latest resolutions and recommendations from the European Union and United Nations.<sup>1</sup>

- On December 9th 2021, the European Commission adopted an Action Plan on Social Economy to put forward concrete measures to help mobilise the full potential of the sector.
- In November 2023, the European Council<sup>2</sup> including the ministers for employment and social affairs reached a political agreement on the recommendation on enabling frameworks for the social economy. Member states will have two years to adopt or update their national strategies for the social economy, promoting the social economy through national, regional and local strategies, policies and programming.

Leveraging our unique position and network with the social enterprise sector, we gathered insights from 16 social enterprises through a survey conducted among current and former awardees of Rethink Ireland. The survey was sent out during the first week of January 2024 asking respondents to review and provide suggestions on the policy. The results from this survey largely aligned with the points raised in our position paper and informed the

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<sup>1</sup> In 2023, the United Nations adopted a resolution recognizing the social economy as driver of inclusive and sustainable economies

<sup>2</sup> [European Council recommendations on enabling frameworks for the social economy, November 2023](#)



observations and recommendations put forward in this submission. Further details of the survey have been included in the appendices.

Overall, for the sector's confidence and efficacy, we emphasise the importance of the upcoming policy featuring tangible measures and clear targets. We extend our gratitude to the Department of Rural and Community Development for their ongoing support, and we anticipate continued collaboration and discussions to enhance the policy in the future.

## About Rethink Ireland

Rethink Ireland would like to thank the Department of Rural and Community Development for the opportunity to take part in the consultation on their 2023-2027 National Social Enterprise Policy.

Rethink Ireland (previously Social Innovation Fund Ireland) provides cash grants and business supports to not-for-profit organisations and social enterprises working in Irish communities across the country. These organisations are not just thinking differently, but are putting their ideas into practice and building a more vibrant, equal and inclusive Ireland. Our mission is to support the **best social innovations** so that they can grow and maximise their impact across Ireland. Our vision is an Ireland that is more **just, equal, and sustainable** because of social innovation. To facilitate this, we not only provide grants but also build the capacity of our awardees to grow and sustain their impact. We place a particular emphasis on data-driven and informed approaches, equipping awardees with impact measurement and management skills and applying the same approach to our own work.

Since beginning operations in 2016, Rethink Ireland has created **54 funds** worth over **€96 million**. We have supported **415 social innovations**, which have reached over **829,000 people**. Our awardees have helped over **2,700 people** into employment and we have directly created a further 660+ positions within the Irish not-for-profit sector.

## Background: Our Commitment to Social Enterprise

At Rethink Ireland, one of our key strategic aims is strengthening the social enterprise ecosystem in Ireland. We believe that social enterprise is part of the fabric of local communities in Ireland, providing local services and playing a core role in the local economy. Services provided by social enterprises have a mandate of legitimacy for service users in local



communities. Our goal is to find and back Ireland’s best and most promising social enterprises and support them to scale and maximise their impact.

Since 2016, we have provided **over €11 million** in cash grants and business supports to over **183 social enterprises** across every county in Ireland, as well as supporting over **200 social enterprises at the idea stage**. Many have increased their traded revenue, developed their services and grown their impact nationwide. They have reached over **400,000 people** with their services, mobilised over **16,000 volunteers** and created over **200 additional jobs** within social enterprises with our support. The following table provides a snapshot of the impact our awardees create year on year.

Fund	Total Investment	No. of Awards	Impact (*as of end of 2022)	Lifecycle Stage of Social Innovation*
Social Enterprise Start Up Fund	€800,000 (Over two years)	44	-Reached over 34,000 people in 2022 -Over 12,000 people received accredited training -20 participants secured employment	Stage 1
Social Enterprise Development Fund	€4.4m (Over six years)	-118 SED Awards -18 Business Course awardees to date -101 Business Supports -200 business course participants	-delivered services to over 407,827 people -mobilised 16,641 volunteers -Created 219 jobs	Stage 2- 3
Social Enterprise Step Up Fund	€700,000 (Over two years)	5	<i>Beneficiary reach - 68,457 Number of people engaged - 15,457 *Fund in progress. Complete impact data not yet due.</i>	Stage 3
Growth Fund	€6 Million	4	-provided therapy	Stage 4



	(Over 6 years)		supports to 1,600 children -reached 1M people - diverted 40,000 mattresses from landfill -saved over 1.1M meals from landfill - diverted 42,500 tonnes of food from landfill	
We have also invested close to €7 million in social enterprises across other investment areas such as health, education, and equality.				

*\*Lifecycle diagram included in the appendix.*

Importantly Rethink Ireland has over the last 5 years, directly contributed to the implementation of the National Social Enterprise Policy. We have done this in several ways:

- The development of a [legal form guide](#) with TrustLaw and the subsequent commissioning of a [Legal Form research](#) and report in partnership with the DRCD in direct fulfilment of policy measure 1.
- The launch of our “[The Future is Social](#)” Awareness campaign in 2021 based on research carried out in 2020, which was continued in 2022 with the support of the ARISE funding.
- Annual **public sentiment research** carried out since 2020 to measure the change in public awareness and understanding of social enterprises. This research has shown a year on year increase in awareness of social enterprise from 51% in 2020 to 60% in 2022. Engagement with social enterprises has increased from 33% in 2020 to 40% in 2022.
- Supported the creation and distribution of a **circular by the LEO Centre of Excellence** that clarified available supports for social enterprise.
- Delivering the EU-funded “[Financing Social Enterprise in Ireland - Models of Impact Investing and Readiness](#)” project in partnership with DCU and Community Finance Ireland, which has resulted in the
- **Hybrid Social Finance Loan** pilot launched in 2023 funded by the DRCD, a new financial instrument to support to scale social enterprises based on EU best practices



- Provided support to over 183 social enterprises and another 200 aspiring social enterprises covering the entire **lifecycle of social innovation**. So far, we've provided €10.5 million in cash grants and business support to social enterprises in every county.
- Contributed to the Social Enterprise policy **implementation group** of the DRCD
- Delivered the **FUSE project**, which was co-funded by the EU and the DRCD, developing a [Blueprint](#) to further develop the social innovation ecosystem in Ireland, aiming to establish a **National Competence Centre for Social Innovation**, and having an effective use of EU funding to support social enterprises and social innovations.

## Observations and suggested additions to the Policy

The following section is an analysis of each of the 5 policy objectives proposed in the policy. It includes areas for improvement and additional recommendations for each objective. The analysis and suggestions have been largely informed by our [Position Paper](#) regarding national policy for social enterprise published in 2023. Importantly, we are also drawing on the voices of 16 social enterprises, specifically consulted for their views on the policy. All 16 reviewed the policy and provided comprehensive feedback captured through an online survey. Please refer to the appendix for a summary of the survey results.

### ***Policy Objective One - Building Awareness of Social Enterprise:***

The focus on awareness and education is crucial. The propositions in this objective resonates with our position paper, emphasising the need for a collective effort. Acknowledging youth engagement as a vehicle to increasing awareness is also welcomed.

- **Areas for Improvement:** A more detailed strategy for reaching public and private sector organisations with limited exposure to social enterprises could enhance the effectiveness of awareness initiatives.
- **Additional Recommendation:**
  - Implement national media campaigns to address the limited awareness among public and private sector organisations, showcasing the impact of social enterprises.
  - Funded apprenticeship and/or internships attributed to social enterprises to increase youth engagement.



### ***Policy Objective Two – Growing Social Enterprise:***

The acknowledgment of ongoing support needs for social enterprises is commendable as new avenues for growth are explored. It is important that the policy goes further and explicitly states a commitment to the intents laid out in this objective.

- **Areas for Improvement:**
  - Greater emphasis on detailed training and mentorship programs, especially for board members, would enhance the sector's capacity.
  - A more ambitious stance on legal form. Legal form guides have been developed in the past, namely Trustlaw, and while they are a useful resource, they do not eliminate the underlying issues in the legal frameworks.
- **Additional Recommendations:**
  - Continued and increased business supports and training at both staff and board levels are crucial. Rethink Ireland, as a key actor, can play a pivotal role in providing these supports.
  - Conduct a public consultation on the legal framework, expanding the scope to explore a comprehensive legal basis.
  - Exploration of a social value model to assess both the social and environmental impact of businesses alongside traditional financial metrics, ensuring a level playing field for social enterprises in competition with conventional businesses.
  - Commit to cross-departmental, governmental support for social enterprises, convening across agencies/departments to develop an action plan.

### ***Policy Objective Three – Climate Action Contribution:***

The policy's acknowledgment of social enterprises in climate action aligns with our position paper.

- **Areas for Improvement:** Further exploration of opportunities in the bioeconomy and concrete steps to integrate social enterprises into the green, blue and circular economy initiatives would enhance the policy's impact.
- **Additional Recommendation:** Include an impact framework support to bolster the role of social enterprises in climate action.

### ***Policy Objective Four – National and International Engagement:***



Recognising the need for cross-government coordination and engagement at various levels is a step in the right direction, however, it is crucial that measures are put in place to make this happen.

- Areas for Improvement:
  - A more detailed strategy for private sector engagement and specific actions for legal frameworks would strengthen the policy.
  - Currently the document fails to mention the European Social Economy Action Plan or include plans to realise its commitments at a national level
- Additional Recommendation:
  - Develop concrete strategies for private sector engagement with social enterprises in collaboration with the Department of Employment, Trade and Enterprise.
  - Develop National Strategies for the Social Economy in collaboration with all relevant Government Departments and aligned with the European Council recommendation<sup>3</sup> and the European Commission's Social Economy Action Plan.

***Policy Objective Five – Data Collection & Social Impact Measurement:***

The emphasis on improving data collection and social impact measurement aligns with our position paper.

- Areas for Improvement: A more concrete plan for sharing best practices in social impact measurement and a detailed roadmap for baseline data improvement could enhance the policy's effectiveness.
- Additional Recommendation:
  - Conduct a second census as initial mapping exercises were conducted when no official definition of social enterprise existed. There is a need for more comprehensive, reliable data on the sector.
  - Provision of capacity building supports, particularly through a national competence centre, and tools for impact management will significantly benefit social enterprises.
  - Address the challenge of the current legal forms by not only monitoring but actively reviewing and updating them.

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<sup>3</sup> [European Council recommendations on enabling frameworks for the social economy, November 2023](#)



## Recommendations

Based on our analysis, Rethink Ireland recommends the following:

1. **Enhanced Legal Frameworks:** Develop specific measures for legal status and frameworks to provide clarity and flexibility for social enterprises.
2. **A dedicated legal status** would hold the potential to safeguard the social enterprise nature across legal forms and offer a viable alternative to charitable status.
3. **Concrete Strategies for Private Sector Engagement:** Develop detailed strategies to increase private sector procurement from social enterprises.
4. **Detailed Training and Mentorship Programs:** Place a stronger emphasis on comprehensive training and mentorship programs, particularly for board members.
5. **Incorporate Circular Economy Initiatives:** Include specific measures for integrating social enterprises into circular economy initiatives.
6. **Networking and Collaboration Emphasis:** Strengthen emphasis on networking opportunities and collaboration platforms, recognising their importance for the sector.
7. **Continued and Increased Business Supports:** Continue to work with Rethink Ireland in providing funding for capacity building via strategic innovation funds to support and scale the most impactful social enterprises in Ireland.
8. **Access to Unrestricted Financing:** Differentiate between grants and finance, addressing the need for unrestricted financing.
9. **Provision of Capacity Building Supports:** Establish a national competence centre for capacity building, in addition to tools for impact management.
10. **National Media Campaigns:** Implement national media campaigns to address limited awareness, especially among organisations not regularly exposed to social enterprises.
11. **Impact Framework Support:** Include an impact framework support to enhance the role of social enterprises, especially those in climate action.
12. **Cross-Departmental Support:** Commit to cross-departmental, governmental support for social enterprises, convening across agencies/departments to develop an action plan.

## Conclusion

In conclusion, Rethink Ireland would like to see the following in the second national social enterprise policy:

- **A continued focus** on the priorities included in the first social enterprise policy, with policy goals that further build on the progress created to date. This includes in particular



- Continuation of awareness-raising work, building on the campaigns and messaging developed to date while bringing key stakeholders on board. This needs to include measurement of awareness.
- Building on the success of measure 13 of the first policy, use the results of the Social Finance research to explore and test additional finance products for social enterprises at different stages, unlocking and attracting further public and private funding.
- **A reinforced, strengthened focus on**
  - Impact measurement and management to provide social enterprises with the tools to attract investment and communicate their impact fully and effectively, while further refining their offering.
  - Capacity building supports: Building on the focus on mapping business supports available to social enterprises and providing them with access to tailored and mainstream business supports, the second policy has the opportunity to take action to explore how to scale, certify and future-proof capacity building supports offered by a range of stakeholders.
  - Cross-departmental cooperation and buy-in from other departments, building on measure 20 while going beyond it by incentivising them to take their own initiatives, set budgets for supporting social enterprises and commence consultations.
- **The additional inclusion of**
  - Social procurement as a standalone priority. Both public and private social procurement continues to be inaccessible for most social enterprises despite training offerings and a confirmed interest. A full exploration of how to facilitate public and private social procurement must be undertaken and pilots run.
  - A commitment to create a legal framework for social enterprises in Ireland to clarify the delineation from the CRA, provide a suitable legal status, and safeguard support and acknowledgement of social enterprises for the long-term.
  - The establishment and resourcing of a national competence centre for social innovation.
  - The establishment of an idea stage programme and connected early stage fund in partnership with Rethink Ireland. This needs to be delivered in partnership with Local Enterprise Offices to support equal access to business supports and inclusion in enterprise networks.

Rethink Ireland would like to thank the DRCD for the opportunity to contribute and seeks a meeting to discuss these points in more detail.



## Appendices

### Appendix A: Survey Analysis

#### **Question 1: Have you reviewed the government's consultation paper on social enterprises?**

All respondents reviewed the consultation paper.

#### **Question 2: Do you believe the current policy objectives outlined in the consultation paper effectively support social enterprises?**

85% of respondents believe the current policy objectives effectively support social enterprises.  
15% of respondents believe there are areas for improvement.

#### **Question 3 If no, briefly outline areas for improvement or change**

Suggestions for improvement include:

- More focus on the circular economy and its potential.
- Specific support for different demographics, such as men and youth.
- Enhanced training and awareness programs.
- Simplifying processes for measuring social impact.
- Integration of Sustainable Development Goals (SDGs) into the policy.

#### **Question 4: Do you think the 5 policy objectives should be kept in their current form?**

80% of respondents believe the 5 policy objectives should be kept in their current form.  
20% of respondents believe changes should be made to the policy objectives.

#### **Question 5: If you responded "no" to the previous question, please outline what you would change.**

No new suggestions for changes were presented.

#### **Question 6: What actions or strategies would you recommend including under the various headings of the policy to enhance its effectiveness? (Please provide brief recommendations under each policy heading)**

Recommendations include:



- Establishing training programs and mentorship schemes.
- Creating financial support schemes tailored for social enterprises.
- Developing procurement programs emphasising social value.
- Facilitating national and international networking events.

**Question 7: What specific points or initiatives would you like to see included in the next policy to better support social enterprises?**

Suggestions include:

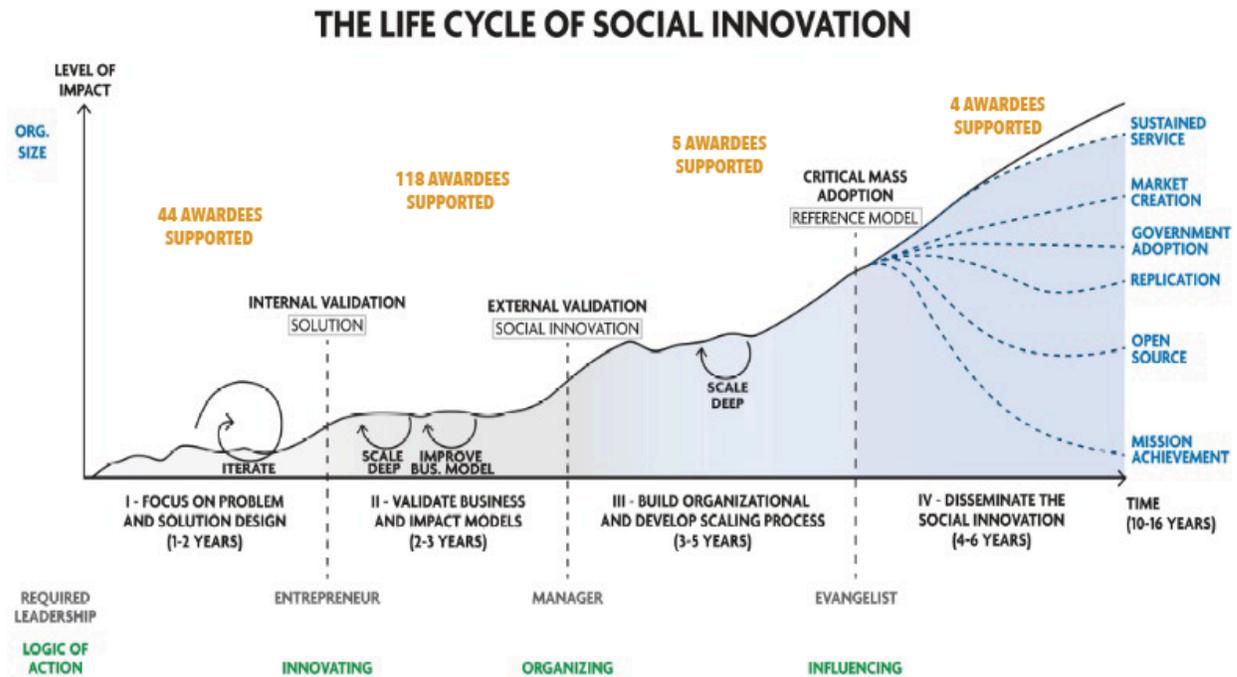
- Tax incentives for social enterprises.
- Funding allocation based on the size and impact of the enterprise.
- Centralised access to business supports and growth capital.
- Increased partnership with organisations supporting social enterprises.

**Question 8: Is there any other critical aspect or recommendation you would add to the government's consultation paper to better address the needs of social enterprises?**

No additional recommendations were found.



## Appendix B: Life Cycle of Social Innovation (including no. of awardees supported by Rethink Ireland at each stage)



## Appendix C: Selection of social enterprises supported by Rethink Ireland across the lifecycle of social innovation.

### Stage 1

#### PsyCare Ireland

PsyCare Ireland offers dedicated services at music festivals and events with a focus on high-risk drug use, providing one-to-one peer support, psychological first aid, and crisis mental health intervention. Their team works alongside medics and security to prevent escalation to traumatic situations, while also promoting a culture of responsibility and awareness around drug use through non-judgmental healthcare advice and creating a safe space for patrons 24/7 during events.



### **Change Clothes Crumlin**

Change Clothes Crumlin is a community hub addressing textile waste by promoting sustainable fashion practices. Through clothes swaps, dress rentals, repair cafes, and workshops, it fosters a creative and social community in Dublin's Crumlin area, reducing environmental impacts and waste in the clothing industry.

### **Stage 2**

#### **An Mheitheal Rothar**

An Mheitheal Rothar focuses on providing bicycles to those who do not have access to cycling, particularly those who are unable to participate in the Bike to Work program, while also creating an impact on the areas of employment and sustainability. Their one-of-a-kind approach combines recycling and waste reduction with delivering affordable bikes, as well as personalised information sharing and problem solutions for each user.

#### **Common Knowledge**

Common Knowledge empowers people with the skills and solutions needed to address some of our most basic needs for a sustainable life: affordable, sustainable housing and greater self-sufficiency at home. They do this through hands-on learning programmes, research and community initiatives focused on areas like building, growing and making. Their founding team have taught 500+ people through their 'Build School' project since 2020, and continue to expand their reach year on year.

### **Stage 3**

#### **The Urban Coop**

The Urban Coop works on improving community wellness. They provide wholesome food at affordable prices and are operated by the community for the community. Their aim is to create a sustainable Limerick. Membership is open to everyone. They provide a platform for social connection and the opportunity to enhance lives through access to wholesome food.

#### **Education for Sustainability**

Education for Sustainability is a dynamic social enterprise dedicated to elevating climate literacy and driving behaviour change throughout Ireland. Their mission is clear: they strive to equip today's youth with comprehensive education on the climate crisis, empowering them with knowledge, skills and tools to effect change and become influential stakeholders of the future. They offer engaging climate literacy workshops and programs to students, teachers and businesses, aligning with their vision to ensure that every child in Ireland is climate literate by 2030.



## **Stage 4**

### **GIY**

GIY is a multi award social enterprise that was founded in Ireland in 2008 by Mick Kelly with a vision of creating a healthy, sustainable world where 100 million people grow their own food. Growing food, according to GIY, builds food empathy, which is a deeper knowledge and relationship with food that leads to healthier eating choices. GIY provides a variety of products and services that enable individuals and businesses to grow food at home, school, work, and in the community. They also run education programmes and campaigns that motivate and empower people to have their first, successful food growing experience. One of GIY's flagship initiatives is GROW HQ, a home for the food growing movement and a sustainable food business that was established in Waterford in 2016.

### **Sensational Kids**

Sensational Kids is a high-impact, award-winning social enterprise that helps children thrive and realise their potential by providing subsidised assessment and children's therapy services through their Child Development Centres around Ireland. Sensational Kids was founded in 2007 in response to long HSE waiting lists (3-4 years) for Speech and Language as well as Occupational Therapy assessments and therapy. They are on a mission to provide affordable, accessible, and family-centred clinical and educational services and products to children and adolescents of all abilities. They offer these services at reduced rates and supplement this loss in income by generating profits from their Play, Develop & Learn online store, training workshops for healthcare professionals, educators, and parents, and fundraising.