



ENSIE's contribution to National Social Enterprise Policy for Ireland 2024 to 2027 January 2024

<u>ENSIE</u>, the <u>European Network of Social Integration Enterprises</u>, takes for its objective the representation, maintenance, and development within Europe of networks and federations for Work Integration Social Enterprises (WISEs) striving for more inclusive and integrated forms of employment at European level. These enterprises aim to integrate disadvantaged people in the labour market through both economic activity and a pedagogic approach that enables their social and professional inclusion.

ENSIE works hand in hand with the Irish Social Enterprise Network (ISEN) to promote the development of social entrepreneurship at EU level, cooperating on many key projects aimed at developing knowledge of the sector and seeking to sharpen policy measures in favour of the social economy. As stated in 2019, ENSIE welcomes the initiative for the development of the National Social Enterprise Policy led by the Irish government and the Department of Rural and Community Development and the opportunity to comment it and is pleased to see this initiative being renewed.

National strategies are crucial for social enterprises and for social economy entities. This fact has been clearly highlighted in the last Council recommendation on framework conditions for social economy approved in November 2023¹ (Point 9.). In this framework, ENSIE acknowledges the National Social Enterprises Policy for Ireland as exemplary practise for the other EU member state strategies.

Policy Objective

a) Building Awareness of Social Enterprises

ENSIE agrees with the National Social Enterprise Policy proposition to increase awareness raising for social enterprises. It is true that typology of social enterprises differs and there is no one-size-fits-all when it comes to communication on social economy at the national level. However, goods and services provided by social enterprises empower to the consumer in having the choice to pick environmentally and socially responsible products. In this regard, WISEs are leading as example, creating a chain of value that generates jobs for the most excluded, ecologically sustainable, notably through reuse, and ethical thanks to their transparency and reinvestments of surpluses. Many measures can support visibility of social enterprises at national level: specific legal forms, legal statuses, labels and/or certification schemes are the most common. **ENSIE wishes to**

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¹ <u>Council Recommendation on developing social economy framework conditions</u>, Council of the European Union, November 2023.





highlight that it is crucial that these labels and certifications are set up with the sector in a bottom-up manner to not hamper the development of the Work Integration Social Enterprise ecosystem.

ENSIE fully supports the Irish government in its willingness to support youth engagement on social enterprises. The <u>Flash Eurobarometer on Social entrepreneurship and youth</u> states that "46% of young people aged 15-30 in the EU would consider setting up their own business, only few have taken active steps to do so. Lack of capital or resources, financial risks and insufficient knowledge and entrepreneurship skills were found as the main barriers to young people becoming entrepreneurs. In addition, only one-third of young people were familiar with the concept of social entrepreneurship." To tackle this challenge ENSIE invites the Irish government to implement support measures to increase awareness raising on social entrepreneurship in all levels of education, facilitate access to finance for young emerging entrepreneurs in a securing and fair manner, and developing diverse forms of non-financial business development services.

b) Growing Social Enterprise

ENSIE warmly welcomes National Social Enterprise Policy for Ireland 2024 to 2027 proposition to support the development of an enabling environment for social enterprises to grow. Indeed, empowerment of workers through business support and training measures is a heavily impactful for entities with often limited resources. ENSIE wishes to raise that WISEs provides diverse forms of social services and supports for disadvantaged workers, in particular the integration and/or re-integration into market. Providing these services to vulnerable people is crucial but at the same time generate additional costs for WISEs, added to all the cost of productive enterprises. Thus, ENSIE calls the Irish Government to design appropriate measures compensating the provision of the integration or/and re-integration into the market social service of WISEs and guarantying decent wages for their workers.

As stated, in its <u>reaction to the council recommendation</u>, ENSIE calls all member states to implement common guidelines for WISEs, securing their model, and paving the way for coherent measures.

ENSIE welcomes the intention of broadening the funding possibilities for entrepreneurs. ENSIE urges the Irish government to effectively utilize EU funds, specifically the ESF+, by allocating 10% of this funding to the social economy. Additionally, it recommends establishing monitoring committees that actively engage in participatory practices, involving representatives from WISEs networks and beneficiaries, giving them significant influence to shape the final decisions.² These funds must be combined with the extensive set of instruments provided by social finance organisations.

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² For more information on sectoral needs, resources are available in the <u>Helpdesk project website</u>. Reports including policy guidance will be published in March 2024. ENSIE is preparing an event to promote these outcomes in Ireland in March 2024, please contact <u>baptiste.vasseur@ensie.org</u> for further information.





c) Climate Action Contribution

Indeed, the transformative potential of the social economy is increasingly being recognised and ENSIE is pleased to see that this potential is being confirmed by the Irish government. The social economy provides answers to several societal challenges: from the need for a more circular economy to labour market challenges and inclusion. With the direct effects of the climate crisis becoming more visible and the indirect effects to be foreseen, ENSIE wishes to stress the need for a true Just Transition. In fact, a transition can only be just if it's social and inclusive, with WISEs being proportionately supported to develop activities having a positive effect and climate that foster the development of the future-proof skills. Hence, ENSIE considers that social and green criteria in public procurement should be increasingly made mandatory, to avoid social enterprises being hampered by their double positive effects on society and on the planet³.

d) National and International Engagement

ENSIE is pleased to witness the important focus given on representative bodies and transversal cooperation dynamics. ENSIE wishes to underline **crucial and structuring role of networks**, **such as the Irish Social Enterprise Network ISEN**, **for social enterprises and their ecosystem**. Being a pool of knowledge, networks are necessary intermediaries in the implementation of coherent policies that respond effectively to the real needs of local stakeholders. The previously mentioned council recommendation on developing social economy framework conditions calls Member States to "support the emergence and development of social economy networks (point 10)". ENSIE wishes to emphasise that this development **requires financial support, legal and political recognition, and capacity building as clearly proved within the Net-works project⁴. ENSIE is pleased to see the National Social Enterprise Policy for Ireland 2024 to 2027 reflecting this recommendation and calls the Irish government to go beyond the recommendations through the implementation of innovative participatory mechanisms regionally and locally anchored.**

Regarding the engagement "to take steps to proactively contribute to social enterprise policy at an EU, OECD and international level, making sure that Ireland's interests are fully represented", ENSIE is fully in line with it. Many opportunities can be open for social enterprises as existing tools are sometimes not used in their full potential. Notably, Member States are often underusing the state aid possibilities for social economy. **ENSIE strongly suggests the Irish government make the best use of state possibilities through the possibility offered by the GBER.**

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³ The European Commission has described the potential of Socially Responsible Public Procurement for achieving positive social outcomes in public policies providing an enabling framework for social enterprises in a specific guide. Source: <u>Buying Social - a guide to taking account of social considerations in public procurement (2nd edition)</u>, <u>European Commission</u>, 2021

⁴ The Net-works project aims to establish new national or regional networks of Work Integration Social Enterprises, notably in Ireland, Romanian, Portugal, Hungary, Slovakia, Serbia and North Macedonia and to facilitate their involvement in European cooperation.





e) Data Collection and Social Impact Measurement

ENSIE aligns with the need of increasing practises and tools for social impact measurement. As mentioned above, ENSIE wishes to underline the powerful role of representative networks to collect data, to run out sectoral impact assessments, and to coordinate ambitious evaluation projects. As an example, with its Irish member and all the other members, ENSIE has develop a European strategy to address the skills needs, regarding digital skills, in the Work Integration Social Enterprises (WISEs) sector⁵. ENSIE agrees with the issues being spotted by the plan and wants to stress the need of assessing qualitative outcomes that are often missing in data collection but are crucial to assess the impact of sector.



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⁵ B-WISE | Skills for the future : WISEs ready ! (bwiseproject.eu)