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Social
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An Roinn Forbartha
Tuaithe agus Pobail
Department of Rural and
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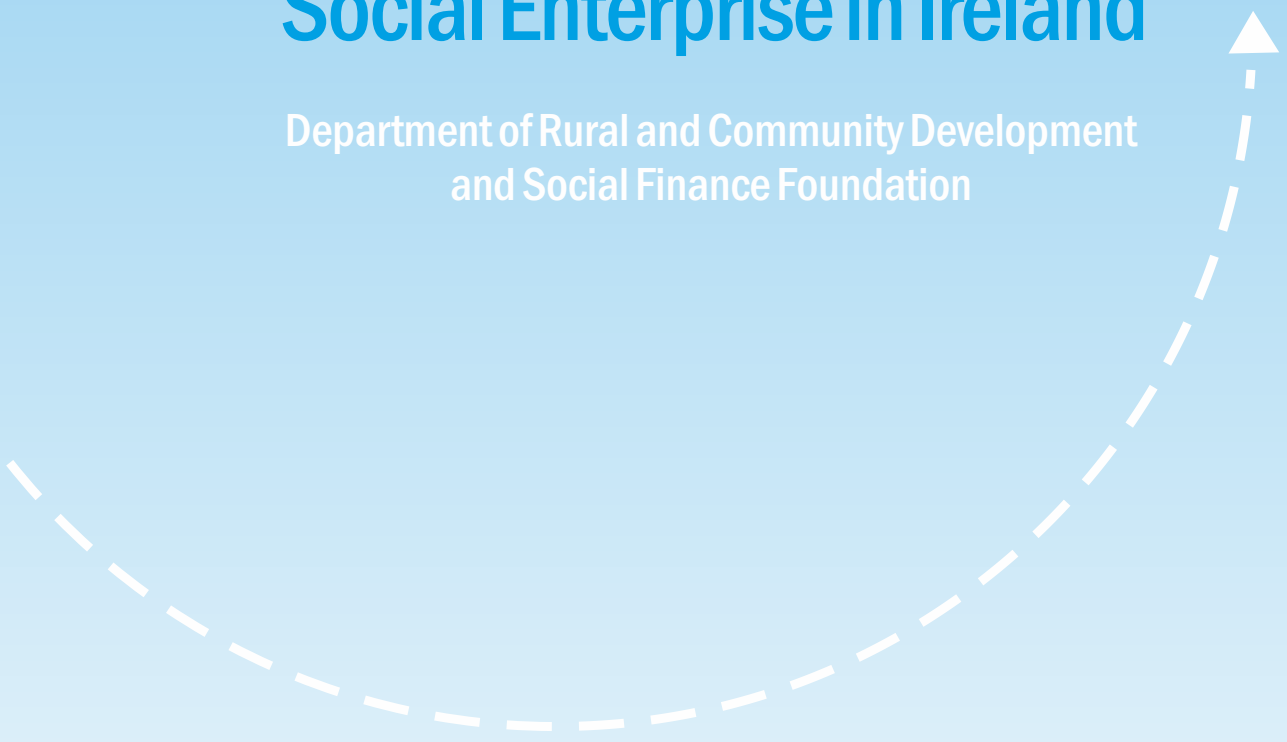
Social Enterprise in Ireland

Research Report to support the development of a
National Social Enterprise Policy



Social Enterprise in Ireland

Department of Rural and Community Development
and Social Finance Foundation



ACKNOWLEDGEMENT

This report is a product of co-production between the Department of Rural and Community Development and the Social Finance Foundation to inform the forthcoming National Policy on Social Enterprise. It reflects the significant inputs from many stakeholders including: the Social Enterprise Research Steering Group, the Social Enterprise Task Force, Government Departments, Public Bodies, Support Bodies, European Union, Sector Representative Bodies, Social Funding Organisations, Social Enterprise Promoters, Academic and Educational Bodies, and International Peers. In particular, this research would not have been possible without the commitment from those within the sector giving their time, energy and opinions over the course of the project via workshops, site visits, online consultation, meetings and calls. Thank you to all.

Stakeholder feedback has been a hugely valuable part of the research process and the report indicates where such feedback is being reflected arising from workshops, bilateral meetings, on-line survey, etc. It should be noted that where such feedback is indicated, it reflects a range of stakeholder opinions and does not necessarily represent the views of the Department of Rural and Community Development or the Social Finance Foundation or members of the research project Steering Group.



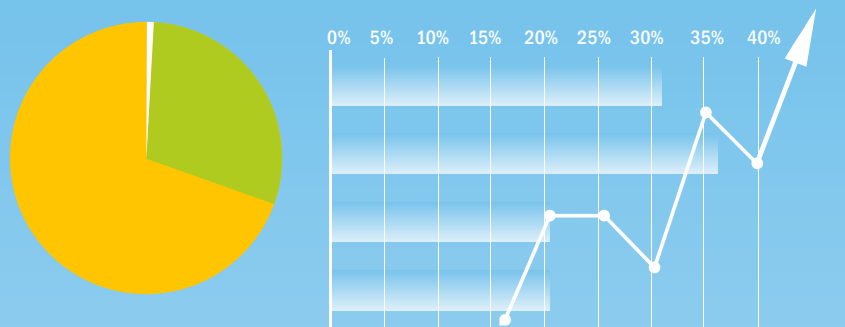


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|--------------|--|
| CE | Community Employment |
| CIC | Community Interest Companies |
| CLG | Company Limited by Guarantee |
| CoR | Committee of the Regions |
| CSP | Community Services Programme |
| CSR | Corporate Social Responsibility |
| DBEI | Department of Business, Enterprise and Innovation |
| DEASP | Department of Employment Affairs and Social Protection |
| DPER | Department of Public Expenditure and Reform |
| DRCD | Department of Rural and Community Development |
| DREL | Dunhill Rural Enterprises Ltd. |
| EaSI | European and Social Innovation Programme |
| EaSI | Employment and Social Innovation Programme |
| EC | European Commission |
| EESC | European Economic and Social Committee |
| EIF | European Investment Fund |
| EMES | European Research Network |
| ENSIE | European Network of Social Integration Enterprises |
| EP | European Parliament |
| ERDF | European Regional Development Fund |
| ESF | European Social Fund |
| EuSEF | European Social Entrepreneurship Funds |
| GECES | European Commission Experts Group |
| HSE | Health Service Executive |
| ILDN | Irish Local Development Network |
| ISEN | Irish Social Enterprise Network |
| IUA | Irish Universities Association |
| OECD | Organisation for Economic Cooperation and Development |
| SE | Social Enterprise(s) |
| SEEN | Social Economy Europe Network |
| SEI | Social Entrepreneurs Ireland |
| SETF | Social Enterprise Task Force |
| SIFI | Social Innovation Fund Ireland |
| SSE | Social and Solidarity Economy |
| SSF | Social Finance Foundation |
| WISE | Work Integration Social Enterprises |



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EXECUTIVE SUMMARY

Context

Over the last two decades, the concept of “social enterprise” has received increased attention, particularly through a strong focus on the development of social enterprise and the social economy at EU level. Although the term social enterprise has been part of public discourse in Ireland for some time there is an acknowledged absence of policy and lack of clarity as to what comprises the Social Enterprise sector.

The need for a Government national policy and implementation plan on social enterprise has been articulated by numerous sources, including the OECD/EU 2013 Commission Report¹, a 2013 Forfás report and the broader Irish Social Enterprise sector itself. The rationale for this need is articulated by the OECD/EU, stating:

“Social enterprises play an important role in addressing social, economic and environmental challenges, in fostering inclusive growth and in increasing social inclusion...”

In January 2017, the Government of Ireland made a commitment in the Action Plan for Rural Development to “Develop and publish a National Policy on Social Enterprise which will encompass the full range of activity in this sector.” (Action Plan for Rural Development, Action 99).

To progress this objective a research partnership was established between the Department of Rural and Community Development (DRCD) and the Social Finance Foundation (SFF) to produce a Research Report that will bring clarity to what constitutes the Social Enterprise sector in Ireland. It will also provide the necessary background information to support the development by DRCD of a National Policy on Social Enterprise and a roadmap for the development of the sector.

This research involved significant stakeholder engagement in the form of workshops, online consultation, meetings and site visits. In addition, the work utilised various information sources including Irish sector reports, OECD/EU publications, studies on other jurisdictions and best practice, localised Irish mapping exercises and submissions to DRCD from interested bodies. Consultancy support was provided by Community Enterprise in Scotland (CEIS), a country recognised as a leader in social enterprise.

Throughout the process there was much commonality on what issues needed to be addressed to develop and support the sector. With additional resources and longer timeframes, further research could have been done, but the thrust of the project was to provide sufficient information on the issues that need to be addressed to inform a National Policy and Implementation Roadmap on Social Enterprise. The research was overseen by a Steering Group established by DRCD comprising departmental and sector representatives.

Social Enterprise in Ireland

Understanding and defining social enterprise is a pre-requisite to the development of a policy to support and develop the sector. The Social Enterprise sector is a relatively new and evolving part of the overall enterprise ecosystem. It interfaces at one end of a spectrum with the Community and Voluntary sector and at the other end with the Private enterprise sector. Social enterprises occupy a space between the two sectors, where their objective is to create social value, but using a business model and engaging in economic activity to support the achievement of their social objectives. The decision to identify as a social enterprise rests with the organisation. An organisation that demonstrates the features of a social enterprise might legitimately consider itself to be a community or voluntary organisation, a SME and/or a charity, depending on the nature of its activities.

¹ Policy Brief on Social Entrepreneurship 2013 OECD and EU Commission

The forthcoming National Policy on Social Enterprise will provide a roadmap for the development of this sector. The Department is concurrently working on an Implementation Plan for the Framework for Local and Community Development which will incorporate a strategy to support the Community and Voluntary sector. Alignment and implementation of these two Government policies will enable both the sectors to develop.

Many social enterprises are registered charities, given their social purpose. Most are also legal entities. The range of social enterprises that exist can be broadly grouped into six categories with some social enterprises falling under more than one category. Categories are: Community-based Social Enterprises, those that are Social Entrepreneur Initiated, Work Integration Social Enterprises, Service Providers to the State, Enterprise Development Social Enterprises, and Environmental Social Enterprises.

Many definitions of social enterprise exist globally and a wide variety of organisational forms are adopted by social enterprises around the world. Up to now, there has been no single accepted definition of social enterprise in an Irish context. Arising from the work of the project Steering Group, this research report proposes a definition that recognises the distinctly different types of social enterprises that comprise the sector in Ireland. The proposed Social Enterprise definition for Ireland is as follows:

Social enterprises are businesses set up to tackle social, economic or environmental issues. While they are driven by social and/or environmental motives, they engage in commercial activities to pursue these objectives and produce social and community gain.

Within this definition, a social enterprise displays all of the following characteristics:

- 1. its purpose is to achieve social/societal objective(s);***
- 2. it trades or has an ambition to trade on an ongoing basis by providing goods and/or services, with a view, *inter alia*, to enhancing its financial sustainability;***
- 3. it reinvests surpluses to achieve its social/societal objective(s);***
- 4. if dissolved, it must transfer its assets to another organisation with a similar mission;***
- 5. it is separate from the public sector; and***
- 6. it is governed in an accountable and transparent way.***

There is limited concrete evidence and data about the scope, scale and contribution of the Social Enterprise sector in Ireland. A key theme emerging from this research is the need to gather data on the sector and to understand its economic and social impact in more detail. The Forfás Report of 2013 attempted to size the Social Enterprise sector, estimating that there were 1,420 social enterprises, employing over 25,000 people, with a total income of around €1.4 billion. If Ireland's Social Enterprise sector were to approach mean EU levels of output or the goal set by the EU under the 'Europe 2020' Strategy, it was estimated there could be at least 65,000 employees in social enterprises in Ireland. However, the Forfás report also noted the difficulty in differentiating social enterprise from the wider Non-profit sector. The Forfás estimates, therefore, should be viewed with that caveat in mind. This research and the definition provided should present a new starting point for establishing data on the sector.

Social Enterprise and the Wider Environment

Learnings from other jurisdictions, EU trends and placing social enterprise in the context of other policies was an important element of this work. In assessing the critical success factors (CSFs) in countries with successful and vibrant sectors, common themes emerge. The majority of CSFs are external to the sector and relate to policy, proactive and consistent political support, capacity building measures, creation of a national support unit, other support services, research and education. However, there are also CSFs that are internal to the Social Enterprise sector, such as carving out a distinct and visible identity, development of networks and adopting a collective, multi-stakeholder approach to governance.

Since 2000, the European Commission and other EU bodies have adopted and launched more than 200 initiatives and official documents, recognising the importance and contribution of social enterprises to several key socio-economic objectives of the European Union (EU). The existence of a national Social Enterprise Policy that profiles the importance of the sector will provide an opportunity for social enterprise to feature in future Irish programmes which are co-funded by the EU and will add a policy framework in applications for competitive funding.

Finally, the Social Enterprise sector intersects with myriad aspects of Irish life and as such it is important that any policy put forward aligns with existing and emerging policies that share this common space, including local and community development, rural development and labour market policies. The sector can both benefit from policy decisions, and has an important role in supporting government policy objectives.

Conclusions

The research reached 34 conclusions (Section Five) for consideration during policy formulation and implementation planning. The research has highlighted that social enterprise delivers both economic and social returns, but is impacted by a lack of understanding as to what social enterprise is and a policy to support it. Converting these conclusions into deliverables will require effort from both the sector and Government, in some cases jointly and in other cases, separately. The existence of a National Policy, including an agreed definition and Implementation Roadmap, will support this. The essence of these conclusions is to increase capability in the sector, enable access to information and provide a supportive environment so that the sector can achieve the maximum economic and social potential.

Conclusions cover the areas of EU, Interaction with other National Policies, Business Support, Finance, Networks, Social Enterprise Initiation, Employment Support Schemes, Voice and Identity, Data and Impact, Legal status Education, and Creating Market Opportunities.

These conclusions are often interdependent and require an integrated approach to implementation planning. Some of the conclusions are in areas that can be delivered within the short-term, e.g. access to information; others will require more time and effort, e.g. widespread understanding of social enterprise. The conclusions represent a clear agenda for the development of the sector in the forthcoming policy and implementation roadmap and are a first step in an ongoing journey to support and level the playing field for social enterprise.

Implementation

The delivery of a national policy for social enterprise in Ireland will be a major step forward. It represents the start of a long-term, collaborative process, driven by the sector itself, but taking place within a supportive policy environment and encouraged by Government.

Implementation of the policy will require a governance structure to be put in place. The approach to this research has highlighted the value of the sector and different Government Departments working together, with oversight from a joint Steering Group. A similar approach should be adopted to oversee the implementation of the policy. In addition, the stakeholder engagement process highlighted the value of a central point of contact to support the sector on an ongoing basis. Finally, it is recognised that appropriate resources need to be assigned to deliver on the forthcoming Social Enterprise policy.

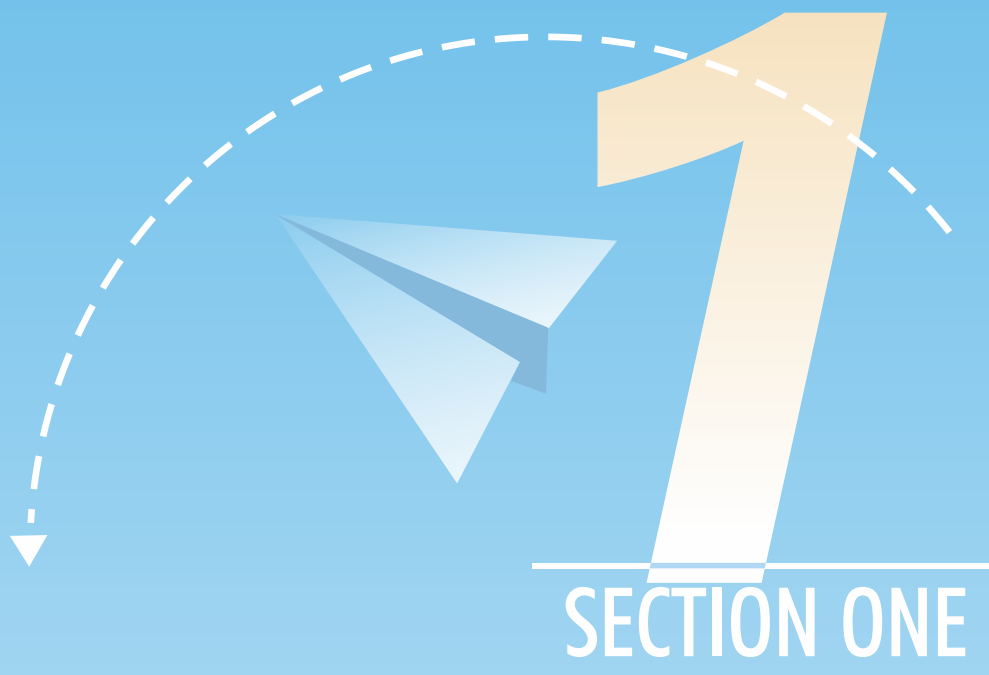
A suggested Vision for social enterprise

Throughout this research many observations were made on a vision of success for the development of social enterprise in Ireland. Taking all the inputs into account, the following Vision is proposed to describe the Social Enterprise sector in Ireland in five to ten years from the perspective of stakeholders. The achievement of the Vision for the Social Enterprise sector in Ireland is wholly dependent on a collaborative partnership and commitment to deliver between the sector and local and national Government.

The Social Enterprise sector in Ireland in 5-10 years will be:

1. a sector with a clear identity, recognised as a force for good;
2. a sector recognised for its innovation, drive and entrepreneurship;
3. a sector positively improving the lives of many who would otherwise lose out;
4. a sector contributing to the revitalisation of local communities throughout the country;
5. a sector providing a range of local services on which people depend;
6. a sector accepted as a more democratic and inclusive way of doing business;
7. a sector strongly supported by, and in partnership with, Government, which recognises its economic and social value to the country;
8. a sector which is taught in primary, secondary and third level education;
9. a sector which has built governance, leadership and operational capability to compete in public and private markets;
10. a sector which continues to grow its expertise and size in the Irish economy.

The National Policy and Implementation Roadmap will enable the achievement of the above Vision.



SECTION ONE

CONTEXT

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CHAPTER ONE

Background

1.1 Context

Over the last two decades, the concept of “social enterprise” has received increased attention, particularly through a strong focus on the development of social enterprise and the social economy at EU level.

In Ireland, too, there has been a growing interest in social enterprise as a form of business established to deliver on social objectives, rather than on shareholder return. Alongside the concept of social enterprise, other new approaches to creating social value, in particular social entrepreneurship and social innovation, have also developed.

Although the term social enterprise has been part of public discourse in Ireland for some time, there is still a lack of clarity in the way that 'social enterprise' is understood. Terms such as social enterprise, community enterprise, social entrepreneurship, social innovation, social economy, community and voluntary, community development, etc., are sometimes used interchangeably and contribute to a lack of clarity about what constitutes a social enterprise. Social enterprises are businesses that are driven primarily by social and/or environmental motives and engage in trading to pursue these objectives. Social enterprise interfaces at one end of a spectrum with the Community and Voluntary sector and at the other end with Private Enterprise sector.

A number of reports have been published in the last 10 years or so which recognise the value of social enterprise and have called for the development of, and supports for, the sector from Government.

It is generally acknowledged that the lack of a cohesive policy and implementation plan is a major gap in the Irish Social Enterprise sector². The OECD/EU Commission states:

“...supporting social enterprise creation and development may allow public policies to meet employment and other social and economic challenges in a more efficient and effective way than if they rely on the public or private sectors alone.”³

Due, perhaps, to the innovative nature of the social enterprise approach, and the lack of clarity of the delineation between social enterprise and other non-profit activity, responsibility for social enterprise was not, until recently, under the clear remit of a particular Government Department.

However, in mid-2016, responsibility for social enterprise was assigned to the Regional and Rural Affairs Division of the Department of Arts, Heritage, Regional, Rural and Community Affairs, and subsequently to the Department of Rural and Community Development from July 2017. This more recent transfer was seamless, as the Division responsible for social enterprise transferred to the Department of Rural and Community Development.

The creation of the new Department of Rural and Community Development (DRCD) also provides an unprecedented opportunity for policy on social enterprise to be developed in a coordinated way alongside policies for the wider Non-profit sector.

² www.ec.europa.eu/social/BlobServlet?docId=16379&langId=en

³ Policy Brief on Social Entrepreneurship 2013 OECD and EU Commission

1.2 Objectives of this Research

To address the gap in policy for the Social Enterprise sector, in January 2017, the Government made a commitment in the Action Plan for Rural Development to:

“Develop and publish a National Policy on Social Enterprise which will encompass the full range of activity in this sector.” (*Action Plan for Rural Development, Action 99*)

DRCD is the lead party for the delivery of this action.

In July 2017 a research partnership was established between DRCD and the Social Finance Foundation (SFF). The partnership was set up to produce a Research Report that would inform and underpin the Irish Government's proposed Social Enterprise Policy and associated implementation roadmap.

The objective of this work is to produce a Research Report that will bring clarity to what constitutes the Social Enterprise sector and provide the necessary background information to support the production by DRCD of a National Policy on Social Enterprise and a roadmap for the development of the sector.

Specifically, the research objectives are to:

- review previous research findings regarding the Social Enterprise sector in Ireland;
- map out the different categories of social enterprises that operate in Ireland, the nature of their activities and identify what is required to enable their further development;
- map out the supports and/or subsidies currently available in Ireland to support social enterprises, whether from the State sector or other sources;
- identify any gaps in the supports and/or subsidies required to facilitate the development of individual social enterprises and the sector as a whole;
- assess the economic and social impact of the Social Enterprise sector on the Irish economy, including the extent of displacement or deadweight, if any, which might arise;
- capture insights from best practice in comparator countries that have taken steps to support the development of the social enterprise movement;
- draw on the views of stakeholders through consultation, surveys, workshops and other methods;
- deliver research outputs which will enhance the understanding of the Social Enterprise sector in an Irish context and which will support the development of a relevant Social Enterprise Policy and roadmap for Ireland.

A fundamental tenet of this research and the implementation of the proposed policy is the importance of co-production. Both government and the Social Enterprise sector have important roles to play and must work together to achieve success.

Given the timescales set and resources applied to the research, the focus was to identify the elements that are necessary for the development of the sector and the issues associated with them. The remit of the research was not to solve these issues but to inform the policy and implementation plan.

1.3 Value of a National Policy on Social Enterprise

Studies of Irish social enterprises have demonstrated their capacity to meet community needs, address problems such as social and geographic isolation and to provide affordable and accessible services to groups at risk of social and economic exclusion.

The OECD/EU Commission Report of 2013 states:

“Social enterprises play an important role in addressing social, economic and environmental challenges, in fostering inclusive growth and in increasing social inclusion because they aim to pursue the general interest and to benefit communities. The jobs created in the social economy present important features: they usually stay in the local community, as social enterprises rarely delocalise; they support vulnerable individuals...and they contribute to local economic development.”

The benefits that accrue from a thriving Social Enterprise sector are both economic and social and include:

- enabling viable and enterprising individuals and organisations with a social mission;
- creating training, jobs and employment opportunities both in the social enterprise itself and within the wider economy;
- addressing social problems;
- supporting those most vulnerable and those marginalised in society;
- fostering and sustaining local communities, both urban and rural;
- addressing market failures;
- engaging the hugely committed resource of volunteers to help run and govern organisations; and
- boosting social capital.

The forthcoming National Policy on Social Enterprise will provide a roadmap for the development of the sector. The Department is concurrently working on an Implementation Plan for the Framework for Local and Community Development which will focus on supporting the Community and Voluntary sector. Taken together, these two Government initiatives will provide support to both the Non-profit sector and the Social Enterprise sector to enable them mutually develop and to do so in an aligned way.

1.4 Sources of Information

In the course of this research project, the Project Team drew on previous papers and exercises including the following:

Forfás published a report in 2013 “Social Enterprise in Ireland: Sectoral Opportunities and Policy Issues.” The report highlighted the strong social enterprise base that exists in Ireland and the potential that could be harnessed by the sector. The report suggested that if Ireland’s Social Enterprise sector was to approach the goal set by the EU under the ‘Europe 2020’ Strategy, there could be at least 65,000 employed in social enterprises in Ireland (compared to the 25,000 to 35,000 employed as then estimated by Forfás). The report also highlighted the fact that the sector was not seeking additional State funding per se, but, rather, adjustments to aspects of various policy areas such as access to finance, procurement, capacity building and ensuring supportive legislative frameworks. It recommended a co-ordinated approach across Government that would reduce barriers to social enterprises participating more fully in economic activity⁴.

The Irish Local Development Network published a report in 2016 entitled “Creating an Enabling Supportive Environment for the Social Enterprise Sector in Ireland” by Dr. Briga Hynes from University College Limerick. The report profiled the range of social enterprise activities and recognised the challenges in developing and scaling social enterprises. It highlighted the need for a Social Enterprise Policy and identified six areas to be addressed: awareness; finance; governance and leadership; metrics; training and networking. It noted the significance of the role that social enterprises play in the Irish economy in that they “address social, economic and environmental challenges; increase social cohesion; retain local social capital; encourage the participation and inclusion of marginalised cohorts across all ages and

⁴ https://www.tcd.ie/business/assets/pdf/centre-social-engagement/23072013-Social_Enterprise_in_Ireland-Sectoral_Opportunities_and_Policy_Issues-Publication.pdf

⁵ “Creating an Enabling Supportive Environment for the Social Enterprise Sector in Ireland”. Dr. Briga Hynes, 2016. Pg. 44. ildn.ie/files/page_files/ILDN_Social_Enterprises_Report.pdf

demonstrate resilience”⁵. The report highlighted the role Local Development Companies⁶ play in the development and building of the Social Enterprise sector and their ability to play an even more prominent role.

An EU Commission Expert Group on Social Entrepreneurship (GECES) issued a call for action “Social Enterprises and the social economy going forward” in 2016⁷. It argued for a European Action Plan for the Social Economy and social enterprises, which would promote an enabling environment for social enterprises. It focused on four thematic areas:

- increasing the visibility and recognition of social enterprises;
- access to finance;
- enabling legal and regulatory frameworks; and
- driving international development and growth.

EU and Social Enterprises – An overview of policy and tools to support social enterprise in Europe is a report commissioned by the Research Report Project Team to outline the current landscape in Europe. Undertaken by Michaela Lednova and Rocío Nogales from the EMES network⁸, it outlines the increasing importance of the social economy agenda, identifies a range of initiatives and raises the question as to whether Ireland is accessing all relevant and available supports.

The OECD/EU Commission in 2017 published a joint report “Boosting Social Enterprise Development” noting that inequality and persistent unemployment for vulnerable groups have come to the fore as priority policy issues, not only with respect to social justice, but also with respect to economic growth. As longstanding agents of inclusive growth, social enterprises have proven to be remarkably resilient in the face of economic adversity. By design, social enterprises address socio-economic challenges in innovative ways and engage citizens to become part of the solution. The report provided a compendium of good practices and provided in-depth analysis of twenty initiatives across the Europe Union, including the role in Ireland of Clann Credo in providing loans to help social enterprises to establish and grow⁹.

Comparisons with other Jurisdictions was research undertaken by Dr. Aisling Moroney and Dr. Mary O’Shaughnessy from University College Cork (UCC) as part of research that was commissioned by SFF during 2017¹⁰. It sought to provide an insight into the different models of social enterprise that exist, and the differentiated supports pursued in other jurisdictions. It assessed the critical success factors in countries with successful and vibrant sectors and highlighted the learnings for Ireland.

An Irish Social Enterprise Mapping Exercise commenced in 2016 with participation from Waterford, Ballyhoura and Cavan under the leadership of SFF and Dr. Mary O’Shaughnessy in UCC. This involved compiling registers of social enterprises in these geographical areas and conducting an online survey with those organisations on the register. The work was later extended to seven counties via the Westbhc RaiSE project¹¹ and through the Paul Partnership (Limerick) and the South Dublin Partnership. This data is the most up-to-date data available for social enterprises in Ireland and provides insights into the sector and the challenges in gathering comprehensive information on the sector.

Scotland is regarded as one of the leading countries in social enterprise development. Since the inception of this research project, CEIS (Community Enterprise in Scotland) was formally commissioned to work with the project to provide learnings from the Scottish experience. This has been an important source of expertise and experience. Scotland has a Vision Statement, a 10-year Strategy that runs to 2026 and an Action Plan for social enterprise. In 2017, they completed their second census of the Social Enterprise sector. This census reveals that there are over 5,600 Scottish social enterprises, employing 81,000 full time equivalents with a net income of £3.8bn¹².

Additional sources of relevant information included other EU and OCED reports, social enterprise strategies from other countries, learnings from the Social Enterprise World Forum, toolkits and online resources both in Ireland and abroad and submissions to the research from organisations such as Communities Creating Jobs, Irish Social Enterprise Network (ISEN), Irish Local Development Network (ILDN), The Green Party and others. This is in addition to consultation with the sector via different mechanisms outlined in Chapter Two: Methodology.

⁵ A Local Development Company (LDCs) are known by many different names throughout Ireland including Local Area Partnerships, LEADER Partnerships, Integrated Development Companies as well as the more obvious Local Development Company. <http://ildn.ie/about-local-development-companies/>

⁷ https://ec.europa.eu/growth/content/social-enterprises-and-social-economy-going-forward-0_en

⁸ EMES is a research network on social enterprise <http://www.emes.net>

⁹ “Boosting Social Enterprise Development” OECD 2017 <http://www.oecd.org/publications/boosting-social-enterprise-development-9789264268500-en.htm>

¹⁰ Dr Aisling Moroney and Dr Mary O’Shaughnessy, Department of Food Business and Development, Cork University Business School (CUBS), University College Cork. www.sff.ie

¹¹ <https://www.interregeurope.eu/raise/>

¹² <https://beta.gov.scot/publications/scotlands-social-enterprise-strategy-2016-2026/> <http://www.gov.scot/Topics/People/15300/SocialEnterprise/socentcensus2017>

CHAPTER TWO

Methodology

2.1 Introduction

Discussions between DRCD and SFF began in the first half of 2017. In July 2017, the parties agreed to form a partnership to carry out targeted research on the Social Enterprise sector, including extensive stakeholder engagement. The research outputs would inform the Social Enterprise Policy development process. The involvement of Scottish counterparts was important to this arrangement given their leadership in this area.

The research commenced in August 2017.

2.2 Oversight

In August 2017 a project Steering Group was established by DRCD. Membership of the Steering Group is detailed in Appendix One. The Steering Group met six times between August 2017 and May 2018. The Terms of Reference of the Steering Group were to provide strategic oversight and direction in relation to how the research was conducted and in reviewing research progress and findings. Specifically, the Steering Group had a remit to:

- provide input and expertise into specific work modules;
- provide information on programmes, schemes, supports and subsidies within the remit of members of the group;
- agree the stakeholder engagement plan and assist in the carrying out of a stakeholder analysis;
- challenge and validate research findings and recommendations;
- consider and advise on options presented; and
- provide guidance in relation to the preparation by DRCD of the draft national policy and roadmap.

The members contributed at an aggregate level as well as in relation to their specific areas of expertise.

2.3 Project Team

A project team was established to conduct the research. The project team comprised a Project Manager, the CEO of the SFF and officials from DRCD. The work of the project team was reported back to the Steering Group.

2.4 Work Modules

Several work modules were identified to assess the relevant areas that are pertinent to the social enterprise landscape (Table 2.1). These modules were identified following discussions across the sector, within government and using Scottish experience as a reference point. In some cases, there was overlap between these modules; however, the rationale for dealing with them individually was to ensure that each topic was sufficiently covered in its own right.

Table 2.1: Project Work Modules

| MODULE | FOCUS |
|--|---|
| Case for and categories of Social Enterprise | Why social enterprise is important, impact, beneficiaries, spectrum, rural and urban |
| Data/Impact | Information on the Social Enterprise sector, both basic and informative |
| Network | Existence of inter-connected social enterprises that collaborate Locally & Nationally |
| Market Opportunity | Opportunities in Public, Private and Consumer markets |
| Education | Alignment with the education system |
| Legal Status | Distinct legal class or easily distinguished legal class |
| Identity & Voice | Readily identifiable brand. Voice and representation for the sector |
| Social Entrepreneurship | Fit within the social enterprise spectrum |
| Finance | How is the sector financed? |
| Business Supports | What supports are available to the Social Enterprise sector? |
| Employability | Creating jobs/Work Integration Social Enterprises (WISE) |
| Leadership | Initiation of community and entrepreneurship activity |
| Health | Interface/alignment with the Health system |
| Case Studies | Range, impact, various stages of development |
| EU | Policy, supports and trends |
| International Best Practice | What works, why, rationale and applicability to Ireland |

2.5 Stakeholders

There are many and varied stakeholders across the social enterprise landscape. Engagement with these stakeholders is key to understanding the Social Enterprise sector. Ten stakeholder types were identified: social enterprises; Government Departments; social funding organisations; promoters; representative bodies; academic/educational bodies; public bodies; European Union; support bodies and international peers (Figure 2.2).

Figure 2.2: Stakeholder Groups

| | | |
|---|--|---|
| Government Departments <ol style="list-style-type: none"> 1. Dept. of Rural & Community Development 2. Dept. of Employment Affairs & Social Protection 3. Dept. of Housing, Planning, etc 4. Dept. of Business, Enterprise & Innovation 5. Dept. of Public Expenditure and Reform 6. Dept. of Education 7. Dept. of Culture, Heritage and Gaeltacht 8. Dept. of Transport, Tourism and Sport | Social Funding Organisations <ol style="list-style-type: none"> 1. Social Finance Foundation 2. Clann Credo 3. Community Finance Ireland 4. Social Innovation Fund Ireland* 5. SEDCo 6. Philanthropy Ireland 7. Others | Promoters <ol style="list-style-type: none"> 1. Social Entrepreneurs Ireland* 2. Social Innovation Fund Ireland* 3. Communities Creating Jobs 4. Ashoka 5. SEDCo 6. WestBic 7. Others |
| Public Bodies <ol style="list-style-type: none"> 1. Local Authorities 2. Local Enterprise Offices 3. Health Services Executive | Social Enterprises <ol style="list-style-type: none"> 1. Organisations 2. Social Enterprise practitioners | Support Bodies <ol style="list-style-type: none"> 1. Pobal 2. Local Development Companies |
| International Peers <ol style="list-style-type: none"> 1. Scotland 2. Others: England, NI, Social Enterprise World Forum | European Union | Representative Bodies <ol style="list-style-type: none"> 1. Social Enterprise Task Force 2. The Wheel 3. Irish Social Enterprise Network 4. Irish Local Development Network 5. Charities Institute Ireland 6. Community Reuse Network Ireland 7. Others |
| | Academic/Educational Bodies <ol style="list-style-type: none"> 1. Second Level 2. Third Level Institutions 3. Irish Universities Association 4. Training bodies | |

* It should be noted that stakeholders can be classed under more than one of the headings as they can perform numerous tasks.

2.6 Stakeholder Engagement Methods

A stakeholder engagement plan was drafted to build a comprehensive picture of the sector and elicit views from as many parties as possible. This involved multiple engagement methods to address the variety of stakeholder types and subject areas involved. While each category of stakeholder engagement was independent, there were naturally overlaps between them. Prior to launch, the stakeholder engagement approach was reviewed by the Steering Group and discussed with the Social Enterprise Task Force (SETF)¹³ (see Appendix Two).

Stakeholder feedback has been a hugely valuable part of the research process and the report indicates where such feedback is being reflected arising from workshops, bilateral meetings, on-line survey, etc. It should be appreciated that where such feedback is indicated, it reflects a range of stakeholder opinions and does not necessarily represent the views of the Department of Rural and Community Development, the Social Finance Foundation or members of the research project Steering Group.

Engagement methods included the following:

1. *Niche workshops*

Small workshops and/or bilateral meetings were held between September 2017 and March 2018. Topics covered included: education; health; data/impact; legal status; procurement; social entrepreneurship; employability; leadership; and identity and voice. In many cases these topics were discussed over several meetings. In the area of data, a series of workshops were held throughout 2017 and early 2018 building on earlier work carried out by SFF in 2016.

2. *Thematic stakeholder consultations*

Workshops were held in Dublin, Cork and Athlone in November 2017 covering the areas of finance, business supports and networks. An average of 40 participants attended each workshop.

3. *Other Engagements*

Engagement took place with experts on the European agenda on social enterprise (Chapter Six) and international best practice (Chapter Seven). Individual social enterprises also provided case study material (Section Seven).

4. *Social enterprise and social entrepreneur site visits*

Site visits to social enterprises were undertaken by the project research team and Steering Group, including through holding steering meetings at social enterprise locations. The visits demonstrated the range of social enterprises that exist and included Speedpak Group, Mayo Abbey, Foodcloud, Clar ICH, F2, the Carmichael Centre and Wexford Enterprise Centre.

5. *Online consultation*

An online consultation exercise was conducted, open to all interested parties. The consultation was open from 23 November 2017 to 15 December 2017, comprising a series of open and closed questions (see Appendix Three). In total 376 submissions were received.

6. *Ongoing feedback on work in progress*

Work in progress was overseen by the Steering Group. The project team also met and were in contact on a regular basis throughout the period.

¹³ The Social Enterprise Task Force (SETF) comprises a group of individuals from the Social Enterprise sector committed to its development. It has existed for over ten years, playing primarily an advocacy role, encouraging the Government to recognise the sectors importance and potential. The individuals include the CEOs of most of the relevant organisations in the Social Enterprise sector. It is a voluntary body, which meets regularly to advance its agenda.

7. Intergovernmental sessions

Where relevant, meetings were held with public sector bodies such as the Department of Business, Enterprise and Innovation, Office of Government Procurement, Health Service Executive, Department of Education and Skills, and Local Government representatives.

8. One-to-One sectoral meetings

Meetings were held with individual organisations involved in the sector such as The Wheel, the Irish Local Development Network, Irish Social Enterprise Network, Social Innovation Fund Ireland and Social Entrepreneurs Ireland. In addition, the Social Enterprise Task Force (SETF) was kept apprised prior to the research officially commencing and over the course of the project.

9. International peers

In addition to the interaction with Scotland, given their central role as part of the research programme, members of the project research team had meetings, calls, and email exchanges with peers in England, Northern Ireland and Canada. The visits to Northern Ireland (Social Enterprise Northern Ireland) and England (Social Enterprise UK) were important to understand their journeys in more detail and how the Irish model can learn from them. There is an openness to align and collaborate going forward, when Ireland's policy is in place. Across the board, the level of information sharing was extensive.

A further international dimension to this research was provided by SFF attending the Social Enterprise World Forum in New Zealand in September 2017. Along with the overall conference agenda, there was an opportunity to participate in a closed policy full-day session where eight countries discussed and debated key policy issues. Attendance at the conference was outside of the remit of the research work but contributed to learnings and relationships that have informed the findings of the research work.

10. Desk Research

Extensive desk research was also undertaken both directly, leveraging existing information on the Irish market as discussed in Chapter One, and through SFF commissioning reports on social enterprise which are discussed in more detail in Chapters Six and Seven.

2.7 Summary

Given the timeframe involved, the research conducted has been extensive. Most importantly, it took place with social enterprise practitioners throughout the country. This took the form of workshops, online consultation, submissions and site visits. There was great commonality of opinion on the issues that need to be addressed to develop and support the sector. Many international and domestic reports were reviewed. The international reports provided important insights into what has worked well and not worked well in other countries. The domestic reports included those from bodies involved with social enterprises and therefore provided important insights in an Irish context. Additional support was provided by the Scottish organisations, CEIS and Social Value Lab. The thrust of the project was to provide sufficient information so that a national policy and implementation roadmap can be produced arising from this research.

CHAPTER THREE

Understanding and Defining Social Enterprise in Ireland

3.1 Introduction

Understanding and defining the Social Enterprise sector is an essential pre-requisite to the development of a policy to support and develop the sector. It is widely acknowledged that social enterprise is not well understood in Ireland. This is demonstrated in the responses to the online consultation question that asked, ***“Is the concept of social enterprise currently well understood in Ireland?”*** Most respondents (368) believed the concept was not well understood (64%), with only two respondents expressing the view that it was fully understood.

The purpose of this section is to:

- provide an understanding of the nature of social enterprise;
- outline how social enterprise aligns with other sectors;
- identify different categories of social enterprises;
- provide context for a proposed definition of social enterprise in an Irish context; and
- propose a definition for adoption that reflects the sector in Ireland.

3.2 Understanding the Nature of Social Enterprises and Alignment with Other Sectors

The essence of a social enterprise is that it is a business which adopts a commercial/entrepreneurial approach to achieve its primary goal – that of social purpose. Social enterprise interfaces at one end of a spectrum with the Community and Voluntary sector, and at the other end with the Private Enterprise sector, as shown on Figure 3.1 below.

Figure 3.1: Social Enterprise: Simplified Position on the Economic Spectrum
(adapted from Alter’s work on the Four Lenses Strategic Framework¹⁴)



At one end of this spectrum, the Community and Voluntary sector has the primary objective of creating social value. At the other end of the spectrum, the Private Enterprise sector has the primary objective of creating economic value. Both of these objectives are perfectly valid for the organisations that populate the respective ends of the spectrum.

Social enterprises occupy a space between the two sectors, where their objective is to create social value, but using a business model and engaging in economic activity to support the achievement of their social objectives.

As with any spectrum, the boundaries of where one category ends and the next one begins is not easy to define. Indeed, some community and voluntary organisations may engage in activities which are typical of a social enterprise, or may establish subsidiaries specifically to operate as businesses to support the organisation’s social mission. In this regard, and depending on the nature of the particular activities it engages in, a community and voluntary organisation may have multiple objectives or different identities which underpin its social mission.

¹⁴ http://www.4lenses.org/setypology/hybrid_spectrum

Even within the area of Figure 3.1 which we define as the Social Enterprise sector, there is a range of activity which varies in its degree of entrepreneurial intent. The objective of this research is to identify the categories of organisations which operate within the sector. It is these organisations - often competing in the open market - which have been identified in previous research papers and reports (including the 2013 Forfás report) as lacking the supports they need to help maximise their business potential for the purposes of ultimately creating social value.

The forthcoming National Policy on Social Enterprise from the Department of Rural and Community Development will provide a roadmap for the development of this sector. The Department is concurrently working on an Implementation Plan for the Framework for Local and Community Development which will incorporate a strategy to support the Community and Voluntary sector. Taken together and aligned, these two Government initiatives will provide support to both the Community and Voluntary sector and the Social Enterprise sector to enable them to develop.

The following table attempts to answer some common questions that arise when the topic of social enterprise is being considered and should help to contribute to a better understanding of the sector from an Irish perspective.

Table 3.1: Understanding the Nature of Social Enterprises

| TOPIC | COMMENT |
|---|--|
| The difference between Social Enterprise and Community and Voluntary Organisations | The term Community and Voluntary Organisation (C&V) is used to describe many local initiatives/organisations in a community which provide important services to people locally. C&V organisations are involved in a range of activities, some of which may fall into the category of social enterprise, while other activities may not. Earned income from the supply of goods and/or services is what differentiates social enterprises. In terms of self-identity, an organisation may view itself as both a C&V organisation and a social enterprise, depending on the nature of its activities. |
| The difference between social enterprise and private sector organisations | Social enterprises and private sector enterprises both employ business disciplines in running their organisations. In the case of private enterprises there is a duty to maximise shareholder value. While they may engage in Corporate Social Responsibility (CSR) activities, their primary goal is profit maximisation. Social enterprises on the other hand have, as their primary goal, that of social purpose, but with a focus on trading to achieve that purpose. |
| How the different terms Social Entrepreneurship, Social Innovation and Social Enterprise relate to each other | Social Entrepreneurship involves one or more individuals with innovation and drive acting to address a social issue. Social Innovation is innovation that is social in its ends or means. Social enterprises, as an organisational form, may or may not result from social innovation or from social entrepreneurship. For example, delivery of the social objective through either a charitable organisation, or a fully commercial entity may be considered the most effective option. Equally, social enterprises may be started without innovation but through replication of an enterprising idea or model to address a gap in the provision of services to certain cohorts or geographic areas. |
| The difference between a Social Enterprise and a Charity | A distinction needs to be made between what is generally referred to as a charity and a social enterprise. Charitable status is conferred by the Charities Regulator, and the Revenue Commissioners are responsible for the tax concessions afforded to charities. Social enterprises may often be registered as charities, but not all charities are social enterprises as not all charities trade in goods and services on an on-going basis as a means of enhancing financial sustainability (trading in this context does not include public fund-raising activities). |
| The relationship between social enterprise and the State | Social enterprises are independent of the State. However, they can have a relationship with the State which can come in two forms. Firstly, they can be the provider of services to the State (typically in the health/childcare sector) for which they are remunerated based on the level of service provided. Secondly, they can be financially supported by the State because of the social benefit they deliver (e.g. direct grant funding by the Community Services Programme (CSP)). |
| Must a social enterprise be a legal entity? | It is not necessary to have established a legal entity to be a social enterprise. However, in Ireland social enterprises are typically set up as a legal entity (e.g. a company limited by guarantee) to limit liability for the members. |
| Level of earned income to qualify as a social enterprise | To take an inclusive approach to the wide range of social enterprises, the proposed definition set out in this Chapter does not set a minimum level of income. Social enterprises have an ambition to enhance their financial sustainability through the supply of goods and/or services. There may be good reasons why earned income could be low at a given point in time, e.g. the social enterprise is only commencing operations; or the locality of the enterprise has a very small population; or service users do not have the means and therefore the ability to fully pay for the services of the social enterprise. However, the social enterprise is underpinned by a business-oriented approach and operations. |

3.3 Categories of Social Enterprises

The activities of social enterprise are extensive. Social enterprises can tackle social and environmental issues, fulfil government contracts to provide social services, generate employment and provide services including to those most marginalised, as well as delivering programmes within non-profits, in some cases, to finance social missions. Organisational size, budgets and scope of services can vary significantly.

The range of social enterprises that exist in Ireland can be broken into six categories as detailed below. Some social enterprises fall under more than one category.

- I. Community-based Social Enterprises
- II. Social Entrepreneur Initiated
- III. Work Integration Social Enterprises
- IV. Service Providers to State
- V. Enterprise Development Social Enterprises
- VI. Environmental Social Enterprises

I. Community-based Social Enterprises – These almost certainly represent a majority of the population of social enterprises in Ireland. They are often small, and similar models can be seen throughout the country, featuring in both urban and rural settings. They often use the term “community development organisations” rather than “social enterprise”. Examples in the compendium of case studies detailed in Section Seven include: Cottage Community Shop & Tearooms, Croom Community Development Association, Food Share Kerry, Kildorrery Community Development, Lullymore Heritage & Discovery Park, Mayo Training Centre, Mitchelstown Leisure Centre, St Munchins Community Enterprise Centre and Vantastic.

II. Social Entrepreneur Initiated – These are typically created by one or more individuals tackling a specific social issue with the potential to scale their model. They face different challenges, much like the Private Enterprise sector, and require different types of support to the community-based social enterprises. They frequently rely on support from organisations such as Social Entrepreneurs Ireland (SEI), Social Innovation Fund Ireland (SIFI), Community Foundation Ireland or philanthropic sources for funding. This social enterprise category has much smaller numbers than the community-based social enterprises, but typically have more potential to scale. Examples by way of case studies include: Foodcloud, G.I.Y., Pesky gNats, Space Engagers and Student Volunteer.ie.

III. Work Integration Social Enterprises (WISEs) – In this case, the social enterprise supports individuals who experience social and/or economic barriers and find it difficult to secure employment. This includes ex-offenders, long term unemployed, people with disabilities, travellers, etc. Social enterprises of this nature provide a valuable service to the State in addressing these vulnerable groups that fall outside the economic and societal mainstream.

Many social enterprises avail of State employment support schemes, e.g. Community Employment (CE) as a means of staffing the organisation. WISEs similarly use such employment support schemes but with the express purpose of helping the individuals to become more employable in the open labour market through work experience and training. These WISEs that are closely aligned to the objectives of the State employment support schemes and operate under contract and to strict Service Level Agreements.

An interesting initiative in this space is the launch and implementation of the Criminal Justice Social Enterprise Development Strategy 2017-2019 to address the specific challenges of employment for ex-offenders¹⁵. Examples of WISEs by way of case studies include: Duhallow REVAMP, Kerry Social Farming, Mobile IT, Mullingar Employment Action Group, Shuttleknit, The Green Kitchen Café & Garden Centre and Speedpak Group (detailed case study on the economic contribution of Speedpak can be found in Appendix Four). For more information on WISEs see O’Shaughnessy, M. and O’Hara, P. (2016) ‘Social Enterprise in Ireland - Why WISEs dominate the discourse’ Non Profit Policy Forum¹⁶.

IV. Service Providers to State – In this category of social enterprise, the State contracts with the social enterprise to deliver the service on its behalf. Similar arrangements are also in place between the State and the Private sector. Much of this work is in the health sector, particularly in elder care and in childcare. The service is subject to strict Service Level Agreements and the income earned by the organisation is linked to the type and level of service provided (i.e. it is not in the form of a block grant). In comparison to Private sector providers of such services, the social enterprise brings unique qualities to this area. They have a closeness and commitment to the community, particularly in less affluent areas, and fill

¹⁵ <http://www.iprt.ie/contents/3115>

¹⁶ <https://www.degruyter.com/view/j/npf.2016.7.issue-4/npf-2016-0015/npf-2016-0015.xml?format=INT>

a gap where the Private sector does not operate. They would also generally have a stronger focus on service users. An example of a case study in this category would be Carebright.

V. Enterprise Development – the focus of these social enterprises is to support the creation of other enterprise, whether these are driven by a social mission or not (e.g. through the provision of office space and facilities). Examples of case studies include Castleisland E-Centre, Dunhill and Partas.

VI. Environmental – the focus of these social enterprises is on environmental sustainability, climate action and environmental challenges. Environmentally focussed social enterprises reflect the ability of this type of business to respond to market gaps and current social issues. Examples of case studies include: Boomerang Enterprises and ReCreate Ireland.

In addition to the categories outlined above there are membership type organisations that have many or all of the characteristics of social enterprises. These include credit unions, mutuals, co-operatives etc. They were/are set up for the betterment of certain members of society and not the gain of shareholders and investors as is the case in the Private sector. They are part of the wider Social Economy. However, because they have their own legislation, identity, and representative bodies, it is proposed that they remain outside of the definition of social enterprise for the purposes of this report. Notwithstanding this general approach, it is recognised that some individual organisations within those categories might validly choose to identify themselves as social enterprises where they meet the definition set out in the report.

Ultimately, the decision to identify as a social enterprise rests with an individual organisation. An organisation that demonstrates the features of a social enterprise might legitimately consider itself to be a community or voluntary organisation, a commercial SME or a charity, depending on the nature of its activities. For this reason, alignment between the emerging Governmental policies on Social Enterprise and the Community and Voluntary sector is essential.

3.4 Definition Context

The term “social enterprise” has only come into prominence since the 1990s. It is the subject of much academic argument and debate¹⁷. It competes with other similar “social” terms that can cause confusion – social entrepreneurship, social economy, social innovation, social business, etc. Indeed, the term itself has been described by some as an oxymoron, inferring that a social enterprise must be either a social entity or a trading enterprise. However, the term is very apt, as the two words describe the essence of an enterprise with a social mission. Many social enterprises themselves would not be aware of the term and would typically describe themselves as a “community development organisation”. However, having an agreed definition of social enterprise is critical to provide clarity on the type of organisations that the forthcoming National Policy on Social Enterprise is seeking to support. It will also create a level of clarity that is currently lacking in Ireland regarding social enterprises.

In an international context, several factors influence what constitutes social enterprise. Differences reflect “societal traditions and patterns as well as ideologies.”¹⁸ A global study in 2010 by Kerlin, incorporating seven regions, finds that “region-specific factors may have differently shaped the conceptualization of social enterprise, including its uses, organizational forms, legal structures, and supportive environment.”¹⁹ In particular, the lack or withdrawal of government backing influences enterprise levels, aims and composition. Poon in 2011 asserted that five factors contribute to the type of Social Enterprise sector that exists: political, legal, cultural, social and institutional environments - finding that each plays a role in the ability of social enterprise to begin, progress and succeed²⁰.

Given the varying factors at play, many definitions of social enterprise exist internationally and a wide variety of organisational forms are adopted by social enterprises around the world. Of note is the contrast between the US tradition, which is more philanthropic in nature and characterised by the emphasis on social innovation/entrepreneurship - and the European tradition, which has more cooperative roots and tends to place a stronger emphasis on community collaboration and mutual benefit.

¹⁷ The Social Economy and The Third Sector, Bridge, Murtagh and O'Neill, 2013. Acknowledgment to The Trinity Centre for Social Innovation for highlighting and discussing this material.

¹⁸ Anheier & Salamon, 2006 p.90. <https://jhu.pure.elsevier.com/en/publications/the-nonprofit-sector-in-comparative-perspective-3>

¹⁹ Kerlin 2010, p.164 https://www.jstor.org/stable/27928210?seq=1#page_scan_tab_contents

²⁰ Poon 2011, <https://repository.upenn.edu/cgi/viewcontent.cgi?referer=https://www.google.ie/&httpsredir=1&article=1010&context=sire>

In Europe, social enterprises are closely linked to, and emanate from, the tradition of the social economy, which is characterised by principles and values such as solidarity, the primacy of people over capital, and democratic and participative governance. At European level, the social economy approach includes entities such as co-operatives, housing associations, mutuals and foundations in some countries.

The OECD defines social enterprises as:

“any private activity conducted in the public interest, organised with an entrepreneurial strategy, but whose main purpose is not the maximisation of profit but the attainment of certain economic and social goals, and which has the capacity for bringing innovative solutions to the problems of social exclusion and unemployment²¹”

More recently, the European Commission has defined a social enterprise as being:

“an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and involves employees, consumers and stakeholders affected by its commercial activities”²²

Scotland is regarded by many as a leading country in terms of a vibrant Social Enterprise sector. Their definition published in the 2017 Census is as follows²³:

There are five essential elements of a social enterprise:

1. *they trade, with the primary objective of social or environmental benefit but also to enhance their financial independence;*
2. *any profits are reinvested back into the business or used for the benefit of the people it exists to serve, rather than distributed to owners, shareholders, or investors;*
3. *on dissolution, any assets are reinvested in another organisation with similar aims and objectives;*
4. *they are constituted and managed in an accountable and transparent way – particularly regarding the community they serve;*
5. *they are distinct from the public sector and cannot be a subsidiary of a public body.*

The Forfás Report of 2013²⁴ described social enterprises as follows:

“Social Enterprises are business models set up to tackle social, economic or environmental issues. While they are driven primarily by social and/or environmental motives, they engage in trading or commercial activities to pursue these objectives and produce social and community gain.”

The report went on to propose the following definition for social enterprises in Ireland:

A social enterprise is an enterprise:

1. *that trades for a social/societal purpose;*
2. *where at least part of its income is earned from its trading activity;*
3. *is separate from government; and*
4. *where the surplus is primarily re-invested in the social objective.*

Many more definitions can be instanced, but the above selection demonstrates that there will never be (nor ever should be) a universal definition. Rather, each country will have its own definition reflecting its own society and economy.

What is also clear is that the definition of social enterprise is constantly evolving nationally and internationally. It is likely to continue to do so as enterprises in the sector adapt to tackle changing societal challenges (e.g. climate change, ageing populations) and/or new business models. The definition will also evolve as national and local governments begin to

²¹ Pg 3 https://www.oecd.org/cfe/leed/Social%20entrepreneurship%20policy%20brief%20EN_FINAL.pdf

²² http://ec.europa.eu/growth/sectors/social-economy/enterprises_en

²³ Pg 8 <http://www.socialenterprisescotland.org.uk/files/4de870c3a3.pdf>

²⁴ Pg 10 https://www.tcd.ie/business/assets/pdf/centre-social-engagement/23072013-Social_Enterprise_in_Ireland-Sectoral_Opportunities_and_Policy_Issues-Publication.pdf

more fully understand the nature of social enterprises and the contribution they make to social and economic objectives, as well as the unique characteristics that distinguish them from the general enterprise base.

Nonetheless, it is essential in moving towards the development of a National Policy for Social Enterprise, to have an agreed definition that facilitates an understanding of social enterprises in an Irish context.

3.5 Definition Proposed

Taking all the academic and organisational work on the topic into account and the inputs from the many consultative mechanisms undertaken as part of the research, the following is proposed as the definition for social enterprise in Ireland. This definition reflects the commonality of entrepreneurial approach in the definitions quoted above:

Social enterprises are businesses set up to tackle social, economic or environmental issues. While they are driven by social and/or environmental motives, they engage in commercial activities to pursue these objectives and produce social and community gain.



Within this definition, a social enterprise displays all of the following characteristics:

1. its purpose is to achieve social/societal objective(s);
2. it trades or has an ambition to trade on an ongoing basis by providing goods and/or services, with a view, inter alia, to enhancing its financial sustainability;
3. it reinvests surpluses to achieve its social/societal objective(s);
4. if dissolved, it must transfer its assets to another organisation with a similar mission;
5. it is separate from the public sector; and
6. it is governed in an accountable and transparent way.

This definition does not set a strict threshold for the level of earned income, recognising the natural cycles that businesses go through, particularly at start up stage. However, it does require that the income generated by the social enterprise from trading is on an on-going basis, rather than, for example incidental events designed for fundraising. While the definition above refers to organisations that identify fully as social enterprises, it is acknowledged that there is also a growing trend in the Community and Voluntary sector for organisations to increase their financial sustainability. These latter organisations are addressed by the Framework for Local and Community Development.

As the sector establishes its own identity in the coming years, the definition proposed above may change. However, for the purposes of providing clarity on the categories of organisations that are the focus of this research, it reflects the current understanding of what is meant by a social enterprise.

3.6 Summary

The Social Enterprise sector is a relatively new and still emerging construct in the overall population of enterprises. It is sometimes viewed as a “niche sector” which covers a broad range of activities. It interfaces at one end with the Community and Voluntary sector and at the other with the Private Enterprise sector. Social enterprises operate across a variety of economic sectors, earn traded income by providing a range of goods and services on an on-going basis, and tackle social and environmental challenges in innovative and sustainable ways.

Defining and understanding the Social Enterprise sector is an essential pre-requisite for the development of a policy to support and develop the sector. Taking account of the various stakeholder inputs and sources, a definition of social enterprise for Ireland has been proposed which shares common features with the definitions used by the OECD and the European Commission. This definition will provide a foundation on which to develop the National Policy for Social Enterprise in Ireland.

CHAPTER FOUR

Size and Analysis of the Irish Social Enterprise Sector

4.1 Introduction

There is limited empirical data available on the scope, scale and contribution of the Social Enterprise sector in Ireland. While the Benefacts database is a rich source of data on the Non-profit sector and includes social enterprises, these enterprises are not separately identifiable on the database (which includes schools, universities, hospitals, trade unions and much else)²⁵. This makes analysis and evaluation of the full extent of the sector's contribution to economic and social objectives not possible to quantify.

By contrast, Scotland has just completed a second census on the Social Enterprise sector. This provides accurate data on the size, composition and nature of the sector²⁶. Under the Scottish Social Enterprise Strategic Plan, the importance of data is highlighted by the commitment to conduct a sector census every two years.²⁷

4.2 Forfás Report

The Forfás Report of 2013 attempted to size the Social Enterprise sector²⁸. It noted that

"assessing the scale of social enterprises was hampered by varying definitions of the sector, and by the nature of their role, which was driven by political and social ideologies of each country reviewed."

The data used in the Forfás Report was collated by the Irish Non-profit Knowledge Exchange from 2009, then the most recent year available. It estimated that:

- there were 1,420 social enterprises, employing over 25,000 people, with a total income of around €1.4 billion;
- income from trading accounted for 17 % of total income in social enterprises;
- average turnover per social enterprise was over €1 million;
- social enterprises are labour intensive with payroll reflecting 64 per cent of total expenditure.

However, the report also noted the difficulty in differentiating social enterprise from the wider Non-profit sector. The Forfás estimates, therefore, should be viewed with that caveat in mind.

More recently, Dr. Mary O'Shaughnessy of UCC wrote:

"...it is not easy to identify social enterprises (i.e. that sub-set of organisations that are involved in trading activity) from contemporary Irish studies of what is referred to as the non-profit sector. The few studies that have identified and focused on social enterprises and attempted to measure the size and significance of the sector have generally been limited and/or based on surveys with relatively low response rates. In light of this, caution is advised regarding the accuracy of any estimates of the scale and impact of the sector to date and the possibility of inflated estimates arising from ambiguous boundaries and definitions."²⁹

The Forfás report noted that social enterprise is a small but growing part of the enterprise base that has potential to bring further job gains and deliver economic returns. With the appropriate enabling and promotional effort, it stated that there is scope for increasing jobs in the sector.

²⁵ <https://benefacts.ie/>

²⁶ <http://www.ceis.org.uk/census-2017/>

²⁷ <http://www.socialenterprisescotland.org.uk/policy/191>

²⁸ https://www.tcd.ie/business/assets/pdf/centre-social-engagement/23072013-Social_Enterprise_in_Ireland-Sectoral_Opportunities_and_Policy_Issues-Publication.pdf

²⁹ https://www.cpaireland.ie/CPAireland/media/Business-Development/CPA-Social-Enterprise_July2018.pdf

If Ireland's Social Enterprise sector were to approach mean EU levels of output or the goal set by the EU under the 'Europe 2020' Strategy, the Forfás report projected there could be at least 65,000 employees in social enterprises in Ireland, compared to their estimated base line of 25,000.

The report highlighted the importance of mapping the sector and emphasised that the impact of the sector needs to be measured to ensure the effectiveness of government supports, either through soft mechanisms or through funding. Existing appraisal and evaluation frameworks might also need to be amended to incorporate the social returns of social enterprise.

4.3 Local Mapping Exercise

There have been numerous localised mapping exercises undertaken on social enterprise over the years. These have sought to identify social enterprises, the extent of their activity and to provide information on the wider social enterprise environment. Examples include:

- 2012: County Kildare Leadership Partnership commissioned Ann Clarke to conduct a survey of social enterprise in the county to feed into the development of a County Kildare social enterprise strategy. The survey "Profile of Social Enterprises in County Kildare and Outline for a Social Enterprise & Entrepreneurship Strategy", profiled social enterprises and identified the main challenges they faced.
- 2014: South and East Cork Area Development (SECAD) commissioned Quality Matters to explore the strengths and challenges of local social enterprises, as well as what supports social enterprises need to prosper and grow into the future.³⁰
- 2016: ILDN report "Creating an Enabling Supportive Environment for the Social Enterprise Sector in Ireland" which surveyed a sample of 20 LDCs elicited information on the profile and contribution of the social enterprises that the LDCs work with. It outlined the variety of services offered, challenges that exist, and suggested supports required to develop social enterprise in Ireland.

In November 2016, SFF contracted Dunhill Rural Enterprises Ltd. (DREL) to conduct a research study into the Social Enterprise sector in Waterford City & County. Subsequently County Cavan and the Ballyhoura region (Limerick East and North Cork) joined this research project. Breffni Integrated Ltd. (Cavan) and Ballyhoura Development Company Ltd. engaged in the work on behalf of their respective areas.

The work involved two stages: the first was establishing a valid register of social enterprises in each area; the second involved surveying these enterprises to obtain data on them. The social enterprises included in the registers shared the following common features: a stated social mission; a voluntary board of directors; community led and with trading income. Where there was a question mark over an organisation's characteristics, then it was included – essentially the registers erred on the side of inclusion. Therefore, the registers must be viewed with some degree of caution. The methodology in building the registers and the survey used was overseen by University College Cork (UCC) and these documents can be found in Appendix Five.

This mapping project was an extremely useful exercise in understanding how to gather data on the sector and the challenges involved. Through the analysis of the survey results it also helps paint a data-driven picture of social enterprise activity on the ground. However, it must be noted that this work was predominately rural, adopted an inclusive approach and was done in the absence of a national definition; therefore the results should be viewed through this lens.

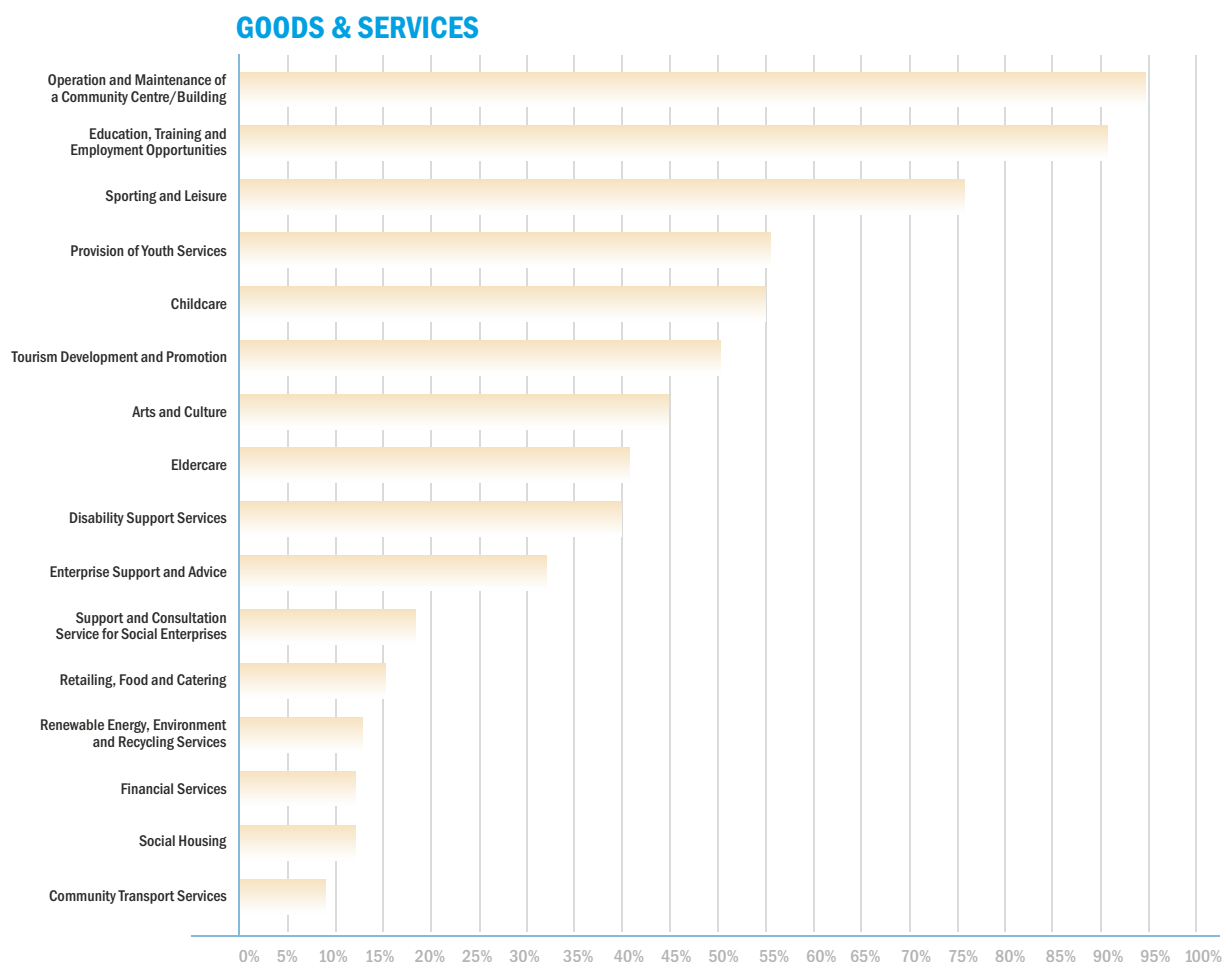
Survey Analysis

In total there were 307 valid responses to the survey for Waterford, Ballyhoura and Cavan. The response rates were 50%, 39% and 23% respectively.

The following Figure shows the goods and services provided by respondents when asked to describe what they do. Multiple answers (up to a max of 3) were allowed as many social enterprises provide a variety of services. As is clear from the figure below, operation and maintenance of a community centre/building and education, training and employment opportunities are the top responses. Sporting and leisure, youth services, childcare, eldercare and tourism also feature heavily. This demonstrates the breadth of social enterprise activity that takes place.

³⁰ <http://qualitymatters.ie/wp-content/uploads/2014/10/Social-Enterprise-in-South-and-East-Cork-.pdf>

Figure 4.1: Goods & Services Provided by Social Enterprises: Waterford, Ballyhoura & Cavan (2017).



Overall, the survey results point to many “micro” social enterprises with low levels of earned income, a low number of employees and a high reliance on volunteers. There is a heavy emphasis on community, with many identifying as community organisations. Challenges include lack of support and recognition; retention of volunteers; and compliance/governance requirements. Table 4.1 highlights some metrics.

Table 4.1: Key Findings from the Social Enterprise Survey: Waterford, Ballyhoura & Cavan (2017).

| METRIC | RESULT |
|--|---|
| Age of the social enterprise | 57% were established pre 2000 29% were established 2000 – 2010 |
| Average income (all sources) per social enterprise | €149,000 |
| Level of income | 64% have an income < €100,000 |
| % with > 50% of total income from trading | 31% |
| Average no. of employees | 6* |
| Largest employment category | Female, Full-time |
| Nos. who avail of employment support schemes | 51% |
| Ratio of rural to urban social enterprises | 2:1 |
| Most quoted objective of organisation | Betterment of the community |
| Extent of operation | 80% operate locally |
| Average number of volunteers | 16 Volunteers and 7 Board members |
| Average volunteer hours per week | 17 hours per volunteer and 7 hours per Board member |

*Includes participants on Employment Support Schemes

4.4 Building a National Picture

As the mapping exercise unfolded, further regions used the methodology to build registers for their own areas. The additional registers completed were for Mayo, Roscommon, Galway, Leitrim, Donegal and Sligo as part of a RaiSE project³¹ and Paul Partnership (Limerick) and South County Dublin. The inclusion of Paul Partnership and South County Dublin was in response to seeking a better representation from urban areas.

Surveys were also completed but the response rates were very low and therefore not included in the analysis above. This reflects the significant level of resources needed to carry out a survey to achieve satisfactory survey response rates, which were not available in the timeframe for these areas.

The difficulties in establishing a clear picture of the size of the Social Enterprise sector in Ireland to date serves to underpin the importance of conducting a detailed survey to establish the scale of the sector and the contribution it makes to the economy in terms and employment, turnover, etc. It is also important to establish these data points to inform policy on social enterprise into the future.

While some of the difficulties in collecting reliable data are attributable to ambiguities around the definition of the sector and where social enterprises fit on the Community and Voluntary/Private Enterprise sector spectrum, this research paper, and the definition provided in Chapter Three, should present a new starting point for the work that is required. Similarly, the local mapping exercises conducted in Waterford, Cavan and the Ballyhoura region, provides insights for a more comprehensive national survey.

4.5 Ireland: Strengths, Weaknesses, Opportunities and Threats

A further analysis of the Irish Social Enterprise sector was undertaken by Dr. Aisling Moroney and Dr. Mary O'Shaughnessy from University College Cork as part of research commissioned by SFF during 2017. This is covered in more detail in Chapter Seven. The following SWOT analysis is taken from this work and highlights key features of the Irish sector.

Strengths

- Strong voluntary sector with extensive volunteerism at all levels;
- Tradition of non-State interventions in community and social life;
- Strong history of self-help and community organisation, especially in rural areas;
- Strong social economy tradition, especially cooperatives in the agriculture and finance sectors.

Weaknesses

- Sector lacks a clear identity and focus. Social enterprise 'brand' has poor recognition;
- The sector is very diverse and requires a very differentiated support structure;
- No specific legal form for a social enterprise;
- Landscape of supports largely based on mainstream SME policy;
- Strongly associated with job creation measures and WISE model;
- Under-commercialised with very high dependence on grant aid;
- Limited entrepreneurial drive and weaknesses in business development, marketing and business administration;
- Limited capacity to take advantage of public procurement opportunities;
- Gaps in knowledge about the sector: scale, contribution, social impact, etc.;
- Irish social enterprises face significant regulatory burdens, required in many cases to meet both those faced by conventional SMEs and organisations working in the Community and Voluntary sector;
- To receive government funding, Irish social enterprises are usually required to ensure they will not displace any other commercial enterprise.

³¹ <https://www.interregeurope.eu/raise/>

Opportunities

- The planned National Policy and Implementation Roadmap for social enterprise;
- Increased opportunities to bid for public contracts (Two new EU Directives - new regulations covering public procurement in the public service and in the utilities sector - transposed into Irish law, May 2016);
- Social investment opportunities increasingly available;
- Starting from a low base: there are significant growth opportunities, especially in areas with currently low social enterprise involvement;
- Millennials increasingly focused on combining business opportunities with social goals and social benefit; there are opportunities to recruit high quality leaders, workers and volunteers;
- Increased attention being paid in society and public discourse to the 'social entrepreneur'.

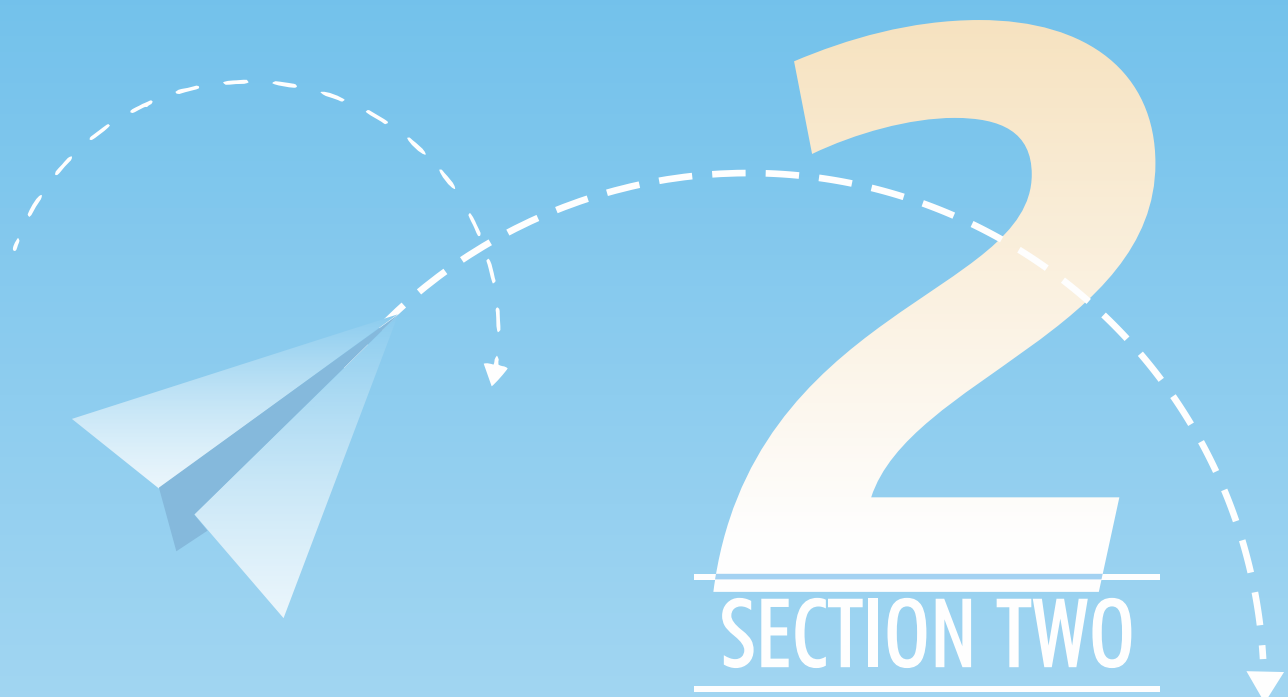
Threats

- Recent government interest peters out or fails to translate into action;
- Crisis of legitimacy in Irish charities may have an impact on public donations and support, ability to recruit volunteers in the Social Enterprise sector;
- Changes in local and community development landscape e.g. reform of local government, rationalisation, may impact the level and suitability of supports available to fledgling social enterprises at local level;
- Increased difficulties with recruiting volunteers, especially board members.

4.6 Summary

Attempts at assessing the size of the Irish Social Enterprise sector starkly reveals the lack of reliable data that exists. The importance of having data on the Social Enterprise sector is integral to ensuring that the appropriate policies and strategies are put in place. There are examples internationally of how data can be collected, e.g. Scotland and Nova Scotia. There are also learnings from the local mapping exercises that can be used as inputs to the best solution for Ireland going forward. The areas of data, and importantly impact, are discussed further in Chapter 10.3 where conclusions are drawn.

A SWOT analysis of the Irish social enterprise landscape reveals a sector that is deep rooted and strong. Implementation of a Social Enterprise Policy will help address the weaknesses and threats identified as well as enabling the opportunities to be realised.



SECTION TWO

EXTERNAL ENVIRONMENT

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CHAPTER FIVE

Opportunities for International Co-operation

5.1 Background

As stated earlier, Ireland is in “catch-up mode” in respect of having the supporting policy and infrastructure for the development of the Social Enterprise sector. In that sense, it could be argued that it should concentrate on developing a national focus. However, there is also much to be gained in keeping an international focus on the sector. A continuing international focus will enable Ireland to keep abreast of social enterprise developments worldwide, to contribute to solutions and to implement those which have relevance and benefit to Ireland. It will also establish Ireland as a “coming force” in the sector, burnishing our global reputation as an enterprising economy with a strong social entrepreneurial ethos. With the commitment of the Government to implement the policy in partnership with the sector, there is a great opportunity over a small number of years to earn a reputation for leadership in the field.

5.2 International Elements

The elements of an international approach would include:

OECD – The OECD is involved in a number of projects with the EU including the recent pilot testing workshop which took place in DCU on the OECD/EC Better Entrepreneurship Online Tool. Their view on the Social Enterprise sector is expressed as follows:³²

“An entire segment of the economy is composed of entities that aim to increase social inclusion and reduce inequalities, while simultaneously creating economic value. Social economy organisations, such as different types of cooperatives, associations, foundations, mutuals and social enterprises (which are businesses of various legal forms using an entrepreneurial approach in order to respond to an increasing number of social and environmental challenges) are developing at a fast pace around the world”³³

EU – Given the importance of the relationship between Ireland and the EU, the EU should feature prominently in any international approach. The following chapter deals with the EU specifically and draws conclusions on opportunities for Ireland at EU level. It should be noted that there are many interactions in relation to social enterprise currently taking place between Irish counterparts and the EU.

The extent of interactions include, by way of example:

- Ireland’s representation on the GECES committee;
- the current involvement in the EU inter-regional RAISE Project through Westbic;
- SFF has applied to be part of the EaSI Guarantee Scheme for social lending;
- Local Development Companies such as Ballyhoura have applied for funding under the Horizon 2020 scheme;
- ISEN are representatives on ENSIE (Work Integrated Social Enterprises); SEEN (Social Economy Europe Network);
- Dr. Mary O’Shaughnessy from UCC is a Director on the EMES University Based International Research Network on social enterprises; and
- Dr. O’Shaughnessy was also appointed country moderator by EURISCE/DG EMPLOY to complete a mapping study of social enterprises which was presented at the European Commission DG EMPLOY in June 2016.

³² <https://www.interregeurope.eu/socialseeds/news/news-article/3052/better-entrepreneurship-online-tool-by-oecd-and-ec/>

³³ <http://www.oecd.org/cfe/leed/social-economy.htm>

WORLD SOCIAL ENTERPRISE FORUM - an annual forum takes place that brings together the most senior individuals in the sector worldwide. Ireland, through SFF, attended the 2017 Forum in New Zealand and there was significant benefit gained in terms of networking and learnings from other countries. The 2018 Forum is being held in Edinburgh and there is an opportunity to host visitors to Ireland in the days before the Forum on a specific study visit. This could involve visits to Ireland's most prominent social enterprises and networking talks with industry leaders.

SCOTLAND - our near neighbour Scotland is regarded as one of the leading nations in the development of its Social Enterprise sector. Community Enterprise in Scotland (CEIS) provided consultancy support to the research project that has proved to be very beneficial. They have offered to continue to develop the relationship with Ireland after the national policy is published, to assist with its implementation in an advisory capacity, if required.

NI and UK - meetings took place with Social Enterprise NI and Social Enterprise UK as part of the research. Both provided good insights into what has worked in each respective jurisdiction. While there are not insignificant differences between Ireland and the UK/NI, it was agreed that there was significant merit in communications continuing to take place.

BRITISH AND IRISH COUNCIL - The British-Irish Council was established as part of the multi-party agreement reached in Belfast on 10 April 1998. Its membership comprises representatives from the Irish Government, UK Government, Scottish Government, Northern Ireland Executive, Welsh Government, Isle of Man Government, Government of Jersey and Government of Guernsey. It is likely that the topic of social enterprise will be placed on the 2018 agenda for the Council. This will provide Ireland with the opportunity to promote its policy and implementation plan.

INTERNATIONAL PHILANTHROPY - Giving, from individuals and corporations, is important in terms of financial and non-financial supports to social enterprises. Specifically organisations such as Social Entrepreneurs Ireland, Social Innovation Fund Ireland and The Ireland Funds provide mechanisms for philanthropy that in turn can support social enterprise and social entrepreneurship activity. There is also direct philanthropic support that can be accessed by social enterprises and social entrepreneurs from foundations set up by international organisations, for example State Street Foundation and J.P. Morgan Chase Foundation.



CHAPTER SIX

EU Agenda on Social Enterprise

Given the importance of the EU in terms of agenda setting as well as financial and other supports, the project commissioned Michaela Lednova and Rocío Nogales from the EMES network³⁴ to produce a Research Report entitled “EU and Social Enterprises – An overview of policy and tools to support social enterprise in Europe”. The full report can be found at www.sff.ie and is summarised here.

6.1 Background

In the 1990s the term “Social Enterprise” came to the fore in Europe, largely underpinned by a growing appreciation of the potential of the social economy to address a range of social and economic issues. Viewed as a different way to do business, and initially related to long-term unemployment, social enterprises often operate within what is referred to as the ‘third sector’ or the social and solidarity economy (SSE), i.e. neither private or public but somewhere in between. European tradition viewed SSE as bringing together social enterprises, cooperatives, associations, mutual societies and increasingly foundations. Although the social economic context was similar for all EU countries, the forms that emerged varied according to the specificities of the individual European models.³⁵

6.2 EU Policy

Since 2000, the European Commission (EC), the European Parliament (EP), the European Economic and Social Committee (EESC), the Committee of the Regions (CoR) and the European Commission Experts Group (GECES) have adopted and launched more than 200 initiatives and official documents, recognising the importance and contribution of social enterprises to several key socio-economic objectives of the European Union (EU). These objectives include high quality employment, job creation and preservation, social inclusion, access to services of general interest, social and environmental innovation, promotion of entrepreneurial culture, the European Social model, social pillar, and local and regional development.

In general, the goal of the EC is to support the development of a playing field in which social economy enterprises can operate within financial, administrative and legal environments, and compete effectively and fairly with other types of enterprises in the same sector, while recognising their particular needs and characteristics. The EC also views social enterprises as having significant potential for social innovation.

European framework documents relating to social enterprise include Europe 2020, Single Market Act I, II, and the Social Business Initiative. In addition, there has been an effort to improve harmonisation in the areas of social investment funds, registers of social enterprises, labels and certification, public procurement and state aid. More recent policy context is provided by The White Paper on the future of Europe and the European Pillar of Social Rights.

6.3 EU-level Supporting Schemes

The EU response to improving access to SE funding combines access to finance and technical support, interest rate subsidies and loan guarantee schemes.

The European Investment Fund (EIF) is Europe's leading risk finance provider of funding, portfolio guarantees and technical assistance to microfinance institutions and other micro-credit and social finance providers – with the goal of enhancing access to finance for SMEs and social enterprises. EIF engages in activities aimed at increasing the availability and access to finance for social entrepreneurs through the European and Social Innovation programme (EaSI). EaSI is a financing instrument at EU level, founded in the context of the Europe 2020 strategy, that promotes quality and sustainable employment, guaranteeing adequate and robust social protection, combating social exclusion and poverty and improving working conditions. There are three axes of the EaSI programmes with a total budget of €920 million

³⁴ EMES is a research network on social enterprise <http://www.emes.net>

³⁵ European Commission, Social economy and social entrepreneurship, Social Europe Guide, Volume 4, <http://www.euricse.eu/wp-content/uploads/2015/03/social-economy-guide.pdf>

between 2014-2020. Ireland is currently applying to access the EaSI programme to avail of the loan guarantee facility, thus enabling more loan funding to be available to social enterprises.

EU Commission support for social enterprises includes the recent launch of two new generation financial instruments - COSME (under Small Business Act) and InnovFin (Horizon 2020). These provide direct loans and other tailored products to support SMEs and social enterprises. In addition, under the Framework for the EU Cohesion Policy 2014-2020³⁶, social economy enterprises and social enterprises have become one of the support investment priorities. The framework brings together the European Social Fund (ESF), European Regional Development Fund (ERDF), Cohesion Fund and other EU Funds.

Other supports include the Social Impact Accelerator from the European Investment Bank and the EIF, the European Fund for Strategic Investments Equity Instrument (from the EC, EIB and EIF), Startup Europe, Collective Awareness Platforms for Sustainability and Social Innovations and the support of incubation structures for social innovation.

European Social Entrepreneurship Funds (EuSEF)³⁷ - A key milestone by the EU on the path to a European regulatory framework for social investment funds was the adoption of this regulation in 2013. While the regulation does not itself provide for EU-level funding, it facilitates private investment in European social businesses.

6.4 EU funding and opportunities for Ireland

In addition to the work carried out by Lednova and Nogales, further details on the opportunities for Ireland to avail of EU funding are provided below based on inputs from the Research Steering Group.

There are two main types of EU funding: funds whose management is shared between the EU Commission and the Member States and funds which are managed centrally by the European Commission. The bulk of EU spending (76% of the EU budget) involves funds which come under shared management. The centrally Managed Funds (24% of the total budget) are allocated on a competitive basis between member states.

Shared Management Funds - The Ireland-EU Partnership Agreement sets out an assessment of national development needs and defines priorities for use under the shared management funds. The agreement commits Ireland to focus on investment priorities that are in line with Ireland's economic growth objectives. In Ireland SICAP and LEADER are two operational programmes under structural funds which currently support social enterprise activity – albeit social enterprise forms only a small part of these programmes. Both programmes are delivered by Local Development Companies.

Centrally Managed Funds - In Ireland there are examples of participation in EU wide collaborative projects using centrally managed funds allocated through a competitive process. One is the RurAction project which supports ten early stage researchers across Europe (two located in Ireland) to undertake PHD research on Social Enterprise. UCC and Ballyhoura Development CLG are partners in the project consortium. The other project is the RaiSE project involving WestBic, which brings together six pro-active regions and one advisory partner to address the common challenge of enhancing competitiveness of social enterprises.

The publication of a national Social Enterprise Policy can provide a platform for Irish social enterprises to access both shared and centrally managed funds.

6.5 Conclusion

The level of activity suggests growing support in the EU for the Social Enterprise sector with a range of schemes on offer. Some of these may be relevant to Ireland and some may not. There should be easily accessible publicised information on these schemes that would aid social enterprises that may wish to avail of them. It is important also that Ireland is appropriately represented – both from government and the sector - within the growing number of committees and advisory groups.

In conclusion, given the developments already underway at an EU level in relation to social enterprise and the wider social economy, there is an opportunity for the Irish Social Enterprise sector to benefit from:

- Ireland engaging more closely with EU policy developments at Government level and in appropriate fora at sectoral level, so that Irish social enterprises can influence and benefit from existing and future EU supports for the sector; and
- the various funding schemes and support options available to social enterprises from the EU being clearly identified and catalogued and made available to social enterprises.

The existence of a national Social Enterprise Policy that profiles the importance of the sector will provide an opportunity for social enterprise to feature in future Irish programmes which are co-funded by the EU and will add a policy framework in applications for competitive funding.

³⁶ http://ec.europa.eu/regional_policy/sources/docgener/guides/blue_book/blueguide_en.pdf

³⁷ https://ec.europa.eu/info/law/european-social-entrepreneurship-funds-eusef-regulation-eu-no-346-2013_en

CHAPTER SEVEN

Comparisons with Other Jurisdictions

7.1 Introduction

Research work on the Social Enterprise sector in other jurisdictions was commissioned by Social Finance Foundation during 2017 and was undertaken by Dr. Aisling Moroney and Dr. Mary O'Shaughnessy from University College Cork.³⁸ This work sought to provide an insight into the different models of social enterprise that exist and the differentiated supports pursued in other jurisdictions. It assesses the critical success factors in countries and systems with successful, vibrant sectors and highlights the learnings for Ireland. The full report can be found at www.sff.ie and is summarised here.

This is a valuable piece of research which is provided here for information purposes. It does not necessarily reflect the views of the Research Steering Group.

7.2 Country Summaries

The Social Enterprise sector in each country is characterised by distinct national features and there is no universal formula for the development of a vibrant and successful Social Enterprise sector. It is clear that the development of a successful and embedded Social Enterprise sector is a long-term process, that it involves an element of trial and (sometimes) error and that to some extent, success breeds success.

The countries researched in the preparation of this report include Italy, the UK, the USA, Austria, and Canada. The detailed findings for each country are presented in the full report. An overview of the sector in these countries is as follows:

Italy – Social enterprises have a distinct and valuable place in the economy and society in Italy. A relatively rich, well-developed and diverse ecosystem for social enterprises exists compared to most other European countries. There is consistent political support for social enterprise across various political administrations and at national and regional level. Government and public bodies have been highly proactive in terms of public procurement, preferential purchasing, social clauses, etc. There are particularly good systems for measuring social benefit. Italian social enterprises are characterised by strong and varied networks, national and regional umbrella organisations and using consortia for the growth and development of the sector.

UK – Represented by the Anglo-Saxon context where discourse is more business-oriented rather than social economy-derived, the UK Social Enterprise sector has a clear identity and brand, with evidence of political support for over twenty years. Many of the social enterprises are WISEs (Work Integration Social Enterprises) – shaped by Labour Market Policy and Programmes like the Irish context. They use a variety of organisational forms including co-operatives, charities, for-profits and - more recently - community interest companies (CICs). CICs are a new legal form designed for socially responsible enterprises which deliver community benefit. UK policy for the development of social enterprise is characterised by creating an enabling environment (government, legal, regulatory and public procurement), supporting 'social enterprise better business' (business support and training, capacity building, finance and funding) and establishing the value of social enterprise. Scotland has been particularly progressive in this area with the publication in 2016 of a 10-year strategy for the development of the sector and the compilation of a national census of the sector.

USA - The first wave of definitions of social enterprise placed an emphasis on revenue generation through business initiatives by the Non-profit social sector organisation (Kerlin, 2009). In contrast to their European counterparts, which placed an emphasis on participatory democracy, the emerging US social enterprise field was less concerned with this aspect of the governance structure of the social enterprise; instead it promotes a culture that "valorises entrepreneurship, champions private solutions to societal problems and places faith in markets to efficiently allocate capital to the most promising solutions" (Cooney, 2015:5). The current social enterprise landscape in the US is said to be marked by a

³⁸<http://www.sff.ie/about/>

significant growth in social enterprise initiatives in the For-profit sector (argued by Cooney (2012) to be largely disconnected from Non-profit sector activity) and characterised by the entrance of a “wider range of social entrepreneurial projects, fuelled by investors seeking profits but also social impact” (Cooney, 2010, Eggers and MacMillan, 2013, Barman, 2015).

Austria – In Austria, social enterprises are understood “as private non-profit-maximizing organisations, which reinvest any profit they make back into the organization, distribute it to members and/or to society at large” (Anastasiadis & Lang, 2016:5). Austrian social enterprises are further defined as “providing goods or services directly related to their explicit aim to benefit the community, relying on a collective dynamic involving a variety of stakeholders in their governing structures” (Defourny and Nyssens 2008: 5). Although the term social enterprise (SE) does not appear frequently in Austrian political and academic discourse, and previous attempts to map the SE sector in Austria remained fragmented (European Commission, 2014), Austrian SEs can be broadly divided into 'traditional and newer models': the former dominated by cooperatives and traditional nonprofit organisation, and the latter typified by ecologically-oriented WISEs (ECO-WISEs), housing social enterprises and 'individual-driven young start-ups with an explicit social mission'. Of note are the ECO-WISEs and social enterprises in housing, characterised by a 'hybrid' nature involving community, market and state (Moreau and Pittini 2012; Vickers 2013; Johanisová and Franková 2013; Anastasiadis & Lang, 2016).

Canada – There are notable differences between provinces and regions according to their cultural and ethnic backgrounds. The roots of the sector lie in a long history of cooperatives, credit unions, community economic development initiatives and adult education - and some regions are strongly characterised by a place-based and embedded approach.

7.3 Factors Critical for Success

It is clear from the international research that the development of a successful and embedded Social Enterprise sector is a long-term and organic process and that there is no simple formula for its creation. The key impetus and push must come from the bottom up, but a supportive eco-system can influence and encourage the development of both individual social enterprises and the sector as a whole. From a review of the available literature and the experience of countries with highly developed Social Enterprise sectors, we can now identify several critical success factors in developing and consolidating the position and capacity of the sector. The majority of these are broadly exogenous and relate to the legal and policy environment but there are also actions which are largely endogenous or internal to the Social Enterprise sector and how it organises, manages and promotes itself.

7.4 Exogenous Factors

Proactive, consistent and high level political/administrative support

The key elements of political/administrative support include:

- Embedding the notion of social enterprise as an intrinsically valuable part of the economy and society and ensuring consistency of support across political administrations;
- Appointing a government minister with overall responsibility for the sector. Creating an inter-agency and interdepartmental group for social enterprise to develop and champion the sector has worked in other countries;
- Developing and publishing a Vision document for the development of social enterprise, combined with a multi-year strategic plan or strategy to actualise this vision;
- Funding and supporting the creation of a national support unit and other support services;
- Being highly proactive and supportive in terms of public procurement, preferential purchasing and making appropriate use of social clauses.

Supportive regulatory/legal environment

A key factor in the development of the sector seems to lie in legislating for organisational forms which recognise the distinct identity and needs of social enterprises. The emergence of legal frameworks is a common trend across countries with strong and/or growing Social Enterprise sectors.

Capacity-building in Community/Voluntary sector

Support for ongoing capacity-building of communities (both geographical and communities of interest) has a key role to play in enabling communities to identify social needs for which the social enterprise model might provide solutions - and to encourage and valorise collective and entrepreneurial approaches to social, economic, cultural and environmental challenges.

Creation of a national support unit and other support services

State support for social enterprise development in Ireland has traditionally largely taken the form of support for labour market activation programmes. This support can of course be very valuable. However, to limit supports for the sector to such programmes is problematic in terms of developing a more vibrant and commercially successful Social Enterprise sector. At the same time, more commercially oriented social enterprises do not necessarily find the supports they require within mainstream business support services, as their needs only partially coincide with those of conventional small and medium enterprises. This strongly suggests the need for a dedicated national support unit for social enterprise development and support.

Addressing the under-commercialised nature of the sector

A key issue is the overall under-commercialisation of the Social Enterprise sector in Ireland compared to its European counterparts, and each of the state and the sector itself have a role to play in addressing this feature of the Irish situation. Trading income is typically a very small percentage of income and an overwhelming emphasis is placed on social benefit, particularly for those social enterprises which merge at one end of the spectrum with the Community and Voluntary sector. Social entrepreneurs should be encouraged to grow profits/surpluses whilst maintaining their social ethos.

Research

The EU Country Report for Ireland (2016) highlights the considerable gaps in our knowledge about the Irish Social Enterprise sector, including the scale, social impact and overall contribution of the sector to the national economy and society in general.³⁹ It argues that addressing these gaps is an important next step in improving our understanding of social enterprise and in assessing its significance, value and true potential. International experience suggests that the collection and analysis of quantitative and qualitative data on social enterprises and their contribution to public policy is a necessary tool for improved policy and strategy making – as well as to ensure there is adequate government and other supports for this valuable sector of the economy.

³⁹ www.ec.europa.eu/social/BlobServlet?docId=16379&langId=en

Education

Related to the research agenda described above is support for the inclusion of social entrepreneurship and social enterprise education in mainstream primary, second level (via Enterprise Programmes) and third level education and in academic business/finance courses. Ongoing funding of doctoral and post-doctoral research and teaching at third level is also required. Also of value would be the availability of shorter programmes or Continuing Professional Development type 'days', allowing for more practical - and in some cases - collective learning to be more widely distributed amongst people working in the sector than might be the case with full degree or Masters programmes.

7.5 Endogenous Factors

The development of autonomous networks and consortia (i.e. cooperation amongst social enterprises)

A key indicator of – and contributor to – the success of a Social Enterprise sector is the presence of vibrant and engaged networks and consortia, of strong cooperation between social enterprises. Networks can operate at national level covering all social enterprises or be specific to a category of social enterprise. They are a way of facilitating collective responses to the needs and opportunities of the sector, advocating to government and fostering human resource development, leadership and knowledge dissemination.

Carving out a distinct and visible identity

A further key factor in the creation of a successful Social Enterprise sector appears to be the carving out of a distinct and clear identity and strong public profile.

Adopting a collective, multi-stakeholder approach to governance

The review of different models above has clearly highlighted the economic, social and cultural value of more collective, democratically oriented governance structures in the operation of social enterprises. A specific feature of the European social enterprise tradition is a strong collective and participatory dimension and close links to civil society organisations and initiatives. Social enterprises should have some inclusive and/or democratic governance structure or some level of participatory governance. Of importance is the inclusion of end-user or service beneficiary in any such governance structure.

7.6 Summary

International experience suggests that social enterprises can play a vital role in sustainable job creation, in facilitating social and work integration, providing local services and meeting social needs especially in peripheral areas, in mobilising community resources and social capital, and in developing innovative solutions to human and social needs.

With some notable exceptions, the Irish Social Enterprise sector is starting from a low base: in international terms it is relatively underdeveloped, unsupported and under-commercialised and has a distance to travel before it reaches the Institutionalisation stage of development. There is significant potential for growth and development and Ireland can learn from experience in other countries to create, over time, a vibrant sector suited to the economic, social and cultural context in which it operates.

CHAPTER EIGHT

Interaction with Other National Policies

8.1 Introduction

Social enterprise intersects with myriad aspects of Irish life and thus with Government policy across a range of sectors. The sector contributes to the achievement of policy goals in areas such as labour market policy, health and social inclusion. The sector also contributes to the achievement of high level policy objectives such as the UN Sustainable Development Goals.

This chapter sets out how social enterprises engage with, or support, wider national policy objectives.

8.2 Local and Community Development Policy

A Framework Policy for Local and Community Development in Ireland was approved by Government in December 2015. The vision set out in the framework policy is “to create vibrant, sustainable, self-determining communities that have the social, cultural and economic well-being of all community members at their core, built upon a shared understanding of their needs and aspirations, and where both participative and local democracy provides community members with the opportunity, means, confidence, and skills to influence, shape and participate in decision-making structures and processes that affect them and their communities.”

In seeking to fulfil this vision, Government committed itself to a number of principles, for example:

- strong community participation and leveraging of capacity within communities;
- meaningful engagement with local communities and local development organisations;
- economic development, training and education opportunities as key drivers in creating self-sufficient vibrant communities; and
- equality of opportunity and social inclusion which prioritises the needs of communities experiencing social or economic disadvantage, including rural isolation.

Whilst the potential role for social enterprise in progressing the objectives of the policy are not specifically identified in the policy framework, the social economy is referred to, as is the importance of local enterprise development. The Social Enterprise sector can therefore play a role in terms of implementation of the Framework Policy in areas such as promoting economic development and training and education that meets the needs of communities.

8.3 Rural Development Policy

The Government launched the Action Plan for Rural Development – Realising Our Rural Potential - in January 2017. The plan contains over 270 actions to be delivered by a range of Government Departments and state agencies to support the economic and social progress of rural Ireland. The Action Plan is organised across 5 pillars: Supporting Sustainable Communities; Supporting Enterprise and Employment; Maximising our Rural Tourism and Recreation Potential; Fostering Culture and Creativity; and Improving Infrastructure and Connectivity.

The Action Plan fully recognises the role that social enterprises play in terms of supporting enterprise and employment in rural communities. Many social enterprises provide services to people in rural communities that would not otherwise be delivered by the State or the Private sector. Action 99 of the Plan specifically commits to the development of a social enterprise policy which is being informed by this research paper.

8.4 Labour Market Policy

Labour market policy in Ireland cuts across a number of Government Departments. A key objective for labour market policy is to reduce the level of long-term unemployment. The principal means of achieving this objective is through the provision of training and reskilling opportunities to enhance skills and ensuring that detachment from the labour market is prevented. In addition to reducing the level of long-term unemployment, such interventions also lead to improved social outcomes for the individuals involved. Even in the current environment of increased employment levels, addressing long-term unemployment and detachment from the labour market remains a key policy challenge.

As evidenced from the case studies in Section Seven, social enterprises play an important role in supporting this aspect of labour market policy. Many social enterprises have been established with social missions revolving around access to employment, such as creating employment opportunities in areas of economic disadvantage, or providing employment opportunities for those who are most distant from the labour market. The Community Service Programme (CSP) is a scheme that social enterprises can avail of which creates sustainable jobs for those most distant from the labour market.

Social enterprises also play an important role in facilitating the delivery of work programmes such as Community Employment and Tús, run by the Department of Employment Affairs and Social Protection. These programmes differ from CSP in that they provide additional income to jobseekers in exchange for working a set number of hours in community based settings, often within social enterprises. As evidenced through the case studies, the social enterprise model is ideal for supporting the delivery of government programmes aimed at labour market activation. In addition to delivering on the main policy objectives of work programmes, such schemes also assist the social enterprise by providing a supply of labour while in return delivering improved social outcomes for people participating in such programmes.

8.5 Enterprise Policy

Enterprise policy, which is the responsibility of the Department of Business, Enterprise and Innovation, is set out in *Enterprise 2025 Renewed*, which was published in March 2018. The focus of this policy is building a resilient, innovative and globally connected enterprise sector. Specific priorities identified in the policy include: increasing the emphasis on developing Irish owned enterprises, embedding resilience in our enterprise base, and placing a spotlight on innovation and talent, and leveraging strengths in disruptive technologies.

While Enterprise 2025 Renewed does not focus on social enterprises specifically, social enterprises can help in delivering on some objectives of the policy. For example, Foodcloud and Space Engagers have demonstrated that technological and social innovation can be very effectively delivered through social enterprise.

Social enterprises also support jobs in locally traded sectors throughout the country and encourage entrepreneurship. In this context, some social enterprises are involved in the development of local digital hubs and enterprise spaces.

8.6 National Corporate Social Responsibility Plan

In June 2017 the Department of Business, Enterprise and Innovation launched Ireland's second Corporate Social Responsibility (CSR) Plan "Towards Responsible Business: Ireland's National Plan on Corporate Social Responsibility 2017-2020"⁴⁰. The plan has four strategic goals – awareness, access, support and policy alignment. It notes the development of a national policy for social enterprise as being complementary to its aims.

The plan outlines the Four Core Dimensions of CSR and contains 17 actions which are intended to improve the competitiveness, as well as the ability of businesses operating in Ireland to attract talent while fostering social cohesion and protecting the environment. One of the core dimensions of CSR is the marketplace. Marketplace CSR relates to how organisations interact with their customers, suppliers, and other stakeholders, in particular around responsible supply chain management and procurement. This could potentially open a window of opportunity for social enterprises to trade effectively with for-profit organisations.

⁴⁰ <https://dbei.gov.ie/en/Publications/Towards-Responsible-Business-Ireland%E2%80%99s-National-Plan-CSR-2017-2020.html>

8.7 Other National Policy Interactions

In addition to the above policy areas, the Social Enterprise sector interacts with a range of other policy areas including health, disability, children and youth affairs, education and skills, housing and the environment. As outlined in the case studies in Section Seven, social enterprises currently operate as service providers for homecare services, accessible transport services, childcare, and training and mentoring. A number of social enterprises also operate with missions associated with environmental sustainability, for example in the areas of recycling and reuse.

8.8 Sustainable Development Goals (SDGs)

The SDGs are a set of 17 voluntary commitments adopted in 2015 by all member states of the United Nations. They aim to deliver a more sustainable, prosperous and peaceful future by 2030, by ending extreme poverty, protecting the natural environment, and strengthening human rights around the world. While SDGs are not legally binding, each individual country has agreed to implement them and is expected to develop a national framework setting out how SDGs will be achieved.

Ireland is fully committed to achieving its SDGs and in April 2018 launched the Sustainable Development Goals National Implementation Plan 2018 – 2020⁴¹. Ireland's role in achieving SDGs will incorporate domestic activities as well as supporting the global achievement of goals. By its nature, the Social Enterprise sector can play an important role in advancing this plan. Figure 8.1 below highlights the SDGs with those goals highlighted that can be most advanced by the Social Enterprise sector.

Figure 8.1: Sustainable Development Goals and Social Enterprise



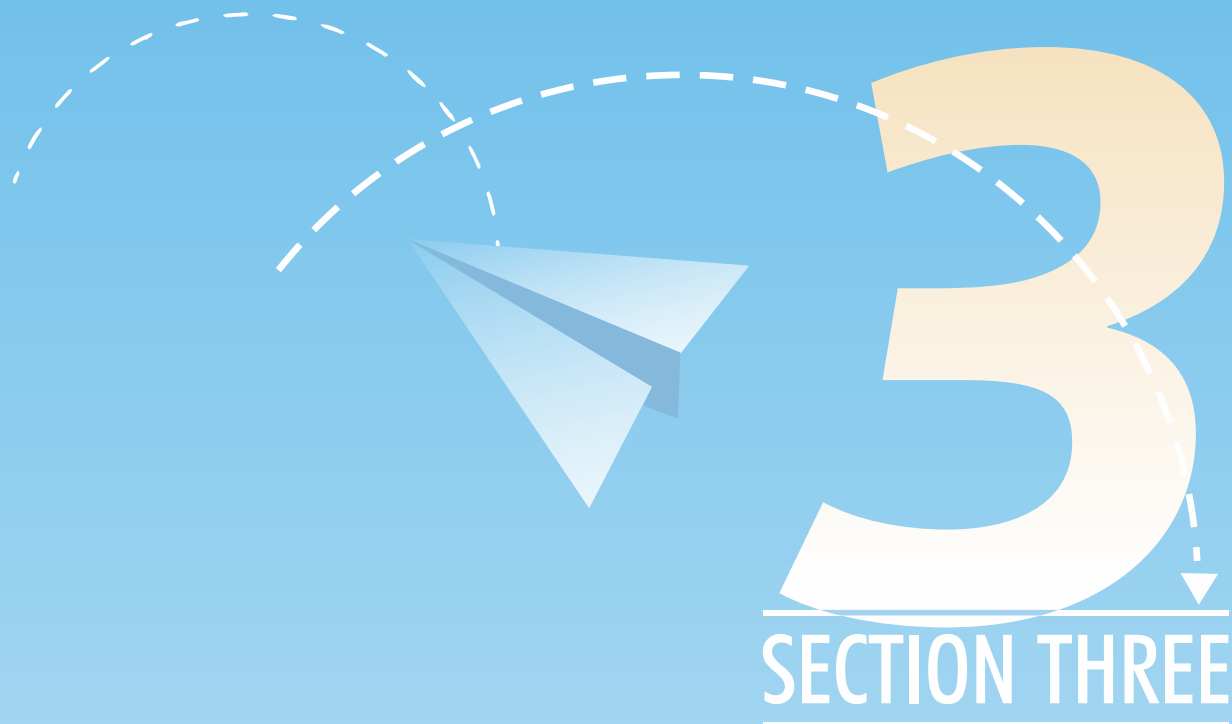
8.9 Summary and conclusions

This chapter has set out how social enterprise interacts with Government policy across a range of sectors, including local and community development, rural development and labour market policy. The sector can benefit from policy decisions and has an important role in supporting government policy, in particular through the provision of services that align with policy objectives in areas as diverse as health, community development and environmental issues.

Whilst these interactions have been set out here in broad terms, working to fully understand the interactions between the Social Enterprise sector and relevant government policies would benefit the sector and potentially open new opportunities for its further development.

In developing or renewing policy in relevant sectors, consideration should be given to the role social enterprise could play in supporting the delivery of policy objectives, and reciprocally how the policy itself could best support the Social Enterprise sector.

⁴¹ <https://www.dcae.gov.ie/en-ie/environment/topics/sustainable-development/sustainable-development-goals/Pages/National-Implementation-Plan-2018---2020.aspx>



PILLARS FOR SUCCESS

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SECTION CONTENT

This section draws together the multiple inputs from the Social Enterprise sector and various stakeholders on what they believe is needed to develop and enable social enterprise. It is divided into three pillars, each comprising a separate chapter:

- Developing Social Enterprise;
- Enabling Social Enterprise and;
- Creating Market Opportunities.

The different pillars and conclusions therein can be interdependent, which will need to be recognised in the policy formulation and implementation planning.



CHAPTER NINE

PILLAR ONE: Developing Social Enterprise

There are certain supports needed for any type of business to get established, grow and become sustainable. In the case of social enterprises seeking to enhance their financial sustainability, there is a need to provide at least the same supports and services offered to traditional business types. This part of the report looks at the areas of business supports, finance, networks and social enterprise initiation - and draws a series of conclusions in relation to each area.

9.1 Business Supports (excl. Finance)

As highlighted by Moroney and O'Shaughnessy (see Chapter Seven), social enterprises require business supports. Countries with a flourishing Social Enterprise sector provide business supports that are responsive to social enterprises and are nationally organised and locally delivered. Business support as defined here excludes finance support, which is covered in 9.2. Training, coaching and consultancy services play a critical role in building the skills needed to run an enterprise (e.g. in developing business plans, accessing diverse funding sources and becoming financially self-sustainable). At a later stage, investment-readiness support can help social enterprises expand. However, a "one size fits all" approach to business support is likely to be sub-optimal if it fails to acknowledge the social dimensions of social enterprises. Braided support, which incorporates both general business support and support specifically tailored to meet the needs of social enterprises, can be more effective for their start-up and development.⁴²

Currently there are a range of providers of business supports available to the Social Enterprise sector which include:

- Local Development Companies (LDCs);
- Local Enterprise Offices (LEOs) and Local Authorities;
- Organisations that provide specific services to the sector such as The Wheel, Charities Institute Ireland, Carmichael Centre;
- Organisations that provide dedicated support as part of a competitive process, (e.g. Social Entrepreneurs Ireland's (SEI) support and funding for social entrepreneurs and Social Innovation Fund Ireland's (SIFI) Social Enterprise Development Fund);
- Enterprise centres offering incubation and business supports (e.g. Wexford Enterprise Centre, DFBA Community Enterprises);
- Organisations assisting local enterprise activity through office space, use of resources and/or training (e.g. Partas);
- Pro bono supports offered by the Private sector under their CSR programmes (e.g. Trust Law);
- General business supports offered by third parties

While this list is extensive, there is no single provider of all supports that are needed for social enterprises. However, there are examples of support services for social enterprise such as The Social Enterprise Toolkit published by Dublin City Council and Dublin South City Partnership⁴³ and also supports from individual LDCs and Local Authorities throughout the country. The challenge that exists is for clear information to be provided on the services that are available to social enterprises, how they can be accessed, and from whom.

⁴² Dr Aisling Moroney and Dr Mary O'Shaughnessy, Department of Food Business and Development, Cork University Business School (CUBS), University College Cork. www.sff.ie

⁴³ <https://socialenterprisetoolkit.ie/wp-content/uploads/2017/12/Social-Enterprise-Toolkit.pdf>

Stakeholder Feedback

The thematic workshops in November 2017 highlighted a range of business support needs. Further comments were also added in respect of social entrepreneurship at a bilateral meeting on this topic. The needs included:

- Training in the full range of business and enterprise management skills required throughout the life cycle: feasibility, start-up, and growth;
- Administration support (perhaps shared), particularly in relation to the preparation of scheme applications and conformance with criteria;
- Impact measurement tools and skills;
- Governance and regulatory support in an increasingly compliance-heavy environment;
- Advice and mentoring from experienced individuals;
- Infrastructure support – premises, broadband etc;
- Access to incubation hubs in universities and innovation centres;
- Access to relevant and timely online information;
- Access to premises, in particular at pre start-up and start-up stages.

The issues identified by participants in relation to accessing business supports included:

- The range of supports available to commercial enterprises which are not always easily available to social enterprises;
- The level of resources in the Local Development Companies (LDCs), Local Authorities (LAs), Local Community Development Committees (LCDCs) and Local Enterprise Offices LEOs to provide support;
- The delineation between LDCs and LEOs for the provision of support;
- The issue of displacement when applying for financial support;
- A perceived lack of support for public tendering;
- The increasing difficulty with respect to obtaining auditors for small social enterprises;
- Staff retention, given limited career potential and modest salaries;
- Attracting Board members and volunteers and the ability to do this going forward given increasingly onerous regulations and obligations.

A range of suggestions were made which included:

- LDCs seen by some of the participants as a natural local support agency for social enterprises;
- LEOs seen as perhaps more relevant for social enterprises with potential to grow;
- Ability to leverage LAs;
- Best practice/guidance/schemes portal and/or booklets with up-to-date information relevant to social enterprises;
- Increasing Value In Kind supports (i.e. non cash supports such as pro bono goods or services) from support organisations such as SEI, SIFI;
- Support for social enterprises from local commercial companies through their CSR programmes;
- Mentoring being available throughout the life of a social enterprise - from different sources;
- Other organisations seen as role models acting in support;
- Provision of physical incubation facilities;
- Short, medium and long-term education interventions, establishing the legitimacy of the sector and supporting it where possible, e.g. graduate placements.

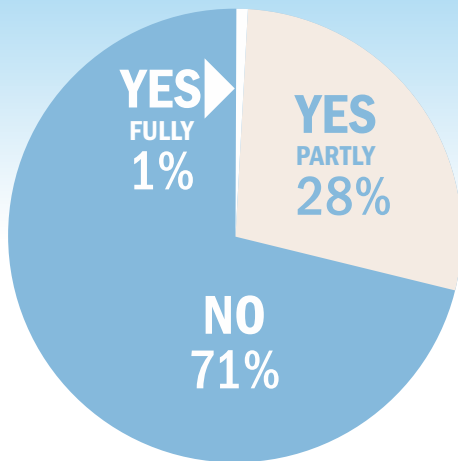


Figure 9.1.1: Does the Business Support Available to Social Enterprises in Ireland Currently Meet the Sector's Needs?

The online consultation explored satisfaction with the business support currently available to social enterprises in Ireland and the associated needs of the sector. In total 359 responses were received to the question

"Does the business support available to social enterprises in Ireland currently meet the sector's needs?".

As set out in Figure 9.1.1, only 1% of respondents reported that business support fully meets the needs of social enterprises, while 28% stated that it did meet needs but only partially, and a large majority of respondents (71%) reported that it did not meet needs.

Respondents were asked ***"What business support should be available to Irish social enterprises and how should this be provided?"***, to which there were 329 responses. Respondents referred to the types of support that social enterprises require. The range of advisory supports listed was extensive, with mentoring being the most widely suggested form of support. Many respondents referred to support in a holistic way, highlighting the need for multiple interventions and for advice to be offered in conjunction with financial assistance to support start-up and/or growth phases.

"Professional training, mentoring and coaching for all social enterprise staff and management. Supports around upscaling and trading on a national/ international scale, support with long-term business plans and strategies, events, conferences and other opportunities for networking among Irish social enterprises."

Social Enterprise in Ireland - Research Report

"Soft supports such as guidance and mentoring in preparing business plans, grant applications, establishing appropriate structures, managing volunteers, etc., as well as grant aid."

Social Enterprise in Ireland - Research Report

Many of the responses contrasted the business support available to social enterprises unfavourably with those available to conventional enterprises. There were strong and consistent calls for a 'level playing field' in the delivery of available business supports. Respondents highlighted the need for the full range of business advice and programmes available to the wider business community, although some respondents recognised the need for adaptation to reflect the additional or unique characteristics of social enterprises in balancing the dual social and enterprise missions.

"Put simply, social enterprises should have the same range of state services available to them that are available for commercial enterprises, with additional information and advice available in relation to the specific challenges they face, such as information about the legal types charities can take; complying with charity law; and good-governance for "non-private-profit" organisations. Start-up services, business mentoring; business angels; market-sector networks; and especially proactive support from social finance providers should be available, to assist existing non-profit organisations to become more commercially orientated."

Social Enterprise in Ireland - Research Report

“Local, regional and national ‘one-stop-shops’ are required to provide consistent and clear information on resources, funding, financing, labour activation, training, mentoring, and procurement. In general, social enterprise should also be able to access in a consistent and nationwide manner the same supports afforded to the private sector including mentoring and coaching, training programmes for staff and for the board.”

Social Enterprise in Ireland - Research Report

Many responses referred specifically to who should be responsible for providing business support to social enterprises. There was recognition among respondents of the need to ensure that the existing support infrastructure is more responsive. Local Enterprise Offices and Local Development Companies were the most widely mentioned source of support and (despite some concerns noted) the ones typically referred to as having the necessary reach and capacity across Ireland.

“At present the focus is on for-profit businesses. Local Enterprise Offices need to have a specific remit to support social enterprises or potential social enterprises, they should be trained and educated on social enterprise and social issues and have a programme with measurable outcomes milestones to hit.”

Social Enterprise in Ireland - Research Report

“The support needs to be provided by people who understand the sector. There are many options for this: (1) in councils, by providing the appropriate training to staff in local enterprise office and/or community departments (2) in local development companies, many of which have a strong track record in the sector.”

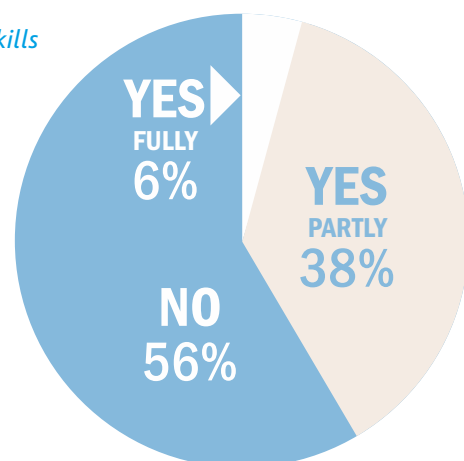
Social Enterprise in Ireland - Research Report

Effective, entrepreneurial leadership and strong business skills are generally regarded as cornerstones of social enterprises. The online consultation explored the question:

“Are there enough opportunities for people to develop the skills required to lead and manage a social enterprise?”.

Figure 9.1.2: Are There Enough Opportunities for People to Develop the Skills Required to Lead and Manage a Social Enterprise?

A total of 361 responses were received. As presented in Figure 9.1.2, only 6% of respondents reported that there were enough opportunities available, while 38% indicated ‘partly’, and the majority (56%) reported that there were not enough.

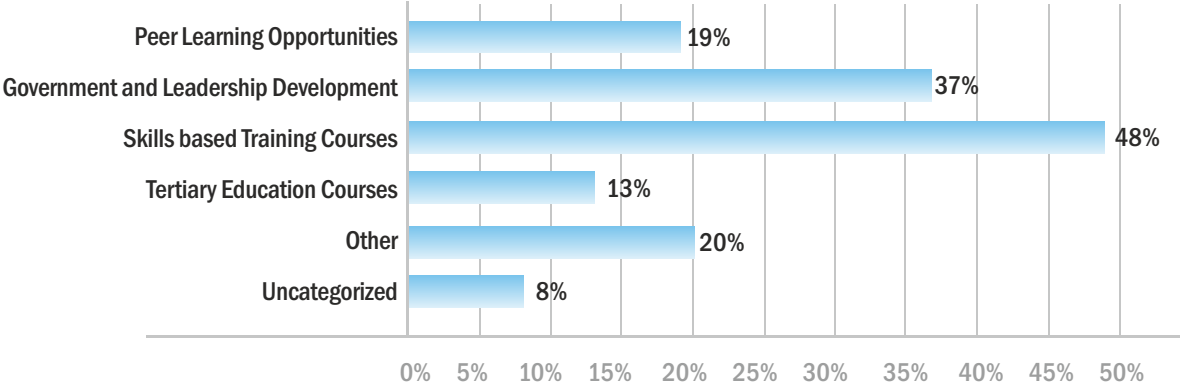


When asked to explain their response, 285 respondents offered further comment. While many respondents acknowledged the availability of training courses and learning options, the feedback suggested that opportunities were:

- Not always widely known or well publicised;
- Often inflexible or unsuitable to the needs of busy social enterprise leaders;
- Rarely specific to, or packaged around, the needs of social enterprises;
- Often unaffordable to social enterprises;
- Only available in certain parts of the country.

Respondents were then asked **“What learning or training could usefully improve leadership and business skills in the sector?”**. There were 299 responses, covering a variety of suggested ways to expand or enhance opportunities for social enterprise skills development. See Figure 9.1.3.

Figure 9.1.3: Key Themes Relating to Skills Development



Almost half of Respondents referred to skills-based training of some form. Responses covered the technical skills required by social enterprises, potentially satisfied by short courses and online learning. These included calls for courses relating to:

- HR, employment and recruitment;
- Fundraising and funding management;
- ICT, digital and social media;
- Legal issues;
- Health and safety;
- Marketing, sales, pricing and promotion;
- Financial management, accounting or book-keeping;
- Tendering and procurement;
- Performance and impact measurement.

Over one-third of responses stressed the importance of good governance and leadership development. Respondents referred to the need for specific programmes focused on the recruitment, development, or entrepreneurial learning of committee members, board directors and senior staff within the Social Enterprise sector (and indeed wider Community and Voluntary sector).

Around one in five responses highlighted the potential for further peer learning opportunities. Respondents variously referred to the importance or need for more networking, learning visits, events and mentoring type arrangements, where social enterprises could learn and take inspiration from others.

Finally and much less frequently, respondents highlighted the opportunity to extend accredited business and management courses that were or could be made available through tertiary education institutions (colleges and universities).

Conclusion

In conclusion, the consultation process points to the strong desire from the Social Enterprise sector to have access to more tailored business supports in order to drive further enterprise development and capacity, while still maintaining focus on their social objectives. The consultation highlights:

- A strong demand in the sector for the development and provision of business supports in areas such as business planning, mentoring, capacity building, impact measurement and financial planning, to help social enterprises to develop and improve their sustainability;
- Access to business incubation space;
- Readily available information on the various business support options available to social enterprises, along with the providers of those supports.

9.2 Finance

Experience from Ireland and elsewhere has shown that access to finance and different methods of funding can be critical to the development of social enterprises. Social enterprises will typically:

- only have part of their income earned from providing goods or services;
- be unable to avail of conventional venture capital funding which requires a take-out of the original equity to provide returns to the venture capitalist;
- be unlikely to have strong income streams in their early years, making loan repayments difficult and thus making the enterprise unattractive to mainstream financial institutions;
- have a requirement for bridging finance as national and EU funds are often claimed in arrears;
- in many cases, be dependent on State financial support, where enterprises offer economic and social services or benefit to the State;
- in other cases, have a strong dependency on philanthropic and Corporate Social Responsibility (CSR) funding, which typically would have a limited life and strict conditions;
- find it difficult to attract funding for social entrepreneurs, in particular the early stage and growth/scaling stage;
- not be of sufficient scale to avail of new financial products such as Social Impact Bonds; and
- often have Board of Directors reluctant to borrow funds.

Finance for social enterprises therefore presents many challenges for social enterprises and their funders. The source of funding falls into three categories – earned income, repayable finance and non-repayable finance (i.e. grants). EU competitive funding schemes accessed by social enterprises are outlined in Chapter Six. Support available through national Employment Support Schemes is covered in 10.2. The core objective of social enterprises from a financing perspective should be to increase earned income to become more self-sustainable and enable them to continue to deliver their social mission.

Non-repayable finance is regarded as the most attractive and popular option, given that it does not have to be repaid. Non-repayable finance is available through the State and through the Private sector. Most such finance is provided by the State through a variety of schemes. Each scheme has terms and conditions that apply to the funding. The types of State support funding that can be accessed by social enterprises include:

- Community Services Programme;
- Dormant Accounts - Social Enterprise Measures and SIFI (see below);
- SICAP;
- LEADER;
- Social Housing - Capital Assistance Scheme and Capital Loan Subsidy Scheme;
- Rural Transport Scheme;
- Sustainable Energy Authority Ireland (SEAI) Better Energy Schemes;
- Regional Enterprise Development Fund (Enterprise Ireland).

Not all of these programmes are exclusively targeted at social enterprises, but social enterprises may avail of them, subject to meeting the criteria of the particular scheme or the competitive process. It is therefore not possible to identify definitively the amount of such funding which is taken up by social enterprises under many of the schemes in question. The level of funding for social enterprises under LEADER and SICAP, for example, is thought to be relatively small, even though both of these schemes support disadvantaged people in communities in other ways.

The Community Services Programme (CSP) however, is a key funding programme and has an allocation of €46 million for 2018. Key objectives of the CSP include: promoting social enterprise as an approach to alleviating disadvantage and addressing local social, economic and environmental needs; creating sustainable jobs for those most distant from the labour market; and strengthening local ownership through participation in decision making.

In 2017, €1.65 million was allocated to social enterprises under the Dormant Accounts Fund Action Plan as a new initiative from the Department of Rural and Community Development in anticipation of the development of the National Policy on Social Enterprise.

In relation to other non-repayable funds, there are many sources. Competitive calls for grant applications are regularly seen from entities such as Social Entrepreneurs Ireland, Social Innovation Fund Ireland (SIFI), The Ireland Funds, The Community Foundation and JP McManus Benevolent Fund. SIFI launched a new €1.6 million fund in early 2018 specifically for social enterprises. This is one of many funds launched by SIFI for promoting social innovation. The SIFI model is based on the Government matching Private sector contributions up to an agreed limit.

Outside of competitive calls, social enterprises can access funds directly from Foundations or CSR Programmes. These are vital sources of funds and need to be promoted and encouraged as much as possible. The work of Philanthropy Ireland assists this with the mission to “increase the level of philanthropy in Ireland and to expand the community of engaged donors who are regular, strategic, long-term contributors to good causes.”

There is an additional feature to private non-repayable finance that should be noted. Often financial backing of this nature is conditional on the explicit measurement of the impact of their funding. Social enterprises need to be able to meet this requirement. Private sector financiers can often offer associated skills and/or mentoring to support the development of impact measures.

Repayable finance (loans) can be difficult to source from the mainstream financial providers. Loan products, while having some flexibility, are typically of a standard type, which in many cases do not meet the needs of the social enterprise, especially in its early years. Social lenders such as Clann Credo and Community Finance Ireland provide practical alternatives when finance is not forthcoming from mainstream lenders.

Stakeholder Feedback

At the three thematic workshops in November 2017, a range of matters were highlighted in respect of finance. Further comments were also added in respect of social entrepreneurship at a bilateral meeting on this topic. The issues raised included:

- Grant support for potential and actual start-up enterprises to address feasibility studies and to help the social entrepreneur or organisation get established when no income streams are available;
- Government schemes to be simplified and standardised – a need for the administration to be more effective and user friendly;
- The issue of displacement and the need not be too competitive which is counter to driving the commercial side of the business;
- The aversion of many Boards to taking on debt;
- Loan products which recognise the unique characteristics of social enterprises;
- A greater level of funding from the Private and Philanthropic sectors.

A range of suggestions were made including:

- Funding being ring-fenced specifically to address feasibility and start-up phases;
- A review of all State schemes to address consistency, reporting and permanency of funding which results in new social enterprises being blocked from accessing schemes as they are already fully subscribed;
- Reviewing the possible extension of the scope of the Government matching scheme for philanthropic funding, currently provided through the Social Innovation Fund Ireland;
- More innovative lending products from social lenders which meet the needs of social enterprises;
- Research into new and creative funding options, e.g. community shares, crowd funding;
- A one-stop shop (online) to provide all the information on funding options;
- Education on finance for Boards and management of social enterprises;

- Access to the EU guarantee on social lending which would facilitate funding higher risk social enterprises;
- The possibility of combining loan and grant funding into tailored solutions.

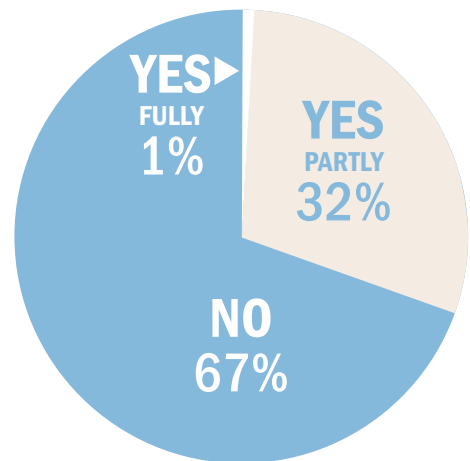
The online consultation also examined the availability of finance and the associated needs. Respondents were asked firstly "Does the finance available to social enterprises in Ireland currently meet the sector's needs?"

A total of 356 responses were received. Figure 9.2.1 shows that only 1% of respondents reported that finance currently meets needs, while 32% stated that it partly meets and two-thirds (67%) reported that it did not.

Figure 9.2.1: Does the Finance Available to Social Enterprises in Ireland Currently Meet the Sector's Needs?

Respondents were then asked "**What type of finance do Irish social enterprises need to support their feasibility (pre-start-up), start-up, sustainability and growth?**" to which there were 331 responses.

The responses were often quite broad-based and holistic in nature, spanning the need for additional or more accessible finance across the continuum of social enterprise activity and life-stages.

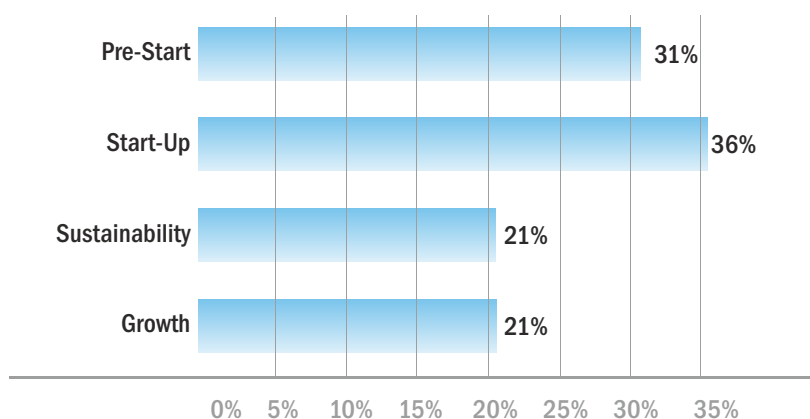


"Pre-start up research/feasibility reports, visits to other enterprises. Start-up seed funding is crucial as are suitable premises and an available workforce. Social enterprises by their very nature will probably require long-term funding and or supports. They are reliant to a large extent on labour through job activation schemes as often the work is very manual and time consuming. Finance for capital to expand, introduce new processes, and continue to develop will be required from time to time. Insurance is also a heavy cost to many social enterprises depending on their nature and supporting the specific nuances of the sector in this area would be useful."

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A more in-depth analysis of the responses (set out in Figure 9.2.2) shows that the largest share of suggestions referred in some way to the availability of finance at either start-up or the pre-start stage (market research, ideation, concept development, feasibility, business planning, etc.). Responses relating to finance for growth or sustainability were less widespread but no less strongly asserted.

Figure 9.2.2: Stages at which social enterprises need access to finance – survey response.



“Pre-start-up concept-development finance (non-repayable in the event that the concept doesn’t work out/come to fruition). On start-up-low interest, delayed-repayment finance growth. long-term, low interest finance. No personal guarantees should be required of directors/trustees.”

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“Combination of grant aid (to get started) and preferential loans (to keep going) with partial dividend returning eventually to the investor. If the company proves unviable, a moratorium period should ensure before the company originators can apply for similar funding again.”

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Conclusion

In conclusion, Irish and international experience indicates that improved access to financial instruments and supports is critical to the development of the sector. However, just as is the case with any other business, the needs of the various types of social enterprises operating in Ireland will be different.

The consultation highlights the scope for further work to be undertaken to:

- Clearly identify and catalogue the various financing options available to social enterprises at national and EU levels, along with the providers of those products;
- Assess the opportunity for funding to be made available to assist in the feasibility and start-up phases of social enterprises;
- Ensure that all relevant State funding schemes are aligned with the needs of social enterprises in so far as possible;
- Enable Ireland to access the EU EASI guarantee scheme for loan funding to social enterprises, which could facilitate, inter alia, the design of loan products more suited to social enterprises;
- Ascertain the potential for leveraging additional Private sector investment to support the financing of social enterprises; and
- Explore opportunities for new innovative funding schemes in line with international trends.

9.3 Networks

When discussed at the thematic workshops held in Athlone, Dublin and Cork in November 2017, the topics of networks and representative bodies were sometimes conflated by participants. It is important that the difference between each of these roles is clearly understood if the sector is to develop intrinsically and through its engagement with Government.

A network is a group of organisations or individuals connected for its purpose of helping or learning from each other. Networks can operate at many levels including:

- International: peer-to-peer, information sharing and collaboration within an international context;
- National: providing relevant information and facilitating collaboration;
- Local/regional: peer-to-peer, information sharing and collaboration within a local/regional context;
- Sector specific: for example, childcare, where sector learnings are shared.

In contrast to a national network body, a representative body promotes the views of a group of people with common interests, acting as their collective voice in discussions with other groups on issues that affect them all. Of course an entity can play both a representative role as well as a national network role. In Ireland examples include The Wheel, ILDN, Irish Social Enterprise Network, Charities Institute Ireland, SIFI, SEI and others. Internationally, examples include Social Enterprise Northern Ireland, Social Enterprise UK, Social Enterprise Network of Nova Scotia, and BDV Austria. The role of representation is crucial and is addressed in Chapter 10.1 under Voice and Identity.

The comparative research undertaken by UCC (Chapter Seven) highlights the role of networks in profiling social enterprises via events, traditional media, social media, awards and highlighting case studies and success stories.

Networks need to be flexible and multi-layered, as one solution will not cater for all. The use of online tools has become increasingly common as webinars and other online toolkits become mainstream in the sector.

Some entities facilitate networking by the services they provide, for example through training services or as providers of finance such as The Wheel, Carmichael Centre, Clann Credo, Community Finance Ireland and others.

Stakeholder feedback

There was consensus in the thematic workshops that a sector-led national network would be beneficial to share the type of information and experience of value to social enterprises. These sentiments were echoed in the online consultation where there were many suggestions around the importance of cultivating local networks and supportive connections. Thirty percent of respondents referred to local networks when asked what should be done to enable Irish social enterprises to come together to speak with a strong voice and have their views adequately represented. Many described the value in local networks, forums, workshops and events to foster peer support locally. There was little consensus among respondents of the geographic coverage of such networks, with 'local' variously referred to as regional, county, or settlement (city, town) level.

The impact that networks have on awareness also emerged during the online consultation with 26% of respondents referring to local engagement when asked **"How can we ensure that more people in Ireland learn about social enterprise and its potential?"** The responses reflected on the importance of sharing information about social enterprise locally (at county or community level) and fostering stronger connections between interested parties where social enterprise potential exists (through networks, forums, events, etc.).

In addition, some respondents noted the importance of peer support and networking. A number of these responses reflected on the collective knowledge and experience held within the sector itself and recognised this as important to business groups.

“Help is available but there is nothing like the practical experience gained through speaking with or indeed working with a similar enterprise prior to setting up a new social enterprise. Quite often the dream is far from reality.”

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Conclusion

In conclusion, the consultation process suggests that while the sector instinctively recognises that value of networks for mutual support and learning, the full extent of the benefits which can be gained from networking have not been exploited. Building on the good work done to date by existing national and local networks, there is an opportunity for the Social Enterprise sector to benefit from enhanced networking. Such enhanced networking could facilitate information sharing and collaboration between people and organisations in the sector, as well as supporting better communication of the needs of the sector to Government and the wider public. This could potentially be achieved through:

- Enhanced collaboration between existing networks at various levels (local, regional and national);
- The development and resourcing of a national network;
- Encouraging bottom-up led networks for peer learning; and
- Ensuring that the activities of various networks begin to coalesce around a shared identity of the sector.

9.4 Social Enterprise Initiation

The encouragement of the formation of social enterprises should be an important part of any national policy and strategy. Why do some individuals, groups and communities take the initiative to address social issues and problems? More importantly, how can others be encouraged to do so?

Clearly, the greater the understanding of the world of social enterprise and social entrepreneurship, the more likely it is that initiatives will organically take place. The conclusions in this Research Report about firmly establishing the identity of the sector and its social and economic benefits will play an important role in stimulating greater interest in the sector, resulting in a greater level of social entrepreneurship by individuals and groups. However, it would be insufficient to rely on awareness alone. Additional and specific focus on stimulating social entrepreneurship and social enterprise creation is necessary. Different approaches are needed for an individual addressing a specific social issue versus a community group addressing the needs of their local community.

Support for the initiation of individual social entrepreneurship and social innovation is mainly provided by intermediary organisations such as Social Entrepreneurs Ireland (SEI), Social Innovation Fund Ireland (SIFI), Ashoka and Change X. Funding for these intermediaries primarily comes from the Private and Philanthropic sectors. The exception is SIFI where Private sector funding is matched by the Government through the Dormant Accounts Fund. This approach is very beneficial and should be further encouraged.

The good work of these intermediaries needs to be highlighted as part of promoting the Social Enterprise sector's identity, with a view to encouraging more funding to enable them to extend their reach and strengthen their impact. Where social enterprises arise which have significant scale potential, the enterprise agencies such as LEOs and potentially Enterprise Ireland should provide the same level of support as is given to Private sector companies.

The Private sector can also act as a catalyst for social enterprise activity through the availability of non-repayable finance, business supports, spin-off activity from mainstream businesses, supply chain opportunities and the increased role of "businesses with purpose".

The initiation of community social enterprise is evident in many areas across the country. Many Local Development Companies and Local Authorities are active in this space and there are also pockets of activity driven by groups of individuals. Examples include Ballyhoura Development, Breffni Integrated, Dunhill Enterprises, Partas, Mayo Abbey, Paul Partnership, South Dublin County Partnership, Wexford Enterprise Centre and many others. However, in many parts of the country, community resources and capability remain dormant, lacking the catalyst that would energise the community to improve itself economically and socially. As stated by Dr. Senan Cooke in his book *The Enterprising Community*⁴⁴:

"Enterprising communities involve an integrated mix of social, private and State enterprise, each one adding value to the others. There are sufficient resources, live and dormant in the State, community and private sectors to create a national network of empowered and enterprising communities. A co-ordinated support framework will move people from passive victims to active participants and will encourage them to make the changes required by their families and communities."

Conclusion

In conclusion, further consideration needs to be given to:

- Determining the best approach to promoting and supporting the initiation of social enterprises in communities, including through drawing on best practice examples;
- Greater inclusion of social enterprise and social entrepreneurship in the education system (see Chapter 10.5);
- Developing further the current support for individual social entrepreneurs and social innovation.

⁴⁴ Cooke, S. (2018) *The Enterprising Community* Knock, Mayo: KPS Printing

CHAPTER TEN

PILLAR TWO: Enabling Social Enterprise

There are several factors that are important for enabling social enterprise development. They comprise five key areas;

- 10.1 Voice and Identity;
- 10.2 Employment Support Schemes;
- 10.3 Sector Data and Understanding Impact;
- 10.4 The Legal Environment; and
- 10.5 How the Sector is Taught, Researched and Promoted within the Education Sector.

10.1 Voice and Identity

Social enterprise is still a relatively unfamiliar concept in Ireland. Significant work needs to take place to increase its profile and to boost its identity. This is essential to achieve a better understanding of the sector and to obtain acceptance, acknowledgement and greater support for the important role the sector plays in the Irish economy and Irish society.

This "identity" challenge was highlighted in the thematic workshops and bilateral meetings and many suggestions were made on how to establish the "social enterprise brand". These include website, conferences, fora, awards, publicity, use of social media, political briefings, networks, events such as social days, buy social, etc. There is no shortage of opportunities to promote social enterprise. The success of the sector depends on widespread public awareness and understanding of social enterprise. Traditional and new media must be used effectively at both local and national levels and social enterprise must be explained in plain language. Awareness and knowledge of what social enterprise is underpins all the different components discussed in this section of the report.

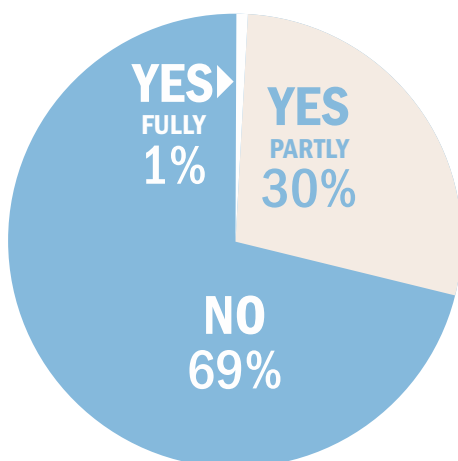
Stakeholder Feedback

One of the most important messages from the thematic workshops and bilateral meetings was the need for a social enterprise "entity" to represent the sector. In other countries where the Social Enterprise sector has taken shape, gained a voice and achieved a growing significance, there has been accompanying Public sector investment in such an entity.

The online consultation explored satisfaction with current representation of the social enterprise community in Ireland, and any measures required to enable the sector to speak with a strong voice.

In response to the question "Is the Social Enterprise sector adequately represented in Ireland?" there were 348 responses. Most respondents (69%) reported that social enterprises are not adequately represented, with most remaining respondents of the view that they were, but only partly. See Figure 10.1.1.

Figure 10.1.1: Is the Social Enterprise Sector Adequately Represented in Ireland?



"Initiatives to represent the sector are often lacking in focus (failing to treat social enterprises as being different to community groups), are under-resourced and are failing to engage adequately with social enterprises."

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A total of 241 respondents went on to offer further explanation of their views. These characterised the Social Enterprise sector as either not well recognised, not taken seriously or not realising its full potential. While many respondents identified some form of relevant body, network or forums, it was noted in responses that such entities represented only particular parts of the Social Enterprise sector, were active in only certain

parts of the country, or were generally not well equipped to co-ordinate and drive development of the sector. Many of the responses referred to the lack of a Social Enterprise Policy framework and adequately resourced lead body representing the differentiated needs of the sector.

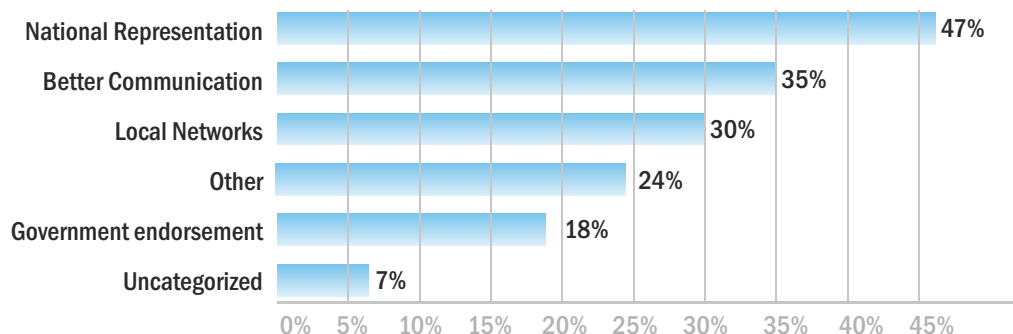
The online consultation also asked ***“What should be done to enable Irish social enterprises to come together to speak with a strong voice and have their views adequately represented?”***

A total of 294 respondents put forward suggestions relating to four main recurring themes. See Figure 10.1.2 for details.

“While there are many great examples of successful social enterprises in Ireland, there appears to be a lack of a ‘one voice’ approach in advocating for positive interventions from those in a position to help.”

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Figure 10.1.2: Key Themes Relating to Representation



The largest number of responses (referred to in almost half of responses) related to the need for new or better national representation. Respondents generally referred to the importance of a national body, variously described as a national ‘network’, ‘agency’, ‘chamber’, or ‘association’. Others described the various representative functions of networking, representation, promotion, events, etc. involved.

Suggestions were also made in more than one-third of cases for better communication within the sector. They described the importance of:

- the potential to use the media more widely or more effectively to raise profile;
- the need for ongoing consultation to build a clearer mandate for the sector;
- the importance of improved sector intelligence (data, directories, etc.);
- the need for better communication channels between social enterprises.

The importance of Government and its agencies in enabling effective representation was also called out. The responses referred to the importance of open channels of communication, the active endorsement of social enterprise (in policies, strategies and plans) and the active encouragement of social enterprises on the part of politicians and policy-makers.

Conclusion

As pointed out in Chapter 9.3, the concepts of networks and representative bodies were sometimes conflated by participants in the consultation process, but each perform separate functions.

International experience indicates that it is important that social enterprises come together and develop strong cooperative and collaborative links to advocate on behalf of the sector and provide collective responses on the needs of and opportunities for the sector.

In Ireland, the voice of the sector has been fragmented and Government Departmental officials have indicated that this has placed the sector at a disadvantage in its past attempts to convey a clear and cohesive message to Government about what needs to be done to support the development of the sector.

Building on the consultation that has taken place in developing this Research Report - and conscious of the Government commitment to publish a Social Enterprise Policy and Implementation Roadmap:

- It is opportune for the sector to agree an appropriate mechanism to represent and be the “voice of social enterprise.” It is important that whatever mechanism is agreed represents the full breadth of the sector;
- There should be close and ongoing engagement between the sector and Government once this representative mechanism is agreed.

10.2 Employment Support Schemes

There is a range of labour market activation programmes operated by the Irish Government. They include Community Employment (CE), Tús, Rural Social Scheme (RSS), and Community Services Programme (CSP). Social enterprises can and do avail of these schemes, in particular the largest one – CE; however exact numbers relating to social enterprises is unknown. The CSP scheme is the most aligned to social enterprises; the others focus primarily on the individual targeted for employment support.

Providing placements and meeting labour market activation programmes objectives is an important and often under-appreciated role that social enterprises play in the economy. They enable some of the Government's labour market activation policies to be put into effect. These schemes are an important source of labour supply for social enterprises. However, the focus of the schemes is on the individual, while the social enterprise also has to focus on the operational success of the enterprise. These missions may not always be congruent.

In the case of work integration social enterprises (WISEs), the aims of the social enterprise and the employment scheme can be quite aligned, i.e. by providing training and support to make an individual more "employable" and thus open employment opportunities for them. The enterprise is merely a means to achieve that end. However, where the main aim of a social enterprise is not employment related – as is the case with most social enterprises - there can be a divergence between what the enterprise is looking to achieve and what the scheme is trying to achieve with the individual. Furthermore, the capability and skills of individuals involved in employment schemes fluctuates depending on national unemployment rates. When unemployment rates are high, the live register is a source of varied and higher-grade talent. In cycles of low unemployment, the live register individual's absence from the labour market can be extensive and the calibre of skills lower. This makes it more difficult for the social enterprise to function effectively.

The CSP provides financial support to social enterprises. A contribution to wage costs is made where companies are not fully self-financing or the cost provision to users would be prohibitive. Over €46m was made available to the CSP in 2017 giving 388 social enterprises funding for 293 managers and a total of 1,641 FTEs. There is no data available on the CE and other schemes about what proportion is allocated to social enterprises compared to community and voluntary service organisations. However, the findings in the mapping exercise for Waterford, Ballyhoura and Cavan were that just over half of social enterprises surveyed availed of labour market activation programmes, giving some indication as to the extent of their use in the social enterprise sector.

In the three thematic workshops in November 2017 and the social entrepreneurship bilateral meetings, a number of issues were highlighted in respect of labour market activation programmes, including:

- Government schemes need to be simplified and standardised – there is a need for their administration to be more effective and user friendly;
- whether State labour market activation schemes meet the needs of social enterprises, as well as those of the individuals concerned;
- the difficulty in reducing State support to existing social enterprises through the CSP scheme in order to support new ones.

The two key suggestions were:

- a review of all State schemes to address consistency, reporting and access of new entrants to funding (i.e. permanency of funding in some cases blocking new social enterprises from accessing schemes);
- review of labour market activation schemes to meet the needs of social enterprises as much as the individuals themselves.

“Adequate employment supports which will continue until the organisation reaches the point where it is sustainable. There are also community organisations who will never be a social enterprise and who provide valuable services to the community.”

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“While recruitment of the unemployed and other marginalised groups should be encouraged, labour market programmes should not be allowed to dominate the funding element for social enterprises to the extent that they have done in the past.”

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The area of labour market activation programmes was also raised during the online consultation. In response to the question **“What measures could be put in place to enable Irish social enterprises to take on more employees and support people furthest from the labour market?”** There were 304 responses which covered several broad themes.

Many respondents pointed to the availability and importance of labour market activation programmes to reduce the additional costs of doing business as a social enterprise (particularly from the point of view of labour costs). There was, however, some divergence in views between the desire to maximise these employment-type supports and the potential for unhelpful dependence.

Across the responses there was a strong interest on the part of respondents to find ways to strengthen or grow employment schemes. The critical role that they play in early-stage enterprises was noted. Several suggestions were made including measures to: raise awareness and improve access to programmes; increase the availability of places in schemes; introduce greater flexibility in the design and delivery of programmes, including duration and transitional support; and reduce the associated administrative burden on enterprises.

Conclusion

In conclusion, while labour market schemes are generally designed to meet the needs of the participating individuals, social enterprises often play an important role in providing people with training, work experience or employment, thus supporting in a fundamental way the Government's labour market activation strategies and often connecting local unemployed people with job opportunities in local industry.

There are a significant number of such schemes, each with their own criteria and rules, which can be difficult to navigate for organisations in the social enterprise sector which are interested in becoming involved in work placement, training, etc. This can equally apply to other schemes, which are targeted more directly at social enterprises themselves, such as the Dormant Account Fund Social Enterprise measure.

- From the consultation carried out for this Research Report, there would be merit in reviewing State schemes that are available to assist social enterprises or which involve their participation. This review could examine issues such as:
 - ensuring that there is synergy and consistency/effectiveness between schemes;
 - that criteria for schemes are simplified or standardised where appropriate; and
 - that information on how to register interest in being involved in the schemes from a provider perspective is widely disseminated within the social enterprise sector.

10.3 Data and Impact

Data

The shortfall in data and understanding of the Social Enterprise sector has been highlighted in Chapter Four. The need for accurate and timely data on the sector and an understanding of economic and social impact is critically important. This requires a single, definitive national analysis of the Social Enterprise sector conducted on a regular basis. This must be followed by ongoing tracking of headline changes at a national level and targeted research where necessary to shape new agendas.

Reliable and regular data is essential to make sensible choices about policies to strengthen the sector and ensure justification for associated Public sector investment and support. This is in line with practice in other countries where the Social Enterprise sector is supported and developed. For example, Scotland has now carried out two censuses of their Social Enterprise sector, at two-year intervals. It is also standard practice to compile data in any other sector of the economy to enable benchmarking and inform policy-making⁴⁵.

An excellent resource exists in respect of data on the Non-profit sector in Benefacts (<https://benefacts.ie/>), which includes social enterprises. Their 2018 report states that there are more than 29,000 non-profit organisations in Ireland, generating more than €12.1bn in turnover annually. Being able to identify social enterprises on this database would be very beneficial. In addition the potential for the Central Statistics Office to assist in gathering data on social enterprises should be explored.

Impact

Impact falls under two headings – economic and social. The measurement of the economic impact of social enterprises is a relatively straightforward, albeit resource intensive, exercise. The same is not true in respect of the measurement of the social impact. Social impact measurement is important as a means of demonstrating the value the sector brings. This is generally not visible to policy makers, but, it can create transparency for funders and assist in raising awareness of what it is the Social Enterprise sector does. However, social impact measurement has in some respects become an industry in itself. While concepts such as Social Return on Investment (SROI) have been put forward, they have seen little adoption in the sector.

Whereas public and private funders increasingly ask social enterprises to measure their impact, most social enterprises have a limited impact measurement and evaluation culture, tools, or capability. Over-emphasis on measuring their impact can divert social enterprises' attention from focusing on day-to-day delivery, as measuring impact requires skills, resources and time. Nonetheless given the nature of their activities, social enterprises should be measured on both their economic performance and social impact.

One of the key pillars of social enterprise policies in other countries relates to supporting social enterprises to measure their impact in a robust and holistic way (e.g. Victoria, Australia and their Government's social enterprise strategy⁴⁶). In addition, at an EU level an acknowledged gap has been identified in respect of impact measurement. In 2014 a GECES sub-group suggested standard approaches to social impact legislation and has recently announced that the United Nations Statistics Division has alerted the international statistical community of the availability of the final UN Satellite Account Handbook on Nonprofit and Related Institutions and Volunteer Work, which offers a comprehensive methodological guidance on measuring the economic impact of the social economy which includes the Social Enterprise sector⁴⁷.

Stakeholder Feedback

The online consultation asked ***"How should we measure the social impact of social enterprises and how can they be supported to do so?"*** The range of responses to this question revealed underlying interest in a variety of approaches and tools available.

⁴⁵ <http://www.cso.ie/en/>

⁴⁶ <https://economicdevelopment.vic.gov.au/about-us/overview/strategies-and-initiatives/social-enterprise>

⁴⁷ https://unstats.un.org/unsd/nationalaccount/docs/UN_TSE_HB_FNL_web.pdf

“Social enterprises need to be given the tools to measure these benefits when pitching their projects, allowing them to show the real, though sometimes hidden, benefits that they offer.”

Social Enterprise in Ireland - Research Report

Many methods for measuring or demonstrating the impact of social enterprises were highlighted, including:

- operational performance metrics;
- outcome measures;
- customer feedback research;
- quality standards and systems;
- case studies and stories;
- pre-and post-evaluations;
- annual returns and impact reports.

The responses underlined the importance of quantitative and qualitative methods of measuring performance and impact. The need for additional information and support was widely reported, at a more basic level initially.

“Thought needs to be put into developing a range of approaches to enabling social enterprises to track their social impact ... In the immediate future, resources should be put into dedicated training to raise awareness of basic concepts like outputs, outcomes and impact among social enterprises, and investments made in general training capacity ...”

Social Enterprise in Ireland - Research Report

In practical terms, social impact will depend on the economic sector in which the social enterprise operates. The measurement of the social impact of a childcare enterprise would differ significantly from that of a recycling enterprise. However, some level of consistent reporting of social impact is required which would enable even the smallest of organisations to provide a straightforward and balanced account of their business performance and social impact.

Collaboration between the Social Enterprise sector and higher education institutions could be very fruitful in this area. Creating standards that are simple for the sector to implement, easy to understand and reflect best practice is important. In addition the methodology deployed by private funds on their social enterprise investments and grants should be explored to assess what could be applied to other funding streams.

An impact case study was undertaken by the Speedpak Group (Speedpak) and is a very good example of where economic and social impact has been calculated and highlights the contribution of a WISE organisation. Full details of the case study can be found Appendix Four.

Conclusion

In conclusion, establishing the size, reach and impact of the Social Enterprise sector is essential to inform policy and sectoral development in the years ahead. In this regard, the current lack of comprehensive and reliable data on the sector needs to be addressed. Having consistency of measurement, in particular around the impact of social enterprise, would be beneficial for all stakeholders. Consideration needs to be given to:

- Examining options for the collation of comprehensive and accurate data relating to the sector;
- Updating the data on a regular basis over time; and
- Conducting further research into the social impact of social enterprises, drawing upon international best practice and expertise in the Third Level sector.

10.4 Legal

Underlying Structure: Legal

The issue of a separate legal form for social enterprises is one that is often debated. It is raised in relation to enabling the clear identification of a social enterprise, fulfilling social clauses in procurement, facilitating equity investment, and recognising the unique characteristics of a social enterprise.

“Legal frameworks bring clarity by defining the nature, mission and activities of social enterprises. By granting them recognition and visibility, they help policy makers support social enterprises through different levers (including fiscal measures) and they help funders and investors understand the benefits of providing funds to social enterprises”⁴⁸.

The examination of other countries in Chapter Seven describes how countries with strong or growing Social Enterprise sectors typically provide legal frameworks that allow for flexibility in meeting the needs of the sector. Options range from a separate legal entity such as Community Interest Companies (CIC) in the UK, to allowing organisations to be legally recognised as a social enterprise regardless of legal form, as is the case in Italy⁴⁹.

It is important that EU developments in this area are monitored. The European Parliament is working on a legislative initiative with respect to social and solidarity-based enterprises⁵⁰, which would create a path towards establishing a broader EU-level legal basis for various types of social enterprise. The main recommendation is to introduce an EU-specific legal statute for social enterprises in the form of a European Social Enterprise. However, given the range of definitions and practices that exist throughout Europe, finding a common definition will be difficult. There is currently no legal form in Ireland specifically designated for social enterprises.

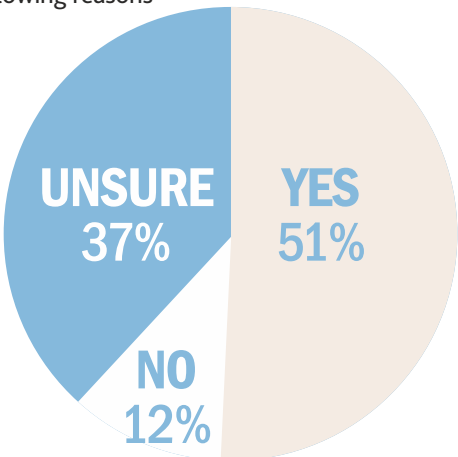
Stakeholder feedback

Legal form was raised during the online consultation process asking: “In Ireland, social enterprises can take a number of legal forms each with benefits and limitations. Should there now be a distinct and recognisable legal form introduced for social enterprises?”. Answers to the question suggest there is limited urgency regarding introducing such a legal form.

Figure 10.4.1: Should There Now be a Distinct and Recognisable Legal Form Introduced for Social Enterprises?

A total of 338 responses were received. As shown in Figure 10.4.1, just over half of respondents (51%) were in favour of the introduction of a new legal form that is specific to social enterprises with only 12% against, although over one-third of respondents (37%) stated that they were unsure. When asked to explain their response, 219 respondents offered further comment. Respondents in favour of a new legal form offered the following reasons for supporting this view:

- Greater recognition of this new form of business model;
- Clarity of definition or differentiation of social enterprise;
- Ease and appropriateness of formation;
- Potential to open new forms of financing;
- More appropriate, responsive and streamlined regulation;
- Additional flexibilities or protections for voluntary directors.



⁴⁸ <https://www.oecd-ilibrary.org/docserver/9789264268500-en.pdf?expires=1551178128&id=id&acname=guest&checksum=6B767F6840C267E3B8CB8097B5434DA6> pg. 23

⁴⁹ Law on Social Enterprises (Law no. 155/2006) in Italy

⁵⁰ <http://www.europarl.europa.eu/legislative-train/theme-deeper-and-fairer-internal-market-with-a-strengthened-industrial-base-services-including-transport/file-statute-for-social-and-solidarity-based-enterprises>

“A distinct legal status for social enterprises would give greater clarity to the unique structure and provide, perhaps, greater understanding of the ethos and culture that social enterprises operate in to become sustainable.”

Social Enterprise in Ireland - Research Report

Respondents pointed to inspiration and learning from the legal frameworks created for social enterprises in other countries, the most widely cited being the Community Interest Company (CIC) structure now well-established in the UK. By contrast, the minority of respondents against a distinct legal status for social enterprises generally referred to the importance of making best use of existing company law to accommodate social enterprises, highlighting in particular:

- The importance of choice (not uniformity) in the legal form adopted;
- The adequacy of current mainstream company forms to meet most needs;
- Avoidance of additional legal forms and accompanying bureaucracy.

“The key issue at present is a lack of understanding or recognition of social enterprise as a legitimate business. By differentiating social enterprise further with a distinct legal form, there is a risk of even further isolating social enterprise and widening the gap with commercial enterprise.”

Social Enterprise in Ireland - Research Report

The Irish legal landscape for social enterprises was discussed during the research process with Mason, Hayes & Curran (MHC). In addition MHC facilitated a conversation with Bates, Wells and Braithwaite in London⁵¹. The following analysis is drafted from these discussions and highlights key aspects of the Irish social enterprise legal environment and examples of forms adopted in other countries.

Five different legal structures are available under Irish law to social enterprises and are:

- Company Limited by Guarantee (a “CLG”);
- Company Limited by Shares (an “LTD”);
- Designated Activity Company (a “DAC”);
- Co-operatives; and
- An Unincorporated Association.

CLG is the most popular legal form for social enterprises in Ireland. A CLG is commonly used as the legal form for a not-for-profit organisation because the organisation does not issue shares and has provisions in its Articles of Association that prohibit the payment of dividends to its members. Because a CLG does not have shares, it cannot raise funds by way of equity investment. Paid members of staff of the CLG can be appointed to the board of directors of the organisation. However, if the CLG is a charity, it will be restricted from making payments to those persons who serve as directors.

⁵¹ www.bwblp.com

By the nature of their activities, many social enterprises are carrying out charitable activities and fall within the Charities Act 2009. Moreover, in many cases social enterprises are required to have charitable status to access certain grants and supports. Enterprises that obtain charitable status may benefit from certain tax exemptions subject to approval from the Irish Revenue Commissioners. However, charitable status also necessitates additional regulatory reporting and statutory filing obligations. In this context the requirement places an additional administrative burden on social enterprises that may not apply to other small businesses.

There are also shortcomings with each of the other available legal forms, given that none are specifically tailored for a social enterprise. These limitations are particularly evident when comparing them with the bespoke solutions available for social enterprises in different jurisdictions, a good example of which is CICs in the UK.

A CIC is a form of company within the UK Companies Act 2006 that is designed to allow social enterprises to use their profits and assets for social good. A CIC can be a company limited by guarantee or a company (private or public) limited by shares. The key features for any type of company holding CIC status are provisions related to asset lock and a community interest statement. The CIC limited by shares is able to pay its directors and pay dividends to shareholders. This feature represents the development of the sector in the UK over many years.

An alternative legal form that has emerged in other jurisdictions is a B Corporation⁵². The movement began in America and now numbers over 1,400 businesses in 40+ countries. B Corporations are certified by B Lab, a not-for-profit organisation. To become a B Corporation, an organisation must meet rigorous standards of social and environmental performance, accountability and transparency. B Corps are typically found in the Commercial sector where corporations wish to highlight their social goals. As with CICs, B Corps do not have any legislative basis for operating in Ireland at this time.

Co-operatives share many broad objectives of social enterprises. They are set up for the betterment of their members and not for the gain of shareholders and investors as is the case with private sector enterprises. They are part of the wider Social Economy. However, because they have their own legislation, identity, and representative bodies, they are not considered social enterprises for the purposes of this report. Notwithstanding this general approach, it is recognised that some individual organisations within those categories might validly choose to identify themselves as social enterprises where they meet the definition set out in the report.

Conclusion

In conclusion, given the varying approaches to legal structures for social enterprises which prevail internationally and emerging developments at EU level, further discussion needs to take place in Ireland in relation to the extent to which existing legal structures support the characteristics of social enterprises.

This is a conversation which must take account of national and international developments in this area and in Company Law generally. In assessing the Irish situation, and being mindful of the practicalities and timeframes for developing and enacting legislation, there is scope for a number of measures to be considered in the short-term, including:

- The provision of information and guidance to the sector on the current legal options available to social enterprises; and
- Conducting further research in relation to difficulties experienced by social enterprises operating within the current legal structures, and an assessment of the need for a distinct legal form for social enterprises.

⁵² <https://www.bcorporation.net/what-are-b-corps/about-b-lab>

10.5 Education

The Comparison with other Jurisdictions Research by Moroney and O'Shaughnessy referred to in Chapter Seven emphasised "the importance of the inclusion of social enterprise education in mainstream primary, second level (via Enterprise Programmes) and third level education and in mainstream academic business/finance courses. Ongoing funding of doctoral and post-doctoral research and teaching at third level is also required. This research/education agenda can both deepen our understanding of the sector and build the capacity of social enterprise practitioners through participation in further education."

In the online consultation, the topic of education was cited numerous times in relation to raising awareness, stimulating social enterprise, building capacity and leadership. The importance of embedding social enterprise within the education system, from the early stages of school onwards was noted. Social enterprise is increasingly part of the educational agenda in countries that have a developed sector. Scotland has identified the importance of education in its 10-year strategy, which includes actions ranging from early learning through to third level⁵³. In addition, it notes the importance of building careers in the field and ensuring professional recognition. A recent study by the British Council found that 150 (out of a total of 200) Higher Education Institutions surveyed in over twelve countries were collaborating with and engaging with social enterprises⁵⁴.

The comparative social enterprise research also notes the importance of education at all levels. Mainstreaming social enterprise within curricula, funding research and teaching at third level, and continuous professional development (CDP) type training were all noted in the report. While government can play a strong role in funding and supporting such initiatives, networks and support bodies within the sector also play a lead role in running such programmes themselves or by liaising with educational providers to ensure suitable and targeted programmes are available to service a student base.

In an Irish context, increasingly there is a move towards recognising the societal challenges that the world faces today and how education can be a tool in addressing them. In assessing the prevalence of social enterprise in the Irish education structure, there are several notable and encouraging activities. In addition, there are informal activities underway in higher education institutions where individual lecturers and researchers are promoting social enterprise and students are voicing a demand for education, pathways to setting up social enterprises and careers in the field. For example:



⁵³ <http://www.gov.scot/Publications/2017/04/8804/2>

⁵⁴ <https://www.britishcouncil.org/society/social-enterprise/news-events/news-social-enterprise-and-higher-education>

- Social enterprise and related topics of active citizenship, socially responsible businesses and sustainability are included as part of second level curricula both in traditional subjects of Business and new subjects such as Politics and Society and Civic, Social and Political Education;
- Initiatives such as Young Social Innovators <https://www.youngsocialinnovators.ie/>;
- National Strategy on Education for sustainable development. This provides a framework to support the contribution that the Education sector is making and will continue to make towards a more sustainable future at a number of levels: individual, community, local, national and international⁵⁵;
- Increased higher education activity in research and undergraduate and post graduate courses. A snapshot of the educational offer includes: modules featuring social enterprise in Business and Engineering Schools (UCD); Kemmy Business School (UL); postgraduate and undergraduate modules in social entrepreneurship, social economy and rural development and Cert/Dip in Social Enterprises and Community Development Practice (UCC); Graduate Certificate in Innovation in Social Enterprise (DCU); Jump Start Social Enterprise Training Programme (DIT); Social Inclusion Café (NUI Galway); The Trinity Centre for Social Innovation offers students an undergraduate module on Social Innovation and Social Impact; MSc module on Social Investment; and an MBA module on social entrepreneurship (TCD);
- Irish universities also offer student and staff social enterprise accelerator programmes such as the Blackstone LaunchPad at Trinity College Dublin; Ryan Academy at DCU; and Blackstone Launchpad NUI Galway;
- Initiatives such as SESBA (Social Enterprise Skills for Business Advisors) involving Limerick IT and EU/OECD Social Enterprise Assessment Tool involving DCU;
- Through Campus Engage, led by all Irish universities and the Dublin Institute of Technology (DIT), the universities have created national guidelines and an associated university staff training programme, offered to all higher education staff, on how to create engaged research partnerships and accredit students within the curriculum for working with civic and civil society organisations to address societal challenges⁵⁶;
- Certificate in Social Enterprise and Entrepreneurship from the National College of Ireland;
- An Cosán Introduction in 2017 to Social Enterprise Development (QQI Level 6);
- Enactus initiative that enables third level students to create, and implement, social entrepreneurial projects which positively impact our local and global communities.

Conclusion

In conclusion, the research has emphasised the important role education plays for the sector. The inclusion of social enterprise within the curricula in both 2nd and 3rd level has proven effective in terms of raising awareness of the work of the sector, its potential to contribute to social progress, and in driving social entrepreneurship and innovation within the wider economy. It would be beneficial for the sector to build on these developments and achieve deeper engagement with, and integration within, the education system. In this regard, there is scope to:

- Identify and promote existing social enterprise course activity in the education system;
- Open a dialogue with the Department of Education and Skills and Higher Education Institutions to establish how social enterprise might be further incorporated into the education offering at all levels; and
- Work with Higher Education Institutions and other relevant bodies to further leverage their academic research and expertise to support the development of social enterprises.

⁵⁵ <https://www.education.ie/en/Publications/Education-Reports/National-Strategy-on-Education-for-Sustainable-Development-in-Ireland-2014-2020.pdf>

⁵⁶ <http://www.campusengage.ie/>

CHAPTER ELEVEN

PILLAR THREE: Creating Market Opportunities

Other countries with a developed Social Enterprise sector have identified improved market access as being a necessary part of social enterprise strategy; examples include Scotland, the UK, Australia, Canada and Taiwan⁵⁷.

There are two sides to any market opportunity: the first is having the skills to identify an opportunity, the skills to win the business, and the skills to deliver on it. That is the supply side of the market.

The demand side creates market opportunities in public, private and consumer markets.

Sufficient market access underpins an organisation's ability to trade and become sustainable. There are many reasons why social enterprises are challenged in gaining market access. They include: how can commissioners correctly identify social enterprises; how to measure impact robustly; how can enterprises build sufficient capacity to deliver, especially on large contracts; and displacement.

Alignment of market access with other aspects of the social enterprise ecosystem is also important. Lack of visibility and a clear identity for the sector is a constraint. As highlighted in Chapters Nine and Ten, work is needed in respect of voice and identity, as well as business supports and networks.

In so far as there are supports and services for new enterprises in other sectors of the economy, there should be an equivalent or shared model for social enterprises, with additional acknowledgement and account taken for social impacts. These and other elements have a role to play in readying the sector for the opportunities that will come with improved market access.

This research is concerned with three types of market access:

11.1 Public Markets;

11.2 Business Markets;

11.3 Consumer Markets.

11.1 Public Markets

The State spends more than €12bn annually on goods and services. If social enterprises can access a greater share of this market, the opportunity for the sector could be significant.

Social enterprises are not precluded from tendering for public contracts on a competitive basis. However, in practical terms, there are currently barriers to social enterprises accessing such tenders given their primary focus on social impact. Tender size often effectively precludes social enterprises from competing for contracts, as there is a predominant focus on cost, and social value is not considered.

Stakeholder Feedback

The online consultation examined the potential to increase the role of social enterprises in public service markets and the measures required to realise this potential. Specifically, it asked ***"To what extent is there potential for social enterprises to take on a growing role in the delivery of public services in Ireland?"*** to which there were 348 responses.

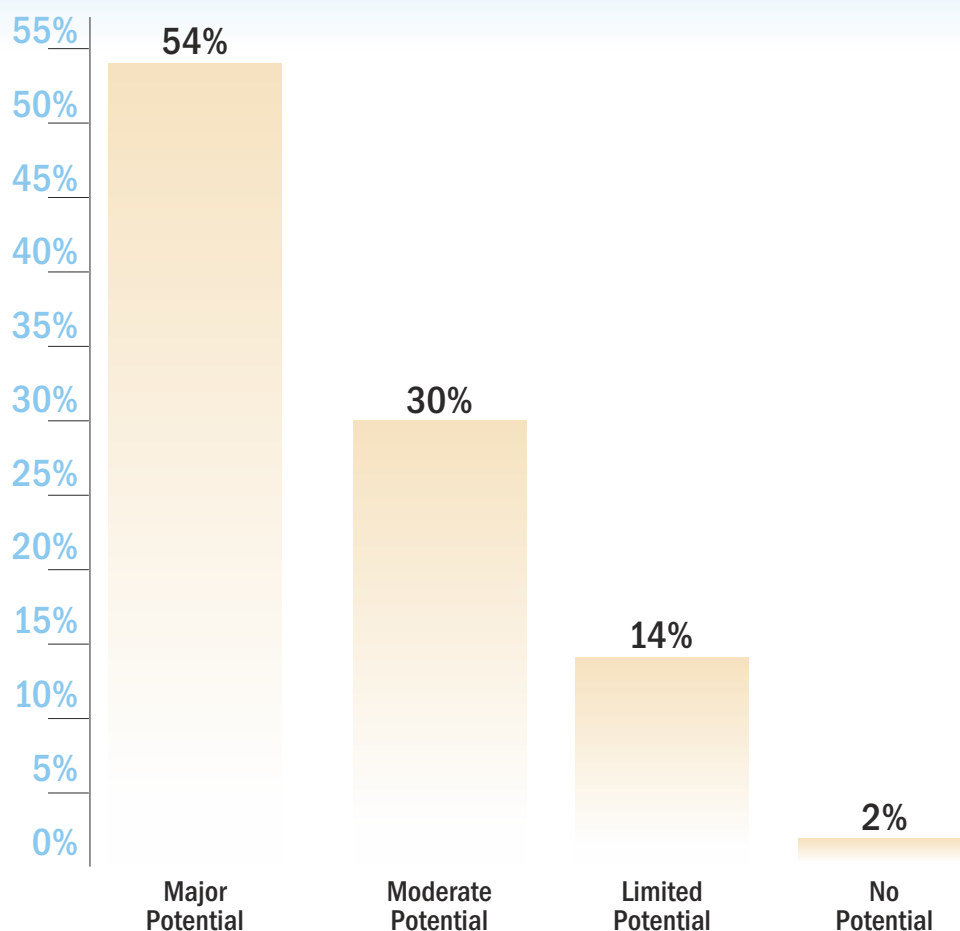
Just over half of respondents (54%) reported 'major potential', while 30% identified moderate potential and 16% only limited or no potential. See Figure 11.1.1.

⁵⁷ <http://secouncil.ca/index.php/about/the-six-pillars/> <https://www.gov.uk/government/policies/social-enterprise>

https://economicdevelopment.vic.gov.au/_data/assets/pdf_file/0008/1435868/10371_DEDJTR_EDEI_Social_Enterprise_Brochure_A4_WEB_FINAL.pdf

<https://taiwantoday.tw/news.php?unit=2,6,10,15,18&post=125690> <http://www.gov.scot/Publications/2017/04/8804/1>

Figure 11.1.1: To What Extent is There Potential for Social Enterprises to Take on a Growing Role in the Delivery of Public Services in Ireland?



A total of 256 respondents offered further explanation of their views. Respondents commented on the successful role already played by the community groups, voluntary organisations and social enterprises – in areas such as childcare, public housing, health and social services – and the opportunity to grow this further. The responses expressed in positive terms the potential of social enterprises to:

- Provide cost effective services compared to current models of provision;
- Fill gaps in services, especially for groups that are not well served;
- Address the needs of rural communities in a more effective way;
- Create additional jobs and greater social value when delivering services;
- Provide highly localised services with the potential for greater end user empathy;

Offer a more fluid, flexible or adaptable alternative.

“With many statutory departments and agencies moving towards commissioning models of service delivery (understood as taking a strategic, outcomes-focussed approach to determining how public services are delivered) there may well be additional opportunities for social enterprises to take on a role in delivering public services.”

However, several responses revealed the importance of caution in this respect. Respondents conveyed concerns about social enterprises becoming viewed as a cut-price alternative to public services or as a 'backdoor' route to privatisation. Similarly, some respondents stated that social enterprise should not replace the obligation of the state to provide services or its accountability for such services. Others acknowledged that social enterprises were not always best placed to deliver statutory services or able to do so.

“I believe this should come with a caution. Public services should remain in the public sphere. However, social enterprise can play an important niche role.”

Social Enterprise in Ireland - Research Report

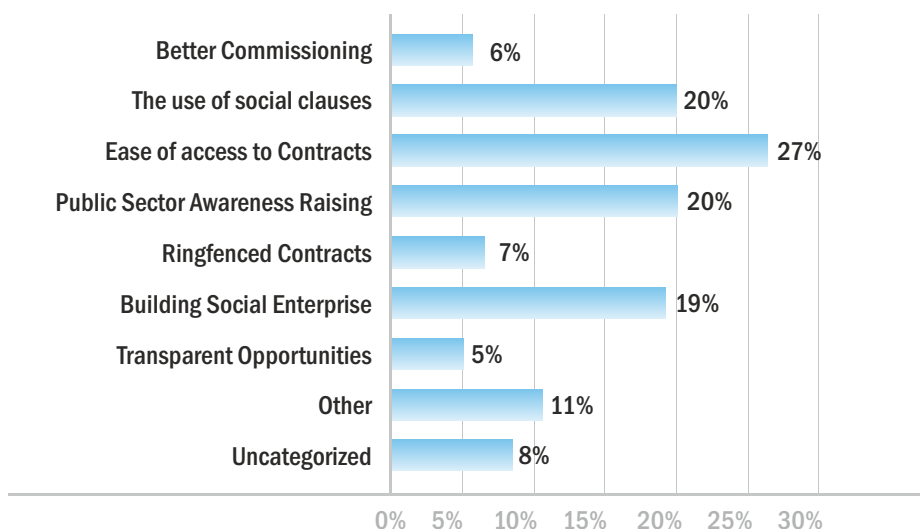
The responses also revealed many challenges or constraints for social enterprises seeking to play a greater role. These included:

- The lack of recognition or trust by government or willingness to 'let go';
- The fragile or unsustainable funding base that social enterprises are starting from;
- Additional governance, professionalism and capacity required;
- Bureaucracy associated with procurement and compliance.

The online consultation then asked **“What steps should be taken to unlock Public sector commissioning and procurement opportunities in Ireland?”**.

A total of 256 respondents put forward comments relating to many themes set out in Figure 11.1.2.

Figure 11.1.2: Key Themes Relating to Commissioning and Procurement



Ease of access to public contracts was cited by over one-quarter of respondents and suggestions made in that regard. Several respondents referred to the importance of breaking large contracts into smaller more appropriate work packages. Other suggestions focused on the streamlining procurement processes, including simplifying e-tendering procedures, removing unnecessary pre-qualification hurdles for small suppliers, proportionate insurance requirements in tendering and ensuring that documentation is proportionate and accessible.

Systematic inclusion of social clauses in public contracts was called for by one in five respondents. Identified as possible under EU directives, respondents put forward a variety of ways that contractual clauses in public contracts could be more widely used to secure additional community benefits, give greater weight to the prospective added social value of suppliers, and ultimately carve out a larger role for social enterprises in supplying the Public sector (often as a second-tier supplier).

Public sector buyers were crucial, and they need to become more knowledgeable, more motivated and better equipped to do business with social enterprises. Many respondents pointed to the need for public policy to prioritise social enterprises, particularly in the context of Public sector strategies and targets.

Building social enterprise capacity was seen by many of the respondents as crucial on the supply-side of the market. In this respect, respondents generally referred to either the need for better information for suppliers or additional business development and tendering support for social enterprises.

Role of the Office of Government Procurement

In Ireland, responsibility for public procurement comes under the remit of the Office of Government Procurement (OGP) which is an Office of the Department of Public Expenditure and Reform. Some progress has been made by the Office of Government Procurement (OGP) in terms of introducing social consideration into public procurement⁵⁸.

The OGP is also setting up a Social Considerations Advisory Group which will bring together officials from relevant policy Departments to facilitate the process of incorporating social considerations into planned public procurement projects.

Notwithstanding the above developments regarding social considerations, there are a number of areas that could be explored further so that social enterprises can tap into the Public sector procurement market:

1. Training courses and advice on tendering is available from a number of sources. "Meet the Buyer" events organised by InterTradeIreland have given suppliers an opportunity to meet with public procurers. As many of the challenges faced by social enterprises are similar to those faced by other SMEs, there is merit in the Social Enterprise sector being included in these processes.
2. The Community and Voluntary sector have put forward a set of recommendations around commissioning in Let's Commission for Communities⁵⁹. Commissioning is seen as more focussed on outcomes than traditional procurement.

11.2 Business-to-Business Markets

Business markets refer to any business to business (B2B) trading, be it through Private sector organisations, social enterprises or charities. Building better relationships with mainstream businesses, through increased awareness of a social enterprise's existence, or through CSR initiatives, could help to open existing supply chains to social enterprises. However, social enterprises need to demonstrate in the business-to-business market that they can deliver the services sought effectively and competitively, as social value alone may not be a determining factor in the award of contract by fully commercial businesses.

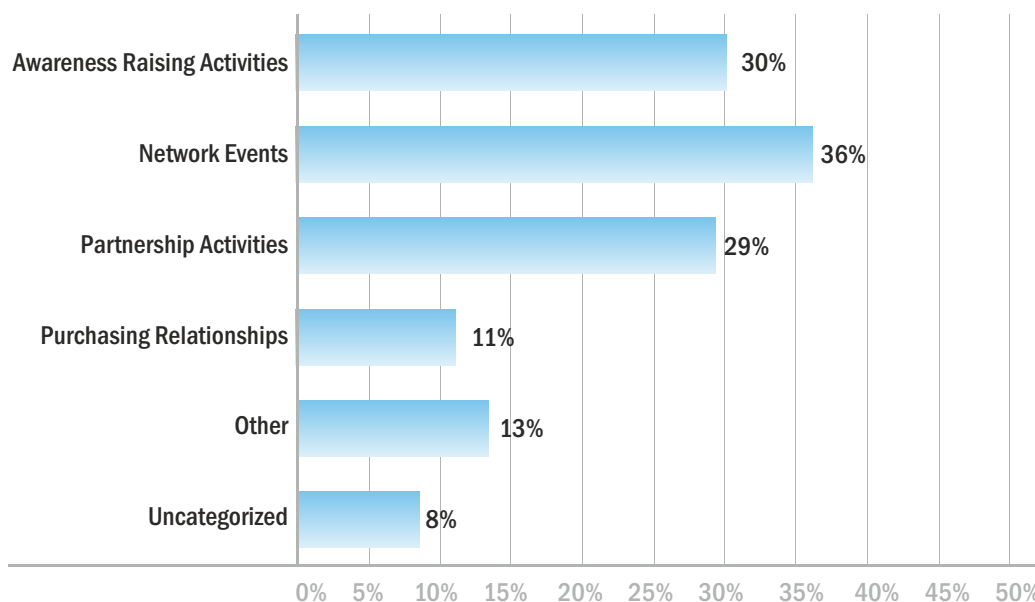
Stakeholder Feedback

The online consultation explored the potential for social enterprises to capture more Private sector business. The following question was asked in relation to B2B markets "How can we cultivate new relationships and business opportunities with the Private sector?"

⁵⁸ In December 2018 the OGP published an information note on incorporating social considerations into public procurement. The purpose of the note is to assist policy makers and practitioners in understanding how public procurement can be used to facilitate the advancement of existing social policy objectives, as well as the wider context and implications of including them in particular public procurement projects.

⁵⁹ https://www.wheel.ie/sites/default/files/media/file-uploads/2018-07/Commissioning%20for%20Communities%20Report%202016%20Web2_0.pdf

Figure 11.2.1: Key Themes Relating to Private Sector Markets



Networking was cited by over one-third of responses to build contacts and cultivate relationships with the Private sector. Respondents variously expressed the value of events and networks in bringing together different perspectives, establishing two-way communication and developing mutual beneficial opportunities. The importance of established networks and channels of communication such as Chambers of Commerce was identified.

Awareness raising activities were identified by many respondents as important to get the concept of social enterprise onto the business agenda and better understood. The responses proposed the need to use media more effectively to raise visibility, highlight the business benefits of relationships with social enterprises, and promote cases showing the professionalism and business success of social enterprises. In this context, the importance of co-ordination and promotion with the business community through a national social enterprise body was identified.

Partnership activities between businesses and social enterprises were proposed as a means of breaking into the supply chain. Responses identified the potential to develop the role of the Private sector as project partners, board members, mentors, donors, sponsors, or a source of pro bono expertise (legal, financial, marketing, etc.). The opportunity was identified to target large companies with an established CSR commitment. An interesting model where partnership has been successful is a joint venture that has been set up with F2 (social enterprise based in Dublin 8) and a private business contractor to establish a cleaning company. The business expertise of a cleaning contractor and the social dimension of F2 have come together to win business and deliver on social aims.

Cases where corporate supply chains have been opened to social enterprises include Tesco and Foodcloud, and Camara and Munster Rugby.

11.3 Consumer Markets

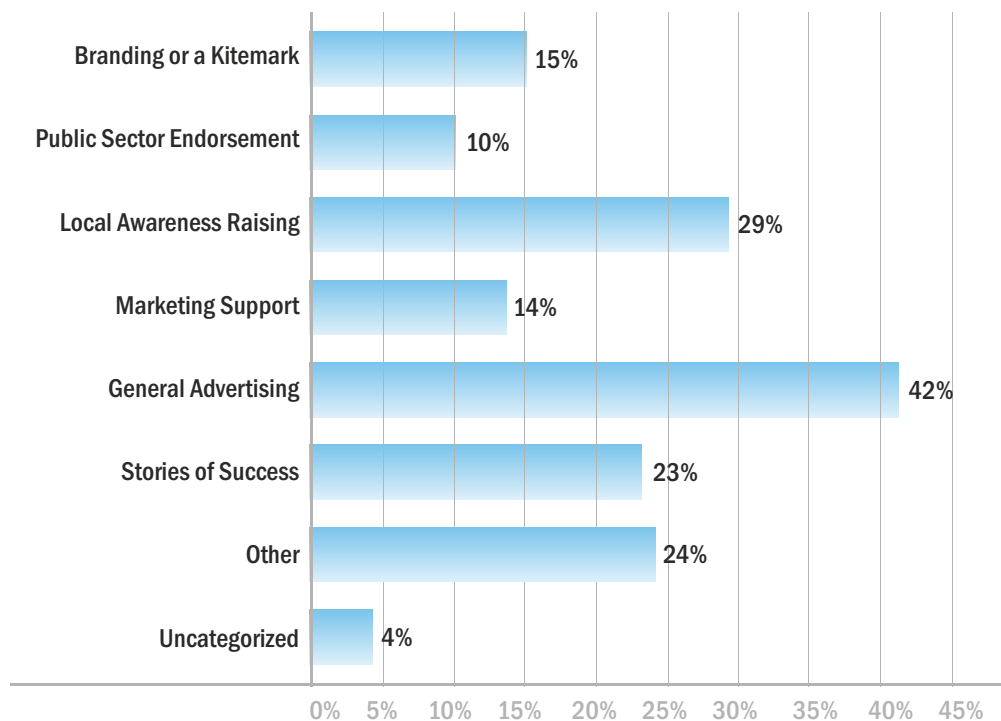
Consumers are becoming increasingly aware of responsible purchasing and the impact that their purchasing power can have. Social enterprises by their nature are well placed to meet this. There are several barriers to helping social enterprises meet this need. Many of these relate to areas discussed above and include low levels of awareness, being able to communicate impacts clearly and ensuring widespread availability and accessibility of social enterprise goods and services. The conclusions in this Research Report under voice and identity, business supports, and networks will support the ability of social enterprises to tap into and exploit the opportunities in consumer markets and other markets also.

Stakeholder Feedback

The online consultation explored ways that the Social Enterprise sector could gain ground in consumer markets. Respondents were asked **“How can we raise awareness of social enterprise amongst the public and encourage purchasing by consumers?”**.

A total of 265 respondents offered views, which revealed several main themes as outlined in Figure 11.3.1.

Figure 11.3.1: Key Themes Relating to Consumer and Public Awareness



General advertising was the most widespread group of suggestions, evident in around two-in-five cases. Suggestions included the use of mass media (TV, radio, newspapers), online and social media, and the potential for campaigns of various kinds.

Local awareness raising was also highlighted by almost one-in-three respondents. Contextualised at a county or more local level, this included a wide variety of suggestions for local events (conferences, talks, trade shows etc.), as well as the use of local venues (community halls, libraries, etc.) and the use of community media (e.g. local newsletters).

Better branding or a kitemark was identified by several respondents as important. While all respondents wanted to help consumers make more informed purchasing decisions, there was limited consensus with respect to how this should be achieved. Responses varied from using different forms of certification already available, to introducing new certifications to different social enterprises from other suppliers.

An excellent example of a social enterprise that sells to the consumer market is Green Kitchen Café – a community café and garden centre (see case study in Section Seven).

11.4 Displacement Considerations

Social enterprises operate as businesses in markets where other enterprises may provide similar goods or services. Where social enterprises avail of State supports, the potential for these supports to distort the relevant market needs to be understood and such instances avoided. Displacement occurs where a social enterprise avails of State supports and these supports distort competition and potentially displace existing commercial services in the relevant market.

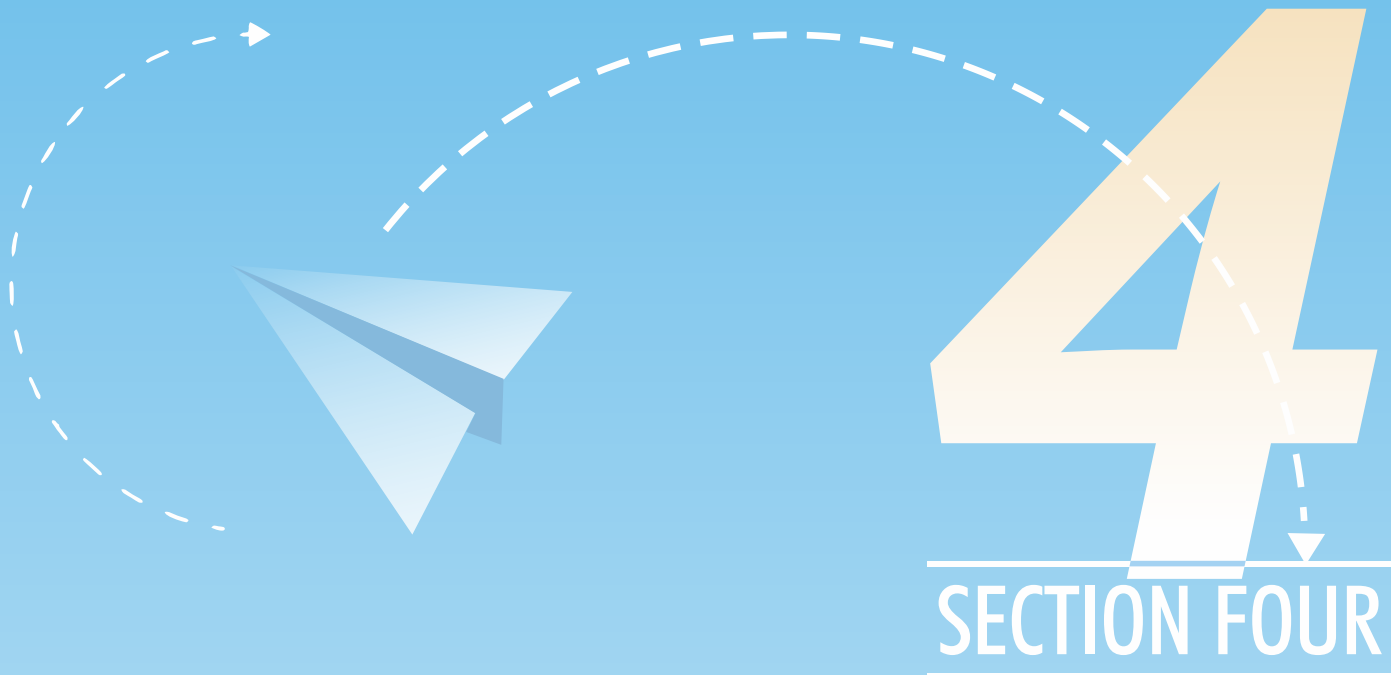
In seeking to enable a more enterprising Social Enterprise sector, both government and the sector need to be mindful of the potential risk of displacement. Social enterprises are already aware of this issue and funding schemes such as the Community Services Programme and the social enterprise measure funded through Dormant Accounts set out that successful projects must not result in the displacement of existing commercial services. As the sector grows it will be increasingly important that Departments, State agencies and the sector itself remain aware of the displacement issue and continually monitor the safeguards and procedures necessary to ensure fairness in the market.

Conclusion

In conclusion, social enterprises need greater access to public markets (including Public sector contracts), business markets (provision of goods and services to other businesses) and consumer markets (provision of goods and services to the wider public). Equally important is the need for social enterprises to build the capacity to enable them to compete for these market opportunities to achieve greater financial sustainability.

A number of issues hamper the access to these markets for social enterprises, including the difficulty experienced by those commissioning projects and potential customers in identifying social enterprises; the measurement of social impact; and the capacity of social enterprises to deliver on large contracts. In this regard, the sector could benefit from:

- The Office of Government Procurement and key stakeholders including DRCD working together to assess what improvements can be made to encourage, where appropriate, social enterprise;
- Through the Social Considerations Advisory Group, facilitate the incorporation of social considerations into public procurement projects;
- Capacity-building (including training in procurement processes) for the Social Enterprise sector;
- Development of relationships with the Private sector, to promote a policy of supporting social enterprises through supply-chain procurement; and
- Further examination of issues around calibrating and quantifying social impact, taking into account international experience in the area.



PATH TO IMPLEMENTATION

International experience indicates that the development of a successful Social Enterprise sector is a long-term collaborative process, driven by the sector itself, but taking place within a supportive policy environment and encouraged by Government.

The commitment of the Irish Government to publish a National Policy on Social Enterprise represents a turning point for the Social Enterprise sector in Ireland. It creates an opportunity for Ireland to develop the sector in a sustainable way through a collaborative effort involving the Public sector and the Social Enterprise sector.

A key aspect of any successful policy implementation is a governance structure to oversee its implementation. This is particularly important in respect of social enterprise, given the spectrum of social enterprises and the many Departments/Agencies with which they interface.

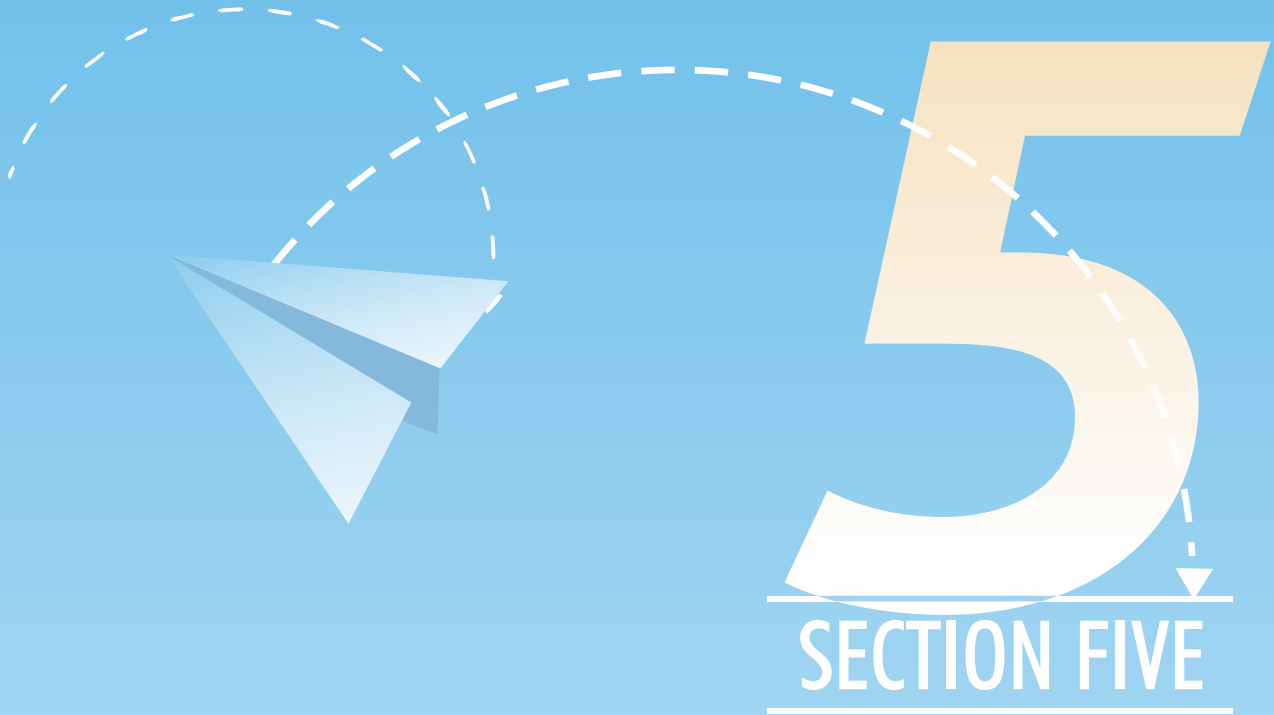
The approach to this research has highlighted the value of the sector and different Government Departments working together, with oversight from a joint Steering Group. A similar approach should be adopted to oversee the implementation of the policy.

In addition, the stakeholder engagement process highlighted the value of a central point of contact to support the sector on an ongoing basis. Examples were cited of other jurisdictions where such a recognised entity exists.

These are issues to be considered by the Government in the development of the new policy.

The policy on Social Enterprise must also be aligned with, and be complementary to, the Framework for Local and Community Development. This will ensure that together these two Government initiatives will provide support to both the Community and Voluntary sector and the Social Enterprise sector to enable them both to develop and to do so in an aligned way.

Finally, it is essential that appropriate resources are applied to deliver on the forthcoming Social Enterprise policy.



SUMMARY OF CONCLUSIONS

The conclusions set out below reflect the findings identified through the course of this Research Report, particularly those emerging from the multiple inputs received as part of the consultation process and extracting international best practice. Throughout the process there was much commonality on what issues needed to be addressed to develop and support the sector. The research has highlighted that social enterprise delivers both economic and social returns but is impacted by a lack of understanding as to what social enterprise is and difficulties in social enterprises accessing supports they require. It is critical that the forthcoming National Policy on Social Enterprise is also to be aligned, and complementary to, the Implementation Plan for the Framework for Local and Community Development. This will ensure that together these two Government initiatives will provide support to both the Community and Voluntary sector and the Social Enterprise sector to enable them both to develop in an aligned way.

There are 34 conclusions that arise from this research. Converting these conclusions into deliverables will require effort from both the social enterprise sector and Government, in some cases jointly. The adoption of a National Policy, including an agreed definition and Implementation Roadmap, will support this.

Some of the conclusions outlined below are in areas that can be delivered within the short term (e.g. access to information); others will require more time and effort (e.g. creating widespread understanding of social enterprise). The conclusions are put forward as important elements to be considered in the development of the forthcoming Policy and Roadmap and are a first step in an ongoing journey to support and develop the Social Enterprise sector.

The following is a summary of the conclusions.

EU (Chapter 6)

There is an opportunity for the Irish Social Enterprise sector to benefit from:

- Ireland engaging more closely with EU policy developments at Government level and in appropriate fora at sectoral level, so that Irish social enterprises can influence and benefit from existing and future EU supports for the sector; and
- the various funding schemes and support options available to social enterprises from the EU being clearly identified and catalogued and made available to social enterprises.

The existence of a national Social Enterprise Policy that profiles the importance of the sector will provide an opportunity for social enterprise to feature in future Irish programmes which are co-funded by the EU and will add a policy framework in applications for competitive funding.

Interaction with other National Policies (Chapter 8)

Social enterprise aligns to some extent with many different national policies and programmes.

- Fully understanding the interaction of the relevant policies with the sector and how they can be aligned in a coordinated way would benefit the sector.

Business Supports (Chapter 9.1)

The consultation process points to the strong desire from the Social Enterprise sector to have access to more tailored business supports in order to drive further enterprise development and capacity, while still maintaining focus on their social objectives. The consultation highlights:

- A strong demand in the sector for the development and provision of business supports in areas such as business planning, mentoring, capacity building, impact measurement and financial planning, to help social enterprises to develop and improve their sustainability;
- Access to business incubation space;
- Readily available information on the various business support options available to social enterprises, along with the providers of those supports.

Finance (Chapter 9.2)

The consultation highlights the scope for further work to be undertaken to:

- Clearly identify and catalogue the various financing options available to social enterprises at national and EU levels, along with the providers of those products;
- Assess the opportunity for funding to be made available to assist in the feasibility and start-up phases of social enterprises;
- Ensure that all relevant State funding schemes are aligned with the needs of social enterprises in so far as possible;
- Enable Ireland to access the EU EASI guarantee scheme for loan funding to social enterprises, which could facilitate, inter alia, the design of loan products more suited to social enterprises;
- Ascertain the potential for leveraging additional Private sector investment to support the financing of social enterprises; and
- Explore opportunities for new innovative funding schemes in line with international trends.

Networks (Chapter 9.3)

Building on the good work done to date by existing national and local networks, there is an opportunity for the Social Enterprise sector to benefit from enhanced networking. Such enhanced networking could facilitate information sharing and collaboration between people and organisations in the sector, as well as supporting better communication of the needs of the sector to Government and the wider public. This could potentially be achieved through:

- Enhanced collaboration between existing networks at various levels (local, regional and national);
- The development and resourcing of a national network;
- Encouraging bottom-up led networks for peer learning; and
- Ensuring that the activities of various networks begin to coalesce around a shared identity of the sector.

Social Enterprise Initiation (Chapter 9.4)

Further consideration needs to be given to

- Determining the best approach to promoting and supporting the initiation of social enterprises in communities, including through drawing on best practice examples;
- Greater inclusion of social enterprise and social entrepreneurship in the education system (see Chapter 10.5);
- Developing further the current support for individual social entrepreneurs and social innovation.

Voice and Identity (Chapter 10.1)

Building on the consultation that has taken place in developing this Research Report - and conscious of the Government commitment to publish a Social Enterprise Policy and Implementation Roadmap:

- It is opportune for the sector to agree an appropriate mechanism to represent and be the "voice of social enterprise." It is important that whatever mechanism is agreed represents the full breadth of the sector;
- There should be close and ongoing engagement between the sector and Government once this representative mechanism is agreed.

Employment Support Schemes (Chapter 10.2)

While labour market schemes are generally designed to meet the needs of the participating individuals, social enterprises often play an important role in providing people with training, work experience or employment, thus supporting in a fundamental way the Government's labour market activation strategies and often connecting local unemployed people with job opportunities in local industry.

There are a significant number of such schemes, each with their own criteria and rules, which can be difficult to navigate for organisations in the social enterprise sector which are interested in becoming involved in work placement, training, etc. This can equally apply to other schemes, which are targeted more directly at social enterprises themselves, such as the Dormant Account Fund Social Enterprise measure.

- From the consultation carried out for this Research Report, there would be merit in reviewing State schemes that are available to assist social enterprises or involve their participation. This review could examine issues such as:
 - ensuring that there is synergy and consistency/effectiveness between schemes;
 - that criteria for schemes are simplified or standardised where appropriate; and
 - that information on how to register interest in being involved in the schemes from a provider perspective is widely disseminated within the social enterprise sector.

Data and Impact (Chapter 10.3)

Establishing the size, reach and impact of the Social Enterprise sector is essential to inform policy and sectoral development in the years ahead. In this regard, the current lack of comprehensive and reliable data on the sector needs to be addressed. Having consistency of measurement, in particular around the impact of social enterprise, would be beneficial for all stakeholders. Consideration needs to be given to:

- Examining options for the collation of comprehensive and accurate data relating to the sector;
- Updating the data on a regular basis over time; and
- Conducting further research into the social impact of social enterprises, drawing upon international best practice and expertise in the Third Level sector.

Legal (Chapter 10.4)

Given the varying approaches to legal structures for social enterprises which prevail internationally and emerging developments at EU level, further discussion needs to take place in Ireland in relation to the extent to which existing legal structures support the characteristics of social enterprises.

This is a conversation which must take account of national and international developments in this area and in Company Law generally. In assessing the Irish situation, and being mindful of the practicalities and timeframes for developing and enacting legislation, there is scope for a number of measures to be considered in the short-term, including:

- The provision of information and guidance to the sector on the current legal options available to social enterprises; and
- Conducting further research in relation to difficulties experienced by social enterprises operating within the current legal structures, and an assessment of the need for a distinct legal form for social enterprises.

Education (Chapter 10.5)

The research has emphasised the important role education plays for the sector. The inclusion of social enterprise within the curricula in both 2nd and 3rd level has proven effective in terms of raising awareness of the work of the sector, its potential to contribute to social progress, and in driving social entrepreneurship and innovation within the wider economy. It would be beneficial for the sector to build on these developments and achieve deeper engagement with, and integration within, the education system. In this regard, there is scope to:

- Identify and promote existing social enterprise course activity in the education system;
- Open a dialogue with the Department of Education and Skills and Higher Education Institutions to establish how social enterprise might be further incorporated into the education offering at all levels; and
- Work with Higher Education Institutions and other relevant bodies to further leverage their academic research and expertise to support the development of social enterprises.

Creating Market Opportunities (Chapter 11)

Given that social enterprises compete to provide goods and services in public, business-to-business and consumer markets, the sector could benefit from:

- The development and implementation of guidance in relation to public procurement;
- Capacity-building (including training in procurement processes) for the Social Enterprise sector;
- Opportunities to engage directly with the Office of Government Procurement in relation to procurement policy, potentially through existing mechanisms afforded to the SME sector;
- Development of relationships with the Private sector, to promote a policy of supporting social enterprises through supply-chain procurement; and
- Further examination of issues around calibrating and quantifying social impact, taking into account international experience in the area.



APPENDICES

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APPENDIX ONE

Steering Group Members

Steering Group Members

William Parnell (Chair), (Dept. of Rural and Community Development)

Des Henry (Dept. of Employment and Social Protection)

Brian O'Malley (Department of Public Expenditure and Reform)

Fergus Doyle (Department of Business, Enterprise and Innovation)

Jerry Murphy (Pobal)

Brendan Whelan, (Social Finance Foundation)

Paul O'Sullivan (Clann Credo)

John P. Murphy (Speedpak Group)

Pádraig Casey (Ballyhoura Development)

Darren Ryan (Social Entrepreneurs Ireland)

Dr. Mary O'Shaughnessy (University College Cork)

David Dalton* (Dept. of Rural and Community Development)

Secretariat

Eddie Forsyth (Dept. of Rural and Community Development)

Ken Jordan (Dept. of Rural and Community Development)

Project Manager

Lorraine Corcoran (Afanite)

*Note: David Dalton replaced Jason Kearney as the Community Division Representative from DRCD during the project.

APPENDIX TWO

Social Enterprise Task Force (SETF)

The Social Enterprise Task Force (SETF) comprises a group of individuals from the Social Enterprise sector committed to its development. It has existed for over ten years, playing primarily an advocacy role, encouraging the Government to recognise the sector's importance and potential. The individuals include the CEOs of most of the relevant organisations in the Social Enterprise sector. It is a voluntary body, which meets regularly to advance its agenda.

SETF Members

Brendan Whelan (Social Finance Foundation) Chair

Chris Gordon (Irish Social Enterprise Network)

Darren Ryan (Social Entrepreneurs Ireland)

Ivan Cooper (The Wheel)

John Evoy (Social Innovation Fund Ireland)

John Kearns (Partas)

John P. Murphy (Speedpak Group)

Larry O'Neill (South Dublin County Partnership/ILDN)

Dr. Mary O'Shaughnessy (University College Cork)

Pádraig Casey (Ballyhoura Development)

Paul O'Sullivan (Clann Credo)

Senan Cooke (Dunhill Enterprises)

Ann Clarke (Consultant)

John Gallagher (Consultant)

APPENDIX THREE

Online Consultation



Developing the Potential of Social Enterprise in Ireland: Online Consultation

In September 2017, Michael Ring TD, Minister for Rural and Community Development announced the development of a National Policy on Social Enterprise.

This online consultation now seeks views that will inform this, Ireland's first major policy on social enterprise. The consultation is being undertaken by the Department of Rural and Community Development, in co-operation with the Social Finance Foundation.

Please take just 10 minutes to share your views and ideas by 15 December 2017. Your participation is, of course, voluntary and you may decline to answer, skip particular questions or exit the consultation at any time.

Your views and ideas will be treated in the strictest confidence and held securely in a password protected electronic format. Any information you share will be used only for the purposes of this consultation.

What is a Social Enterprise?

Please note that we use the term 'Social Enterprise' throughout to refer to any organisation with primarily social objectives, which generates some income from trading goods and services and whose surpluses are principally reinvested for that purpose in the business or in the community.



Department of Rural and
Community Development

*An Roinn Farhartha
Tuaithe agus Peabail*



Social
Finance
Foundation

Developing the Potential of Social Enterprise in Ireland: Online Consultation

About you ...

1. Are you contributing as ...

- An individual
- A representative of a social enterprise
- A representative of a public body or agency
- A representative of a community/voluntary organisation
- A representative of an umbrella/intermediary/support body
- A representative of a private company

2. In which county are you mainly based?

3. If contributing on behalf of an organisation, approximately what was its income in the last financial year:

- Less than €50,000
- €50,000 to €250,000
- More than €250,000
- Unsure

4. If contributing on behalf of an organisation, approximately how long has it been operating?

- 3 years or less
- More than 3 years
- Unsure

Your vision ...

5. Being optimistic, but realistic, what would be a desirable future for the social enterprise sector in Ireland in the next 5-10 years?

The changes required ...

6. Is the concept of social enterprise currently well understood in Ireland?

- Yes, fully
- Yes, partly
- No

Please take time to explain your answer:

7. How can we ensure that more people in Ireland learn about social enterprise and its potential?

8. What actions can be taken to encourage and support more socially entrepreneurial people and communities in Ireland to start a social enterprise?

9. Does the finance available to social enterprises in Ireland currently meet the sector's needs?

- Yes, fully
- Yes, partly
- No

10. What type of finance do Irish social enterprises need to support their feasibility (pre-start-up), start-up, sustainability and growth?

11. Does the business support available to social enterprises in Ireland currently meet the sector's needs?

- Yes, fully
- Yes, partly
- No

12. What business support should be available to Irish social enterprises and how should this be provided?

13. Are there enough opportunities for people to develop the skills required to lead and manage a social enterprise?

- Yes, fully
- Yes, partly
- No

Please take the time to explain your answer:

14. What learning or training could usefully improve leadership and business skills in the sector?

15. What measures could be put in place to enable Irish social enterprises to take on more employees and support people furthest from the labour market?

16. Is the social enterprise sector adequately represented in Ireland?

- Yes, fully
- Yes, partly
- No

Please take time to explain your answer:

17. What should be done to enable Irish social enterprises to come together to speak with a strong voice and have their views adequately represented?

18. To what extent is there potential for social enterprises to take on a growing role in the delivery of public services in Ireland?

- Major potential
- Moderate potential
- Limited potential
- No potential

Please take time to explain your answer:

19. What steps should be taken to unlock public sector commissioning and procurement opportunities in Ireland?

20. How can we cultivate new relationships and business opportunities with the private sector?

21. How can we raise awareness of social enterprise amongst the general public and encourage purchasing by consumers?

22. In Ireland, social enterprises can take a number of legal forms each with benefits and limitations. Should there now be a distinct and recognisable legal form introduced for social enterprises?

- Yes
 No
 Unsure

Please take time to explain your answer:

23. How should we measure the social impact of social enterprises and how can they be supported to do so?

Finally ...

24. Take this opportunity to share any other ideas or comments:

APPENDIX FOUR

CASE STUDY

on Economic Contribution of Speedpak Group



Economic Contribution of Speedpak Group,

A SOCIAL ENTERPRISE

Ann Clarke - January 2018

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I would like to express my gratitude to Edel, Lia and John in Speedpak Group for gathering the financial data and profiling information that forms the basis of this case study and for pointers made by Des Henry, Department of Employment Affairs and Social Protection, and Brian O'Malley, Department of Public Expenditure & Reform.

Ann Clarke
January 2018

Introduction

Speedpak Group is a social enterprise whose mission is to support long term unemployed people back to work. It does this by operating two real commercial businesses – Speedpak Contract Packing & E-Fulfilment Services and Shamrock Rosettes, customised prizes and accessories. Between 2014 and 2016 Speedpak Group generated total sales of €1.52m. This activity produces both direct and indirect economic benefits to the State.

By operating a social enterprise, the experience that people are given by Speedpak Group (subsequently referred to as 'Speedpak' or 'the Company') includes not just training, but also real work and the expectations any employer would have with regard to work. Work supervision and access to additional supports such as mentoring to help people enhance their work readiness are also provided. Participants' confidence, personal and professional skills are enhanced and this improves capacity to seek full time employment. Engaging in a work environment helps to build personal and professional networks which are fundamental to gaining a sense of belonging and a means of contributing positively to the community.

This level of work experience would not be possible without the commercial activity that Speedpak as a social enterprise engages in and the physical infrastructure it has put in place to support this commercial activity, which is not funded by the State.

The State makes an important contribution to Speedpak through Community Employment (CE)⁶⁰, Tus⁶¹, the Community Services Programme⁶² and, on occasion, Dormant Accounts⁶³. The State's contribution towards labour costs under various contracted programmes, referred to as grants, however, does not cover the full cost of a core staff team capable of providing work supervision and support to long term unemployed people. In fact, the State only contributes c.46% of this cost⁶⁴, with the remainder sourced through commercial sales, Corporate Social Responsibility (CSR) and philanthropy.

Speedpak works primarily with people who are the most distant from the labour market. People are distant from the labour market for a number of reasons including intergenerational unemployment, having been unemployed for extended periods of time, having a history of offending and/or substance abuse, low educational attainment levels or being a member of a marginalised group.

Employment is recognised as a key tool in lifting people out of poverty, reducing criminality and enhancing social cohesion.

This case study examines the economic contribution of Speedpak activities to the Irish Exchequer. It focuses on the years 2014, 2015 and 2016. It explores direct revenue to the Exchequer as a result of Speedpak's operations, savings to the Exchequer and costs to the Exchequer. Wherever possible actual data is used but for some calculations a best estimate is employed as the actual data is not available to Speedpak. Indecon's⁶⁵ review of the Job Bridge programme formed an important touch stone for this case study and some of the indicators developed in that review are applied here.

⁶⁰ Department of Employment Affairs and Social Protection.

⁶¹ Department of Employment Affairs and Social Protection

⁶² Pobal

⁶³ For example for equipment or machinery.

⁶⁴ Total gross wages for core staff from 2014 to 2016 amounted to €1,150,649. The State's total contribution to these wages for the same period amounted to €526,563 or 46%.

⁶⁵ Indecon, 2016, *Indecon's Review of JobBridge Activation Programme*.

Profile of Participants

Between the years 2014 and 2016 inclusive, Speedpak supported 136 unique individuals. In addition it employed 12 core staff. Two of these staff members had progressed from CE to full time employment in Speedpak⁶⁶.

Of the 136 individuals supported, 87 (64%) were male and 49 (35%) were female.

Fifteen (11%) were ex-offenders and six of these had a history of substance abuse. Another seven participants also had a history of substance abuse. Eight more (6%) had some level of disability, either physical or intellectual. Twelve more (9%) were lone parents

Data on age was available for 134 individuals. A broad spectrum of age cohorts was supported. Fifty-six percent were aged over 35.

Age (N=134)

| | 25 or under | 26-35 | 36-45 | 46-55 | Over 55 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| NUMBER OF PARTICIPANTS | 24 (18%) | 35 (26%) | 14 (18%) | 27 (20%) | 24 (18%) |

Data on education was available for 132 individuals. Seventy-three percent were early school leavers.

Education (n=132)

| | Primary Only | Junior Cert | Leaving Cert/QQ15 | QQ16 | City & Guilds |
|------------------------|--------------|-------------|-------------------|-----------|---------------|
| NUMBER OF PARTICIPANTS | 34 (26%) | 63 (48%) | 30 (23%) | 4 (3%) | 1 |

Data on length of time unemployed was available for 130 individuals. All were long term unemployed, i.e. unemployed for a year or more. Fifty-six percent had been unemployed for more than three years and 4% had never worked.

Length of Time Unemployed (N=130)

| | One Year | >1≤3 years | >3≤5 years | >5≤10 years | >10 years | Never Worked |
|------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| NUMBER OF PARTICIPANTS | 16 (12%) | 37 (28%) | 27 (21%) | 32 (25%) | 13 (10%) | 5 (4%) |

While with Speedpak, individuals were supported under either the Community Employment (CE) or Tus schemes.

Places Provided under Labour Market Activation Scheme

| | NUMBER OF PLACES | | | Number of Unique Individuals 2014-2016 |
|-------|------------------|------|------|---|
| | 2014 | 2015 | 2016 | |
| CE | 38 | 44 | 46 | 66 |
| Tus | 29 | 38 | 33 | 70 |
| TOTAL | 67 | 82 | 79 | 136 |

The case study includes an estimate of the administrative cost to the Exchequer of labour market activation schemes. It also includes an estimate of preventative spend arising from ex-offenders remaining out of prison and savings arising from participants achieving Leaving Certificate equivalent qualifications.

⁶⁶ In total, 8 of the 12 core staff employed during that period were originally recruited from the Company's labour market programmes, 4 of whom had progressed to senior management and team leader roles.

Outcomes

Employment

Over the period 2014 to 2016, a total of 41 individuals (40%⁶⁷) gained employment or self-employment. Three of these people are known to be now on the Live Register. Thirty-one are known to remain in employment or self-employment. In respect of the remaining seven, their current Live Register status is unknown. For the purposes of the case study it is assumed they are still in employment. For those for which data is available, the job retention rate is extremely successful at 93%.

A recent intensive training and coaching programme introduced by Speedpak in 2016 that was funded by philanthropy⁶⁸ and supported by CSR⁶⁹ achieved employment rates of over 60%⁷⁰.

The people supported by Speedpak are generally very long term unemployed and are unlikely to have gained work without the support of an organisation like Speedpak which has developed long standing relationships with a number of local employers. Some of the jobs gained may have occurred without Speedpak support (deadweight) but the majority probably would not have and some may have displaced other potential candidates but all employees went through normal recruitment processes. For this reason a deadweight ratio of 10% and a displacement rate of 10% are applied. These ratios are applied to the economic values associated with employment in the case study.

Not on Live Register

Seventy-four people (54%) are known not to be on the Live Register now for various reasons, mainly because they are either employed or on CE. Another 21 (15%) are known to be on the Live Register now. The status of the remaining 41 is unknown, but 7 of these had secured employment while in Speedpak.

| Known Not to be on Live Register Now | | Known to be on Live Register Now | | Live Register Status Unknown | |
|--------------------------------------|-----------|--|-----------|------------------------------|-----------|
| Still employed/self-employed | 31 | Had a job/self-employed but now unemployed | 3 | Was employed/self-employed | 7 |
| On CE/Tus | 30 | | | No progression from Speedpak | 34 |
| On training programme | 1 | | | | |
| Retired | 4 | Was on CE in Speedpak | 2 | | |
| Dead | 3 | No progression from Speedpak | 16 | | |
| Full time carer | 2 | | | | |
| Disability | 2 | | | | |
| Moved abroad | 1 | | | | |
| TOTAL | 74 | | 21 | | 41 |

Savings arising from people not being on the Live Register are taken into account in the case study with the exception of Tus. Tus workers are paid via a different organisation⁷¹ which acts as a managing agent for the programme and it deploys them with Speedpak. The Exchequer grants, Live Register costs and savings associated with Tus workers therefore accrue to the managing agent and are therefore not included in the case study. However, there are costs associated with supporting Tus workers in Speedpak which the Company incurs such as training, supervising and administering Tus workers and these are included. There are also benefits to Tus workers being in Speedpak such as receiving accreditation, securing employment, building up a work history and CV and these are also included.

The cost to the Exchequer of having a person on the Live Register is included in the case study.

⁶⁷ Of the 136 participants, outcomes data was available for 102. Forty-one obtained employment/self-employment, 40% of 102.

⁶⁸ JPMorgan Chase Foundation

⁶⁹ Allergan

⁷⁰ Evaluation of the Enhanced Skills Programme, forthcoming 2018.

⁷¹ Northside Partnership CLG (NSP), Speedpak's Founder

QQI Awards

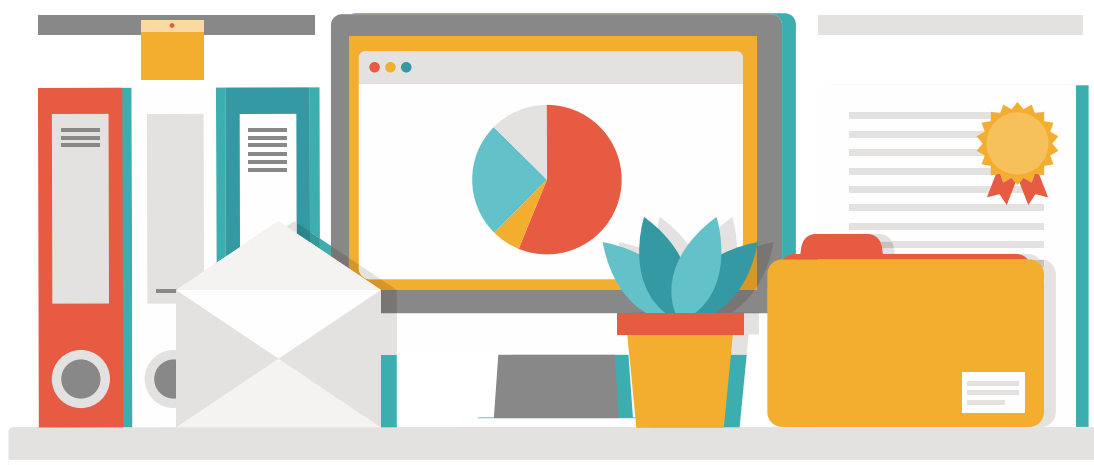
Thirty-five individuals (26%) successfully completed minor awards at QQI Levels 3 and/or 4 and/or 5. Another 24 (18%) achieved major awards at QQI Level 4 and one other achieved a major award at QQI Level 5. A total of 128 minor awards and 25 major awards was achieved.

| Number of individuals in receipt of awards | QQI Level 3 MINOR AWARD | QQI Level 4 MINOR AWARD | QQI Level 5 MINOR AWARD | QQI Level 4 MAJOR AWARD | QQI Level 5 MAJOR AWARD |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 1 | 1 | | | | |
| 17 | | 31 | | | |
| 6 | 6 | 31 | | | |
| 11 | 11 | 30 | 18 | | |
| 24 | | | | 24 | |
| 1 | | | | | 1 |

The savings arising from securing Major awards while in Speedpak are taken into consideration in the case study, as well as minor awards contributing to the achievement of a Leaving Certificate or half way towards a Leaving Certificate. Other minor awards are not costed although the full cost of training is accounted for. Some of the training cost is covered by the CE grant⁷² but most of it is subvented by Speedpak's own income sources.

Industry Certification

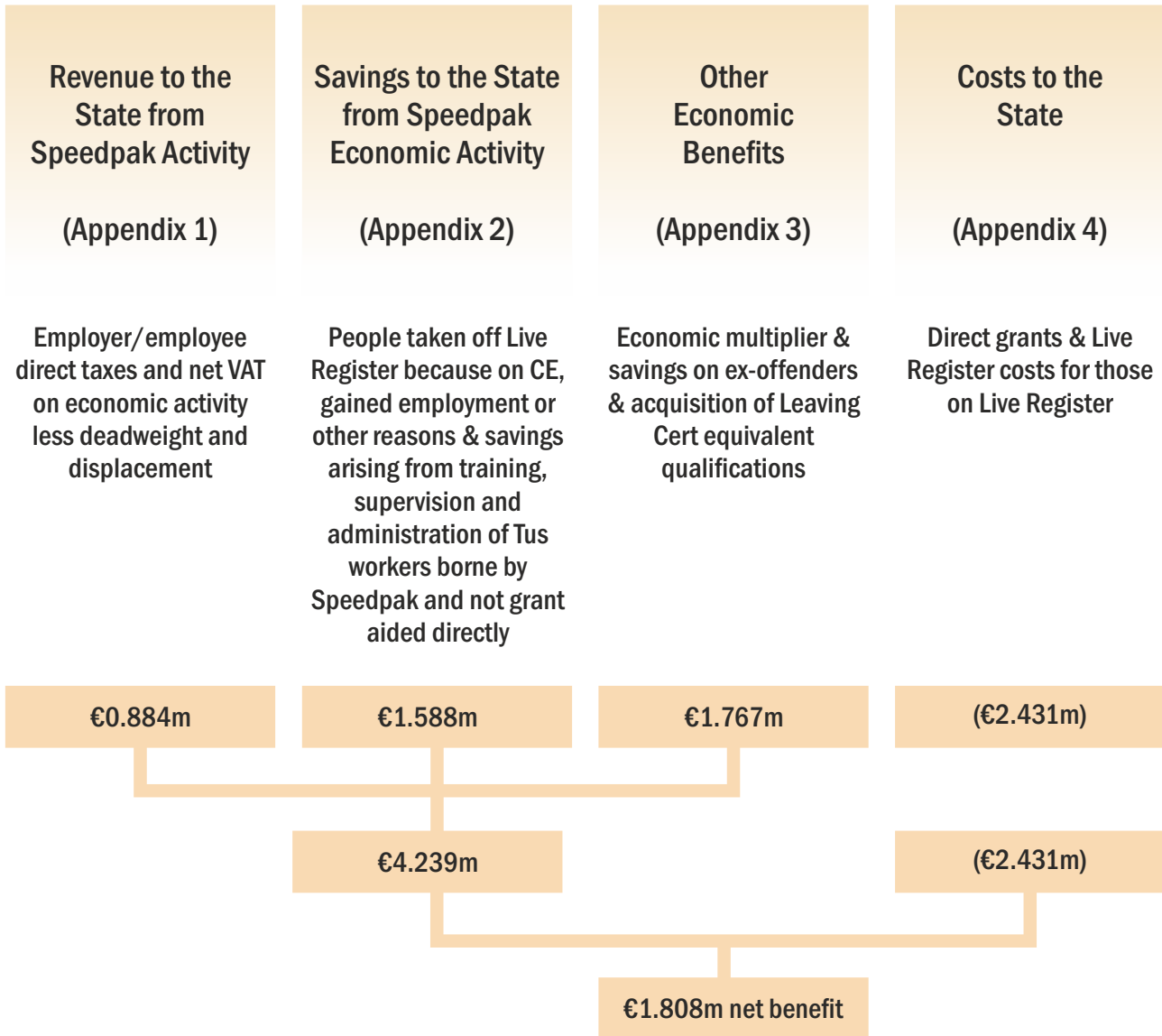
Industry certification enhances employment prospects and for some sectors it is essential, e.g. Safe Pass for construction. One hundred and twenty individuals (88%) took part in Manual Handling training and were awarded certificates. Sixteen received Forklift Driving licences and 11 completed Safe Pass. The case study does not attribute any specific economic benefit to the achievement of industry certification although the cost of providing such training is included.



⁷² There is no training grant for Tus workers.

Economic Contribution

The economic data presented below is based on unique individuals. It calculates direct and indirect taxes, costs and savings to the Exchequer and multiplier effects. Other benefits from being in work related to health and well-being, self-confidence, social networks, social cohesion and role models for the next generation are not factored in. The detailed workings are provided in the Appendices.



The table above shows that when revenue to the Exchequer and savings are compared with costs, Speedpak is effectively cost neutral to the State. However, when other economic benefits are factored in there is a significant upside for the State amounting to a net benefit of €1.808m over a three year period, equivalent to €4,070⁷³ per person per annum.

⁷³ 1.808m ÷ 148 individuals (i.e. 136 participants and 12 core workers) ÷ 3 years

Appendix 1

Direct Revenue to Exchequer

The following includes known data. There are 34 people for whom outcomes are not known and these are treated separately in Appendix 5.

A. Direct Revenue to the State from Speedpak's Activities (actual)

| | 2014 | 2015 | 2016 | Total |
|---------------------------------------|----------------|----------------|----------------|----------------|
| Net VAT on Sales & Purchases | 66,992 | 73,011 | 51,952 | 191,955 |
| Employer's PRSI | 41,540 | 41,816 | 49,285 | 132,641 |
| Employee's PRSI, Income tax, USC, LPT | 83,181 | 82,739 | 86,536 | 252,456 |
| TOTAL TAX | 191,713 | 197,566 | 187,773 | 577,052 |

B. Revenue from people who got employment (estimate)

| | | | | Total |
|--|---------|---------|---------|----------------|
| A. Number years had job | 3 | 2 | 1 | |
| B. Number people | 7 | 10 | 25 | |
| C. Annual wage ⁷⁴ | 19,252 | 19,252 | 19,252 | |
| D. Total wages (a x b x c) | 404,292 | 385,040 | 481,300 | 1,270,632 |
| E. Estimated avg. taxes per employee ⁷⁵ | | | | 13% |
| ESTIMATED TAX TAKE (d x e) | | | | 165,182 |

⁷⁴Assumes each person earned at least minimum wage. We believe this is conservative as we know that some of those who gained employment have since been promoted to supervisory roles. The calculation is based on the average of annual minimum wage earnings for 2014 (€17542) plus 2015 (€17542) plus 2016 (€18556) plus Indecon average for Job Bridge (€23369) = 19252

⁷⁵Based on average tax calculated by Indecon for Job Bridge of 13%.

C. Additional VAT and Excise⁷⁶ from people who got employment (estimate)

| | 2014 | 2015 | 2016 | Total |
|--|--------|--------|--------|----------------|
| A. Number of years had job | 3 | 2 | 1 | |
| B. Number of people | 7 | 10 | 25 | |
| C. Net contribution estimate based on Indecon | 1,932 | 1,932 | 1,932 | |
| Estimated tax for participants who gained employment (a x b x c) | 40,572 | 38,640 | 48,300 | 127,512 |
| Estimated tax from 12 core staff | | | | 69,552 |
| C. TOTAL | | | | 197,064 |

D. Total Tax

| | |
|---|----------------|
| A. Direct revenue from Speedpak | 577,052 |
| B. Tax from those who got jobs | 165,182 |
| C. Additional VAT and excise from those who got jobs and core staff | 197,064 |
| D. TOTAL | 939,298 |

E. Deadweight and Displacement on Employment Gained

The people supported by Speedpak are generally very long term unemployed and are unlikely to have gained work without the support of an organisation like Speedpak which has developed long standing relationships with a number of local employers. Some of the jobs gained may have occurred without Speedpak support (deadweight) but the majority probably would not have and some may have displaced other potential candidates but all employees went through normal recruitment processes. For this reason a deadweight ratio of 10% and a displacement rate of 10% are applied to the value of the relevant tax take.

| | |
|---|----------------|
| A. Total estimated direct tax revenue to State from participants gaining employment | 165,182 |
| B. Total estimated indirect VAT and excise from participants gaining employment | 127,512 |
| C. Total | 292,694 |
| D. Total deadweight and displacement value ⁷⁷ | 55,611 |
| REVISED TOTAL TAX TAKE after deadweight and displacement (D-d: 939,298 - 55,611) | 883,687 |

⁷⁶ Based on Indecon model for Job Bridge

⁷⁷ Deadweight: 10% x 292,694 = 29,269. Displacement: 292,694 - 29,269 = 263,424 x 10% = 26,342.

Appendix 2

Savings to the Exchequer

F. Live Register Savings to the State

In their review of Job Bridge, Indecon used an average weekly payment of €161 for people on the Live Register. The Job Bridge sample is made up of fairly young people, while the Speedpak sample comprises older age cohorts, many of whom would have families. We do not have actual data on welfare payments to Speedpak participants who were on the Live Register so the estimate we use below is based on the average wage per week of those participants who are on CE (training and materials are excluded). For the period 2014-2016 the average was €205 per person per week (€10,660 per annum).

| F1 | 2014 | 2015 | 2016 | Total |
|--|---|---|--|----------------|
| a. People who are no longer on Live Register because they got jobs and people who got jobs for a time but are now on Live Register | 7 people employed for 3 years, 2 people employed for one year Total of 23 years | 10 people employed for 2 years, 1 person employed for one year Total of 21 years | 22 people employed for one year Total of 22 years | |
| b. Annual estimate of Job Seekers Cost | 10,660 per person | 10,660 per person | 10,660 per person | |
| c. Saving to State (a x b) | 245,180 | 223,860 | 234,520 | 703,560 |

| F2 | 2014 | 2015 | 2016 | Total |
|---|---|---|-------------------|----------------|
| a. People who have left Live Register who retired, on disability or full time carer | 2 people for 2 years retired, 2 for 1 year retired, 1 person for 2 years DA, 1 person for 2 years CA, 1 person for 1 year CA Total of 11 years | One person for one year DA Total of 1 year | | |
| b. Annual estimate of Job Seekers Cost | 10,660 per person | 10,660 per person | 10,660 per person | |
| c. Saving to State (a x b) | 117,260 | 10,660 | - | 127,920 |

| F3 | 2014 | 2015 | 2016 | Total |
|--|-------------------|-------------------|-------------------|----------------|
| a. Not on Live Register as currently on CE | Three years on CE | Two years on CE | One year on CE | |
| b. Number of people | 3 | 13 | 13 | |
| c. Annual estimate of Job Seekers Cost | 10,660 per person | 10,660 per person | 10,660 per person | |
| c. Saving (a x b x c) | 95,940 | 277,160 | 138,580 | 511,680 |

| F4 | 2014 | 2015 | 2016 | Total |
|---|------|-------|--------|----------------|
| a. Training costs sourced by Speedpak from non-State sources | 50 | 1,055 | 30,206 | 31,311 |
| b. Administration cost of Tus borne by Speedpak ⁷⁸ | | | | 214,300 |
| c. Saving (a + b) | | | | 245,611 |

| | | | | |
|---|--|--|--|------------------|
| TOTAL SAVING (F1c + F2c + Fe c+ F4c) | | | | 1,588,771 |
|---|--|--|--|------------------|

⁷⁸ Speedpak does not receive a grant towards the supervision and administrative costs of looking after Tus workers. However, a real cost is involved. The CE programme provides c.€75k towards participant supervisory costs to supervise 35 places, an average of €2,143 per place. Between 2014 and 2016, 100 Tus places were provided. Applying the average CE supervisory cost to the Tus workers yields a saving to the State of (100 x €2143) = €214,300.

Appendix 3

Additional Benefits – Economic Multiplier and Preventative Spend

H. Other Economic Benefits

| H1 Economic Multiplier | 2014 | 2015 | 2016 | Total |
|---|----------------|----------------|----------------|----------------------------------|
| a. Total purchases (ex VAT) | 230,619 | 281,845 | 445,686 | 958,150 |
| b. Purchases made in Ireland (ex VAT) | 194,681 | 250,679 | 408,362 | 853,722 (89% of total purchases) |
| c. Economic multiplier ⁷⁹ | 1.62 | 1.62 | 1.62 | |
| d. Additional economic benefit of Speedpak activity (b x c - b) | 120,702 | 155,421 | 253,184 | 529,307 |

| H2 Savings on ex-offenders | 2014 | 2015 | 2016 | Total |
|--|---|--------------------------------------|------------------------------------|----------------|
| a. Number of ex-offenders in Speedpak | 10 | 2 | 4 | |
| b. Length of time in Speedpak | One for 3 years, 4 for 2 years, 5 for one year Total of 16 years | Two for one year Total of 2 years | 4 for one year Total of 4 years | |
| c. Preventative spend from being in Speedpak ⁸⁰ | 31,239 per person | 31,329 per person | 31,320 per person | |
| d. Total preventative spend (b x c) | 499,824 | 62,658 | 125,280 | 687,762 |

⁷⁹ Average of 1.32 calculated by DKM for community groups and social enterprises supported by Clann Credo (DKM, 2011, The Economic and Social Contribution of Clann Credo – the Social Investment Fund), 1.67 for social enterprises in Sheffield and 1.87 for social enterprises in Cumbria (New Economics Foundation, 2002, The Money Trail: Measuring your impact on the local economy using LM3)

⁸⁰ Calculated by taking the 2017 IPTR prison cost of €69,421 (IPTR, August 2017 Facts & Figures, (<http://www.iptr.ie/prison-facts-2>)) and multiplying it by the latest CSO recidivism rate of 45% (www.cso.ie/en/releasesandpublications/er/prir/prisonrecidivism2010cohort/)

| H3 | | |
|---|---|----------------|
| Savings to Exchequer on Education & Training | | |
| a. Average cost of second level education ⁸¹ | 8,353 per student x 2 years for Leaving Cert = 16,707 | |
| b. Number achieving Major QQI Level 4 or 5 awards (25) and number achieving 8 or more Minor awards ⁸² (2) through Speedpak | 27 | |
| c. Education cost equivalent for 27 sitting Leaving Cert | 27 x 16,707 | 451,089 |
| e. Number achieving between 4 and 7 minor awards costed at half of the Leaving Cert cost | 14 x 8,354 | 116,956 |
| d. Less: Cost of Speedpak training sourced from State ⁸³ | 341 per person x 2 years x 27 | (18,414) |
| e. Total saving to State | | 549,631 |
| Additional minor awards achieved but NOT costed | 19 people who between them achieved 1 minor level 3 award, 32 minor level 4 awards and 3 minor level 5 awards | |
| Additional industry certificates achieved but NOT costed | 120 got Manual Handling certs 16 got Forklift driving licences 12 got Safe Pass | |

⁸¹ Cost per student based on average for 2012-2014 at 2013 prices (CSO, 2015, Measuring Ireland's Progress 2015)

⁸² 8 minor awards is equivalent to Leaving Certificate

⁸³ The CE training grant for 2014-2016 amounted to €22,500. During this time there were 66 people in Speedpak on CE. Thus the average grant/person was €341. The real cost of training is closer to €2,200. This means that Speedpak subverts the true cost through its income and funds leveraged from philanthropy.

APPENDIX 4

Costs to the Exchequer

Exchequer costs associated with people who left the Live Register because they retired or moved to Carers Allowance or Disability Allowance are not included in the calculation below (see footnote for our estimate⁸⁴) as these costs would be incurred irrespective of Speedpak's activities.

G. Costs to the State

| G1 Grants | 2014 | 2015 | 2016 | Total |
|--|---------|---------|---------|------------------|
| a. Community Employment grant to Speedpak ⁸⁵ | 439,640 | 478,700 | 511,811 | 1,430,151 |
| b. Community Services Programme grant to Speedpak | 146,378 | 146,737 | 146,198 | 439,313 |
| c. Northside Partnership CLG contract (ultimately paid for by Social Inclusion Community Activation Programme) | 29,250 | 29,000 | 29,000 | 87,250 |
| d. Admin cost of schemes ⁸⁶ (a + b + c x 3%) | 18,458 | 19,633 | 20,610 | 58,701 |
| TOTAL GRANT COST | | | | 2,015,415 |

| G2 Live Register | 2014 | 2015 | 2016 | Total |
|--|--|--|---|------------------|
| a. People who are now on Live Register | One person for one year, 4 people for 2 years, 5 people for 3 years Total of 24 years | One person for one year, 5 people for 2 years Total of 11 years | 4 people for one year Total of 4 years | |
| b. Annual estimate of Job Seekers Cost | 10,660 per person | 10,660 per person | 10,660 per person | 415,740 |
| c. Cost to State (a x b) | 255,840 | 117,260 | 42,640 | 2,431,155 |

TOTAL COST (G1e + G2c)

Appendix 5: Treatment of Unknown Outcome Records

I. Estimate for unknown records

There are 34 individuals who did not progress to employment once they completed work in Speedpak and for whom current status in terms of either being or not being on the Live Register is not known. From the State's perspective Speedpak's activities are roughly cost neutral before taking into account additional economic multipliers and preventative spend. For this reason no additional costs, revenue or savings are attributed to the cohort of unknown outcomes arising from the possibility of them being on or not on the Live Register at this time. Known grant costs and tax take for this cohort are already included in the calculations in Appendices 1 and 3.

| ⁸⁴ G3 Estimate of other State Payments not included | 2014 | 2015 | 2016 | Total |
|---|--|----------------------------|------|----------------|
| a. People who have left Live Register who retired, on disability or full time carer | 2 people for 2 years retired, 2 for one year retired, one person for two years DA, one person for two years CA, one person for one year CA | One person for one year DA | | |
| b. Annual estimate of cost | 12,038 per person on pension ⁸⁵ , 10,608 for DA ⁸⁴ , 10,634 for CA ⁸⁴ | 10,608 for DA | | |
| c. Total cost (a x b) | 125,346 | 10,608 | | 135,954 |

⁸⁵ This is the total cost of wages, training and materials

⁸⁶ A figure of 3% is taken based on the Indecon Job Bridge review

APPENDIX FIVE

Local Mapping Exercise: Methodology and Questionnaire

Methodology

The main objective of the study is to develop a profile of community-led social enterprise activity at a county level. The study will be (initially) undertaken in counties Waterford, Cavan and Ballyhoura Country. The research approach can be broadly described as quantitative, which will permit the formulation of general statements based on findings derived from a sample of the research population.

It is assumed that community-led social enterprises are typically embedded in the wider community and voluntary sector. A sampling frame of community-led social enterprises will be prepared, derived from existing databases/directories of the community and voluntary sector in each research location. This approach can be broadly described as bottom-up as the sampling frame will be developed using databases/directories built by county and regional networks and other sources. A list of all known/possible community-led social enterprises will be prepared from each of these databases/directories.

The social enterprises included in this list will share the following common features (filter): a legal structure, a stated social mission, a voluntary board of directors, be community owned/led and have a traded income⁸⁷. Where there is a question mark over an organisation's features then it should be included – essentially the sampling frame should err on the side of inclusion.

The sampling frame will seek to gather the following fields. A colour coding system will be used to identify the information source of the organisation:

| Name of Organisation | Address | Phone Number | Contact Name | Contact E-mail | Sector | Comments |
|----------------------|---------|--------------|--------------|----------------|--------|----------|
|----------------------|---------|--------------|--------------|----------------|--------|----------|

An on-line survey, comprising of a series of closed questions, will be administered to each social enterprise (SE) where a valid email contact address is available. Where a valid email is unknown the Benefacts list will be consulted and/or the SE will be contacted by phone to obtain a valid email address. Where a valid email address is unavailable the social enterprise will be contacted via telephone and/or face-to-face (distance/time/resources permitting) in order to complete the survey. Each request for survey completion will be accompanied by an introductory note outlining the nature and purpose of the survey.

In some cases e.g. with PPN lists, there may need to rely on a third party to distribute the survey. Where possible this should be avoided. Where this occurs it must be noted on the register so that these organisations are easily identifiable.

A timeframe of six weeks will be available to complete the survey. All social enterprises will be prompted on one occasion, at the three-week interval, to complete the survey. Notification of an incentive (a draw for a prize for all respondents) will be provided at this 3 week interval. A second and final reminder will be issued middle of 4th week and survey will close at 6 week stage.

⁸⁷ See Register Sources for a full list of all data bases/directories used in the preparation of the community-led social enterprise sampling frame.

The results of this study should generate the following general information about community-led social enterprises

- 1) Location
- 2) Legal structure
- 3) Sector of Activity
- 4) Sources of income
- 5) Markets
- 6) Staffing and volunteering levels
- 7) Business Practices
- 8) Challenges

Limitations of the study:

- Due to data protection reasons not all lists will be made available to the researchers thus they may have to rely on a third party to distribute the questionnaire and prompt the respondents. This could result in some loss of control over the surveying/sampling process.
- Cleaning of all databases/directories to avoid duplication is advisable but also time consuming.
- Local knowledge is critical to finalisation of research population i.e. from the lists/registrars identify all organisations that are deemed to be community led social enterprise (as per filter outlined above).

Required:

Register sources:

1. SICAP
2. Benefacts
3. LEADER
4. Sports Partnerships
5. Credit Unions
6. Charity Shops
7. Men's Sheds
8. PPN
9. Community Enterprise Centres
10. Social/Voluntary Housing
11. Craol - Community Radio
12. MNT - Community Councils (CLG status)
13. County Networks – SE
14. Local Development Companies – LEADER
15. Clann Credo
16. SFF
17. Pobal

Notes:

- Use Benefacts lists – start and final check of complete research population list
- Total number/list of each research population and sampling frame used in each location.
- Non-inclusion of religious associations (as appearing on Benefacts) unless CLG status
- Non-inclusion of statutory agencies
- Inclusion of sporting bodies if they have a legal structure and are trading
- Non-inclusion -Town's, local voluntary (sport) associations e.g. chess clubs.
- Non-inclusion of group water schemes
- Include Local Development Companies
- Data collected on the registers should be colour coded to identify the source

APPENDIX SIX

A suggested Vision for Social Enterprise

Context

A vision attempts to paint a picture of a future state which will be achieved through the committed implementation of a policy and strategy. In the thematic workshops, there were several observations made about what a future state should look like. The online consultation process also sought to establish a vision of social enterprise in Ireland. It asked the question ***"Being optimistic, but realistic, what would be a desirable future for the Social Enterprise sector in Ireland in the next 5-10 years?"*** to which 349 people responded. The responses were wide-ranging and varied, covering a variety of strategic and operational considerations associated with the sector and its long-term development.

Many of the responses focussed on the visibility, profile and recognition of the Social Enterprise sector in Ireland. They envisaged a future with much greater awareness of social enterprise, with no remaining ambiguity about its role, legal structure or potential.

"Greater clarity and awareness among the general public, business and investment community of the important role and impact of social enterprises in Irish society."

Social Enterprise in Ireland - Research Report

"In 5-10 years it would be ideal to see the sector strongly supported by the Government, new legal forms established that offer flexibility, greater efforts put into raising awareness and financially supporting social enterprises to get on with the work of solving societal issues."

Social Enterprise in Ireland - Research Report

Many other respondents characterised a future where the Social Enterprise sector was larger, stronger and more resilient. Associated with this, some referred to the opportunity to bring social enterprise into the mainstream and to realise its full economic potential for Ireland.

"That the sector would be widely recognised as an intrinsic element of the economic framework of Ireland, beyond just part of the charitable ethos ... that a model for expansion of successful enterprises is developed and recognised as advantageous to all. Current thinking needs to expand beyond primarily localised community provision."

Social Enterprise in Ireland - Research Report

Respondents highlighted the opportunity to grow the role of social enterprises in rural areas and areas outside of the major cities. Others pointed to the potential of the sector to support young people and vulnerable groups, in part, providing a pathway to sustained employment.

“A vibrant community-led social enterprise sector operating in disadvantaged communities that are providing needed services to these communities and creating employment opportunities for marginalised groups.”

Social Enterprise in Ireland - Research Report

“I think it could play an important role in regenerating rural Ireland and challenged urban communities, as it fosters community and should enable enterprise where it might otherwise be difficult.”

Social Enterprise in Ireland - Research Report

Many of the responses described the future of the sector within its wider context, recognising the potential of social enterprise as one of several ways of achieving social change. Respondents referred to a synergy with the development of the Voluntary, Community and Co-operative sectors. Others referred to wider shifts to encourage a more responsible business community in Ireland.

“In 10 years I hope it's the norm for most companies to realise the societal and business benefits of registering their business legally as a social impact or not-for-profit company.”

Social Enterprise in Ireland - Research Report

Many respondents described the future of social enterprise as an active partner with Government in the delivery of better services and outcomes for Ireland. Respondents variously described the importance of the sector becoming more widely recognised, more appropriately resourced, and more valued within Government. Others described the role of Government (national and local) as an enabler, funder and purchaser.

“To have a clear policy framework put in place by government which recognizes and acknowledges the important role of the social enterprise sector. To have the government bring forward a multi annual dedicated stream of funding to support new and existing social enterprises in Ireland.”

Social Enterprise in Ireland - Research Report

For social enterprise to reach its potential, many respondents also described a future where social enterprises are better supported in Ireland. They described potential to support the sector through funding programmes, business support mechanisms, the education system, and so on. Others recognised the importance of building the collective strength of the sector from within.

“I believe that social enterprise should become a mainstream model of doing business, and as such should have access to other mainstream supports, such as business supports, financial products, legal models, favourable support from government and government agencies.”

Social Enterprise in Ireland - Research Report

“One in which there is a clear understanding of what social enterprise means and the sector is one in which there is a range of supports to social enterprises at different stages of their development. There would also be a strongly supported network where social enterprises could come together for peer learning and support.”

Social Enterprise in Ireland - Research Report

Finally, many of the responses described with ambition the sector's future contribution to social and economic life in Ireland – through sustainable approaches to community development, the community ownership of assets, and the local delivery of vital services.

“The social enterprise should be able to double its contribution to the economy in the next 10 years. There is considerable scope for expanding social enterprise in care of the elderly, child care, community development, sports and recreation and in the rural economy in general.”

Social Enterprise in Ireland - Research Report

“To be in supporting local communities, small business start-ups, co-op housing projects, sports, local tourism projects.”

Social Enterprise in Ireland - Research Report

A suggested Vision

Taking all the inputs into account, the following Vision is suggested to describe the Social Enterprise sector in Ireland in 5-10 years' time from a stakeholder perspective. The achievement of the Vision for the Social Enterprise sector in Ireland is wholly dependent on a collaborative partnership between the sector and local and national Government.

The Social Enterprise sector in Ireland in 5-10 years time will be:

1. a sector with a clear identity, recognised as a force for good;
2. a sector recognised for its innovation, drive and entrepreneurship;
3. a sector positively improving the lives of many who would otherwise lose out;
4. a sector contributing to the revitalisation of local communities throughout the country;
5. a sector providing a range of local services on which people depend;
6. a sector accepted as a more democratic and inclusive way of doing business;
7. a sector strongly supported by, and in partnership with Government, which recognises its economic and social value to the country
8. a sector which is taught in primary, secondary and third level education;
9. a sector which has built governance, leadership and operational capability to compete in public and private markets;
10. a sector which continues to grow its expertise and size in the Irish economy.

The purpose of the National Policy and Implementation Roadmap for Social Enterprise is to achieve the above Vision. With the unswerving commitment of national and local Government working collaboratively with the sector, it is achievable.



CASE STUDIES

01 Boomerang Enterprises

Provides commercial and private mattress recycling, diverting bulky goods from landfills by disposing of them in an environmentally friendly manner whilst providing local employment.

02 CareBright

A leading innovator and provider of homecare and support services that allows people to live within their own home and within the community.

03 Castleisland E-Centre

An E-Centre “hot-desk” hub and a community run tourist office. Enhancing the social and economic vibrancy of Castleisland and making it a great place to live and work.

04 Cottage Community Shop & Tearooms

Community based Shop & Tearooms, selling local produce, arts and crafts.

05 Croom Community Development Association CLG

Works in the town and surrounding area to encourage and support the development of Croom. Bringing about change and bridging gaps in service and facilities, to improve and enhance the attractiveness of the town.

06 Duhallow REVAMP

Dedicated to furniture restoration and upcycling services and sales, offering affordable, good quality second hand furniture. Provides employment for those distant from the labour market.

07 DFBA Community Enterprises CLG

DFBA promotes an integrated development approach in the rural parish of Dunhill-Fenor in Co Waterford involving four distinct areas, Dunhill, Fenor, Boatstrand, Annewstown. Its mission involves collaborating with all other voluntary organisations in place and adding value to their work by developing new enterprise, education, environment, social, heritage, health, security and tourism projects with a strong emphasis on avoiding waste, duplication and displacement.

08 Food Share Kerry

Set up to help local charity groups combat food poverty

09 G.I.Y – Grow It Yourself

Dedicated to supporting people to grow some of their own food at home, school, work or in the community.

10 Kildorrery Community Development CLG

Set up to promote and develop the local community

11 Lullymore Heritage & Discovery Park

Visitor attraction on 60 acres in West Kildare with local heritage/environmental exhibitions, woodland peatland walks and indoor and outdoor play areas.

12 Mayo Abbey Training Centre

Accredited Training Centre currently delivering a wide range of Training Programmes at various levels

13**Mobile IT**

Provides Information Technology Skills to enhance people and community knowledge through delivering a range of IT courses by a highly qualified team of trainers to local and rural areas of Munster.

14**Mullingar Employment Action Group**

Set-up to tackle unemployment in Mullingar.

15**Partas**

Four Enterprise centres providing training in personal and business development, computer skills, mentoring programmes and micro-financing.

16**Pesky gNATs**

Computer Games and Apps to Support Mental Health in Young People and Adults with an Intellectual Disability.

17**ReCreate Ireland**

Making art materials and educational supplies accessible and affordable to every sector of the community for all kinds of creative purposes.

18**Shuttle Knit**

A partnership between the settled and Traveller communities, creating a workplace where everyone is treated equally. Their knitwear is sold all over Ireland as well as in Scotland and North America.

19**Space Engagers**

Enables communities to engage with local issues and space that matters to them through interactive mapping, bringing together local observations, knowledge and ideas.

20**St. Munchin's Community Enterprise Centre**

Plays an active role in promoting and developing the community to reach its full potential. By providing a meeting space, supporting the older members of the community and identifying and responding to local needs.

21**The Green Kitchen Café & Garden Centre**

A Community Coffee Shop, a Community Garden Centre, Meeting Rooms and a Training Room, Men's Shed for people with disabilities.

22**Vantastic**

Offers accessible transport services to people with disabilities, citizens (65+) with mobility impairments.

23**Innovation Wexford**

(Wexford Community Development Association Society)

Its Group Divisions of Wexford Enterprise Centre, Datagroup, and Recycling 2000, have developed into successful job creating Social Enterprises that also deliver social advancement for individuals combating disability, social disadvantage and marginalisation throughout County Wexford.

Case Study 1

Social Enterprise in Ireland

Boomerang Enterprises

Address: Unit 2B, Northside for Business Campus, Ballyvolane, Cork.

Website: <http://www.boomerangenterprises.ie/>

Provides commercial and private mattress recycling, diverting bulky goods from landfills by disposing of them in an environmentally friendly manner whilst providing local employment.

Motivation for establishing the Social Enterprise

The project emerged from a Global Action Plan Training delivered in Farranree in 2012, with the purpose of addressing environmental and socio-economic issues in the Northside of Cork City.

The main Environmental driver is to tackle the problem of mattresses going to landfill or being illegally dumped.

The main Socio-economic driver being the provision of meaningful employment and training opportunities in an area of significant social disadvantage.

Boomerang is a member of the Communications Network Research Institute (CNRI).

Services and Goods provided

Boomerang takes in post-consumer mattresses from retailers, civic amenity sites, accommodation providers and individuals for de-construction. They provide a service of a completely traceable and sustainable dismantling and recycling of mattresses. Income is generated with all recovered materials being brought to market and sold for recycling, e.g. steel springs are sold to scrap metal processors.



Age of Enterprise: 4 years

Income Range: €50,000-100,000

Employment Range: 5-10

Case Study 2

Social Enterprise in Ireland

CareBright

Address: Ardykeohane, Bruff, Co.Limerick

Website: <http://www.carebright.ie/>

A leading innovator and provider of homecare and support services that allows people to live within their own home and within the community.

Motivation for establishing the Social enterprise

CareBright was established as part of a European white paper, in partnership with Limerick Enterprise Board, Ballyhoura Development and other community organisations. The main aim in 1998 was to create employment in rural blackspots. They are now a standalone business with no CE or Pobal funding, operating in a very competitive market.

Services and Goods provided

CareBright is the leading provider of quality homecare in Munster delivering over 300,000 caring hours per year. A person-centred philosophy of support means they tailor care packages to each individual by caring and supporting people to live independently.

Income is derived from dedicated services in the following areas:

- Homecare Services, i.e. meal prep, medication assistance, errands, personal care, etc.
- Respite and Post-Operative Care
- Palliative Care
- Dementia Care
- Development of Ireland's first purpose-built community for those living with Dementia. In addition the Café and Hairdressers is open for business to those in the community.

Age of Enterprise: 20 years

Income Range: €5 million plus

Employment Range: 250+



Case Study 3

Social Enterprise in Ireland

Castleisland E-Centre

Address: Castleisland, Co. Kerry

An E-Centre “hot-desk” hub and a community run tourist office. Enhancing the social and economic vibrancy of Castleisland and making it a great place to live and work.

Motivation for establishing the Social Enterprise

Castleisland has suffered more acutely in the economic downturn and ensuing recession. The town has seen factories, businesses and services subsequently close. This has led to a reduction of quality in all aspects of life for those living in Castleisland. The core objective of this project is to enhance the social and economic vibrancy of Castleisland and make it a great place to live and work.

This objective is being achieved by increasing business and community activity, exploring the provision of additional commercial space for start-ups, existing businesses, and entrepreneurs. It aims to promote social enterprise initiatives, to encourage entrepreneurship within the town, allowing businesses to expand and create jobs, hence enhancing the social and community infrastructure.

Services and Goods provided

The refurbishment of ‘Carnegie Building’ (the old library) and making it available to the Castleisland Chamber Alliance to use as an Enterprise ‘E’ Centre.

Rents are received from the E-Centre ‘hot-desk’ hub facility. Meeting rooms are available for hire to local groups and organisations.

The refurbishment has made it more attractive and a sustainable resource for the community as well as a social facility in the town centre.



Case Study 4

Social Enterprise in Ireland

Cottage Community Shop & Tearooms

Address: Loughmore, Templemore, Tipperary

Website: <https://www.facebook.com/The-Cottage-Loughmore-506732749343475/>

Community based Shop & Tearooms, selling local produce, arts and crafts.

Motivation for establishing the Social Enterprise

Loughmore is a small rural community in North Tipperary, with the village situated 6 miles from Thurles and 3 miles from Templemore. It has a population of 800, with approx. 300 houses in the parish. At one stage Loughmore was a thriving community that had 7 businesses but sadly each one closed, except for one local pub that opened in the evenings. As a result, the village was dying: In 2011 two local ladies – Maeve O’Hair & Mary Fogarty - were separately having ideas of doing something to address the situation. Maeve had been actively thinking of opening a tea room in order to create a social space in the village and Mary was thinking of reopening her parent's grocery shop.

By chance both ladies met and shared their thoughts, which ultimately led to them coming together to set up The Cottage Loughmore. Today it is a successfully operated sustainable business with wonderful growth potential.

Services and Goods provided

Community based Shop & Tearooms, selling local produce, arts and crafts - including homemade breads, cakes, confectionery, jams, preserves, honey, locally grown vegetables and basic groceries, sweets and ices, plus sundry items. The tearooms provide a warm and welcoming haven for every customer.



Age of Enterprise: 6 years

Income Range: €100,000 - €250,000

Employment Range: <5

Case Study 5

Social Enterprise in Ireland

Croom Community Development Association CLG

Address: Croom Civic Centre, Main Street, Croom, Co. Limerick.

Website: <http://www.cromadh.com>

Works in the town and surrounding area to encourage and support the development of Croom. Bringing about change and bridging gaps in service and facilities, to improve and enhance the attractiveness of the town.

Motivation for establishing the Social Enterprise

Croom Community Development Association CLG (CCDA) through the provision of services and facilities endeavours to ensure the community has a space to meet, develop and grow together. CCDA helps to co-ordinate, participate and assist in, the social, environmental and cultural development of Croom and its environs and encourages sporting activities for the development of youth and the community in general.

Services and Goods provided

Revenue is generated from 3 major facilities operated by CCDA.

The Sports Complex supports the development of sports and youth related activities. The Centre has a very large sports hall which can accommodate basketball, badminton, volleyball, soccer and other team sports as well as circuit training and a climbing wall, a small gym as well as a youth café. Members are charged for the sporting activities, plus the hall is available for hire. Footfall is 1,000 people per week.

The Civic Centre is a social and leisure hub for the community. The Centre has a 48- seater restaurant, a 100-seater function room, a small meeting room, internet café and library. The Centre is hired for meetings, functions and parties. Public computers can be used by the hour for a nominal fee.

The Enterprise Centre supports businesses through office space rental and also through the hire of meeting and training rooms. Currently 9 companies are located here.

Age of Enterprise: 30 years

Income Range: €50,000-100,000

Employment Range: 20+



Case Study 6

Social Enterprise in Ireland

Duhallow REVAMP

Address: Newmarket, Co. Cork

Website: <https://www.facebook.com/DuhallowFurnitureRevamp/>

Dedicated to furniture restoration and upcycling services and sales, offering affordable, good quality second hand furniture. Provides employment for those distant from the labour market.

Motivation for establishing the Social Enterprise

To provide safe, clean, pre-loved, affordable furniture and household items to disadvantaged individuals including the elderly and low-income households.

An underlying social objective of Duhallow REVAMP is to employ people who are distant from the labour market. Duhallow REVAMP aims to promote a cleaner environment by reducing the volume of waste for disposal, offering a green alternative as well as assisting local authorities in both Cork and Kerry to meet recycling targets and diversion from landfill objectives.

Services and Goods provided

Re-usable community donated furniture and household items including chairs, tables, lockers, chest of drawers, mirrors, wardrobes, shelving, kitchens, curtains, beds etc. are collected directly from the public. The items are then inspected and screened before restoration and repair by the REVAMP team to ensure that they meet health and safety and cleanliness standards. Items that do not meet these requirements are dismantled for use of their materials and components. Duhallow REVAMP charges for a refurbishment service for those who wish to have their old pieces up-cycled and revived. Since January 2016 it is estimated that Duhallow REVAMP has diverted over 43.2 tons of waste that would potentially have ended up in landfill. We have redistributed 40.1 tons back into the community through sales and refurbishment.

Age of Enterprise: 7 years

Employment Range: <5



Case Study 7

Social Enterprise in Ireland

DFBA Community Enterprises CLG

| | |
|-----------------|---|
| Address: | DFBA Community Enterprises Ltd., Ballyphilip, Dunhill, Co. Waterford |
| Website: | http://www.dunhillcopark.com ; |
| Website: | http://www.coppercoastgeopark.com ; |
| Website: | http://www.dunhilleducation.com/ |

Motivation for establishing the Social Enterprise

Loss of two teachers from each local national school leading to an increased pupil-teacher ratio. Emigration and migration of the core population has reduced the competitive capacity of local GAA clubs.

Leader Partnership County Enterprise Boards were set-up to support ground-up, self-reliant development initiatives within the communities.

Services and Goods provided

1. DFBA is the parent company that encourages and oversees developments by subsidiary companies and voluntary community project teams. Activities include: accommodation of private and social enterprises in enterprise centre units, education, childcare, elderly care, environment best practice development, geological conservation, cultural and recreational interests, home and personal security, health & safety, heritage and tourism and creative industries.

Revenue comes from 3 main entities:

Dunhill Copark charges rent for units in the Enterprise Centre. They rent serviced units and offices to small to medium sized businesses. There are also conference and catering facilities for hire.

Dunhill Education Centre offers a wide range of training courses. A Café is open to the public from Monday to Friday, they also provide an outside catering service.

The Copper Coast Geopark has a Visitor Exhibition Centre, a Café and a Craft shop selling local produce. Events are held regularly in the Visitor Centre with tickets available to purchase.

Age of Enterprise: 24 years

Income Range: €50,000-100,000

Employment Range: 70+

DFBA promotes an integrated development approach in the rural parish of Dunhill-Fenor in Co. Waterford involving four distinct areas, Dunhill, Fenor, Boatstrand, Annestown. Its mission involves collaborating with all other voluntary organisations in place and adding value to their work by developing new enterprise, education, environment, social, heritage, health, security and tourism projects with a strong emphasis on avoiding waste, duplication and displacement.



Case Study 8

Social Enterprise in Ireland

Food Share Kerry

Address: Waterloo Lane, Tralee, Co. Kerry

Website: <http://fsk.ie/>

Set up to help local charity groups combat food poverty.

Motivation for establishing the Social Enterprise

In response to the dual issues of food poverty and food waste the local development company North East West Kerry Development (NEWKD) and St Vincent de Paul (SVP) put together a multi-stakeholder group in order to develop Food Share Kerry. The decision was made to operate as a social enterprise, charging charities reduced rates for food, which is then redistributed to those most in need. Affordability is a key issue – with low income houses spending up to a quarter of their income on food

Services and Goods provided

Quality surplus food is rescued from food producers and made available to organisations that redistribute it to those disadvantaged and most in need. The food is sorted and graded at our distribution depot in Waterloo Lane, Tralee. We distribute 3 days per week to over 22 charitable groups and support both families and the particular target groups of the charities. The charities are charged reduced rates for the food they receive.

The project has three key objectives:

Social objective; to reduce food poverty through the distribution of surplus and/or donated food to those who need it.

Environmental objective; to reduce food waste through the collection of surplus food from food producers which would otherwise be going to landfill. Over 10 tonnes of waste has been diverted

Economic and People development; in supporting employment providing opportunities for development and growth through experience in warehouse, van driving, distribution, customer service and administration.



Age of Enterprise: 3 years

Case Study 9

Social Enterprise in Ireland

G.I.Y - Grow It Yourself

Address: 2nd Floor, Williamstown Centre, Ardkeen, Waterford

Website: <http://www.GIY.ie>

Dedicated to supporting people to grow some of their own food at home, school, work or in the community.

Motivation for establishing the Social Enterprise

In Ireland over 90% of fruit and vegetables consumed are imported, two-thirds of which could be grown here. Michael Kelly worked in the IT business for ten years, but his life changed the day he noticed that a bulb of garlic he was about to buy in his local supermarket was imported from China.

He established a "GIY group" locally so he could meet and learn from other amateur food growers. In 2009 he founded GIY to inspire and support others to grow their own food. Research shows that food growers have better diets and eating habits; show higher levels of knowledge about nutrition; recycle and compost more, and waste less food.

Services and Goods provided

GROW HQ – food education and retail centre in Waterford City with an online shop selling books and kits to grow your own. A café is open to the public. Tickets are sold for regular events such as cookery demonstrations, education programmes and guest speakers.

Food-growing campaigns and programmes for schools, workplaces and the community with corporate, local government and philanthropic partners such as Innocent, Energia, Cully & Sully.

GIY@Work – fees are charged to implement corporate wellness programmes, training employees to grow food at work as a lever to a healthier and more sustainable lifestyle.

In 2018, GIY will support 6,000 GIY groups/projects and around 830,000 people to grow some of their own food in the UK and Ireland.

Age of Enterprise: 10 years

Income Range: €1 million plus

Employment Range: 30 +



Case Study 10

Social Enterprise in Ireland

Kildorrery Community Development CLG

Address: Community Office, Main Street, Kildorrery, Co. Cork

Website: <http://www.kildorrerycommunity.ie>

Set up to promote and develop the local community.

Motivation for establishing the Social Enterprise

To address the serious decline in the village as a result of shops/pubs and services closing; limited employment opportunities and large numbers of young people subsequently emigrating. KCD set up a number of social enterprises to address and halt this decline by providing essential services that were needed in the community such as social housing, a cottage market, a restaurant and a Christmas and Summer Festival.

Traded income is derived mainly from social housing and the café/restaurant. Profits made are used to invest back into the community to allow for further expansion of other much needed services.

Services and Goods provided

Social housing now provides accommodation for ten elderly people. A garden on the grounds of the social housing allows the residents to grow their own vegetables and meet each other. A village park with a lit walking track is used by both the senior citizens and community residents.

Cafe/Restaurant is the only facility in the village serving food. The front of the café/restaurant is a community office, offering a secretarial service for people in the village and a Tourist Office.

Cottage Market – a fortnightly market of homemade, home grown produce; they also sell the surplus produce from the community garden.

Christmas & Summer Festival events - the old Creamery building, which was renovated and made safe for use has been used to hold a number of social and fundraising events. It is also hired out by local groups and businesses.

Age of Enterprise: Social housing 20 years.

Other ventures: between 1 & 4 years

Income Range: €50,000 - €100,000

Employment Range: 30 +



Case Study 11

Social Enterprise in Ireland

Lullymore Heritage & Discovery Park

Address: Lullymore Rathangan Co Kildare

Website: <http://www.lullymoreheritagepark.com>

Visitor attraction on 60 acres in West Kildare with local heritage/environmental exhibitions, woodland peatland walks and indoor and outdoor play areas.

Motivation for establishing the Social Enterprise

An alternative enterprise was needed with the pending close of Bord na Mona and the E.S.B. The community was dependent on both for employment. Tourism was identified as a sustainable means by which the community could supplement their income.

A committee was established to attract tourism to an area not historically associated with it and provide sustainable long-term employment to local people.

Services and Goods provided:

A fee is charged for general admissions. The Park is a venue for international tours, family visits, field trips, seasonal events, birthday parties and corporate events.

The centre has a host of facilities i.e., Heritage / Environmental exhibitions and walkways, Peatland Heritage Railway, Pet Farm, Funky Forest, Outdoor Play Area, Road Train, Café, Woodland Walks, Themed Gardens, Treasure Hunts, 18 Hole Crazy Golf. There is an admission charge for these activities.



Age of Enterprise: 25 years

Income Range: €500,000-750,000

Employment Range: 50+ (including seasonal)

Case Study 12

Social Enterprise in Ireland

Mayo Abbey Training Centre

Address: Mayo Abbey, Co. Mayo

Website: <http://www.mayoabbey.ie/training/>

Accredited Training Centre currently delivering a wide range of Training Programmes at various levels.

Motivation for establishing the Social Enterprise

With a declining population and high unemployment, the village was becoming very rundown. Community members got together to form a Community Council. The Council applied for, and were approved to run a FAS Community Employment Scheme, providing employment opportunities for the local population.

Services and Goods provided

Mayo Abbey successfully researched, started and continue to oversee many projects, all of which complement each other and vital in developing the community, attracting people to remain living in the village. These projects deliver services to almost every age group from infants and parents, to youth groups, the unemployed, the elderly and those at risk in the community.

The following goods and services provide an income for Mayo Abbey: Community Employment Project; Childcare Centre; Resource Centre; Community Transport Project; Meals on Wheels; Organic Garden Centre; Training Centre; Cookery School; Housing Project; Village Sewage System.

Age of Enterprise: 25 years

Employment Range: 20+



Case Study 13

Social Enterprise in Ireland

Mobile IT

Address: Main Street, Bruree, Co. Limerick

Website: <http://mobileit.ie/>

Provides Information Technology Skills to enhance people and community knowledge through delivering a range of IT courses by a highly qualified team of trainers to local and rural areas of Munster.

Motivation for establishing the Social Enterprise

The Digital Literacy Report 2009 highlighted that there is a real need in Ireland for IT Training. Considering

unemployment rates, and the number of those with a disability at a local level, there is a huge opportunity for training in the locality, along with the requirement for IT professionals. The greatest area in which there is a skills deficit for younger people is in the use of word processing and spreadsheet applications. Investment in basic skills, specifically those needed to grow digital literacy, is a critical factor in supporting the overall growth of an economy and development of society. Mobile IT, a social enterprise, which is mobile and rural, is in the ideal position to train this cohort of learners in basic and advanced IT skills.

Services and Goods provided

Over 50% of income is traded with revenue derived from training courses. Mobile IT aims to provide IT skills to those marginalised members of society who either can't or won't access mainstream education, by bringing the training to a place more accessible to them. They also provide IT training for small businesses in more rural areas at a time and place which is more convenient to them.

The core areas of expertise are IT Skills for Beginners, Microsoft Office, Web Design, Digital Design, Digital Marketing, Payroll, Computerised Book-Keeping and Coding for children. Reaching clients through having the ability to travel to rural locations, the Mobile Classroom delivers remote training in rural areas.

Age of Enterprise: 16 years

Employment Range: 5-10



Case Study 14

Social Enterprise in Ireland

Mullingar Employment Action Group

Address: Bishopsgate Street, Mullingar, Co. Westmeath

Website: <http://www.meag.ie/>

Set-up to tackle unemployment in Mullingar.

Motivation for establishing the Social Enterprise

Mullingar Employment Action Group (MEAG) is a community supported organisation which was formed to help tackle unemployment in the region. The continuing aims and objectives of MEAG are to support the development of enterprises which provide employment, support entrepreneurship through an Enterprise Centre and promote Mullingar town. Through European Partnership Projects, MEAG learns about best practices in developing programmes. MEAG's Enterprise Centres are home to 26 SME's directly supporting over 200 jobs.

Services and Goods provided

Mullingar Community Enterprise Centre is targeted at start-ups and small businesses, offering office space to rent along with access to business services and professional business advice.

Mullingar Enterprise, Technology & Innovation Centre provides a number of larger Enterprise spaces for lease to small to medium sized enterprises, helping with job creation in Mullingar. Tenants have access to key services such as mentoring and one-to-one business support to enable them to build their business.

Mullingar Recycling Resource Centre collects and recycles glass, paper, cardboard and metals, along with a confidential document shredding service. Community Employment & Job Initiative Scheme

MEAG sponsors the development of the community through marketing schemes such as 'Job Initiative' and 'Community Employment'. Participants are placed in local organisations to gain experience.

European Multilateral Projects, MEAG is actively involved in a number of Erasmus+ projects in the field of Vocational Education and Training.



Age of Enterprise: Overall 32 years.

Enterprise centres are newer.

Case Study 15

Social Enterprise in Ireland

Partas

Address: Bolbrook Enterprise Centre, Avonmore Road, Tallaght, Dublin 24

Website: <http://www.partas.ie/Home.aspx>

Four Enterprise centres providing training in personal and business development, computer skills, mentoring programmes and micro-financing.

Motivation for establishing the Social Enterprise

Partas formerly known as Get Tallaght Working was originally established to highlight and address the high levels of unemployment and those disadvantaged within Tallaght in the early 1980s.

The economic climate in Ireland at this time was dismal; Tallaght was particularly acute, with unemployment levels significantly higher than national levels. The founding members believed that enterprise creation and self-employment offered real opportunities to those who found it difficult to find employment. The goal was to alleviate poverty in Tallaght.

Our underlying premise is that economic activity offers people a way out of poverty, and as such all of our work centres around supporting those who become self-employed.

Services and Goods provided

Partas manages four Enterprise centres in Tallaght deriving income from renting 140 units to local businesses. These businesses employ 400 people locally. Partas manages 71,000 square feet of Community & Enterprise space with advice and support given to over 6000 enterprise clients.

Initiatives include:

Priority Brewing: First microbrewery in Tallaght

Kitchen Time: Rentable commercial kitchen space

The Country Fare: Centre for artisan food

WEBNET tailored training for women to create thriving businesses.



Age of Enterprise: 34 years

Income Range: €1 million plus

Employee Range: 30 - 50

Case Study 16

Social Enterprise in Ireland

Pesky gNATs

Address: University College Dublin

Website: <http://www.peskygnats.com/>

Computer Games and Apps to Support Mental Health in Young People and Adults with an Intellectual Disability

Motivation for establishing the Social Enterprise

Depression and anxiety are the most common psychological problems experienced by children and adults. Untreated they have a significant impact on the lives of individuals, families and communities in our society. Cognitive Behaviour Therapy (CBT) is the psychological intervention of choice for adults. However, CBT for children or adults with an Intellectual Disability (ID) is difficult because it in part requires thinking in quite abstract ways about the experience of anxiety or low mood. Pesky gNATs computer games and apps are designed to help mental health professionals deliver CBT interventions to young people by combining gaming and mobile technology with the highest quality psychological content.

It uniquely combines three components (1) on-line video-based training for therapists, (2) computer games therapists play with young people during therapy sessions, (3) smartphone apps supporting the transfer of therapy skills to home, school and community life.

Services and Goods provided

Pesky gNATs offer a range of mental health computer games, apps, workbooks, websites and training videos either for free or at reduced cost.

The most popular piece of technology is the Mindful Gnats App. It has been downloaded by over 11,000 young people and adults worldwide. The top 5 downloading countries are 1. USA 2. China. 3. UK. 4. Ireland and 5. Australia.



Case Study 17

SocEadúatÉirteapriúil na hÉireand

ReCreate Ireland

Address: Unit 8, Block K, Ballymount Drive, Ballymount Ind. Estate, Dublin 12

Website: <http://www.recreate.ie>

Making art materials and educational supplies accessible and affordable to every sector of the community for all kinds of creative purposes.

Motivation for establishing the Social Enterprise

ReCreate opened its Warehouse of Wonders in Ballymount, with the vision of 'becoming a national model for best practice in social enterprise' centred on creativity through reuse.

They are passionate about bringing more play and creativity into people's lives, championing sustainable environment and delivering on a number of key social impacts. The mission of ReCreate is to divert end-of-line materials from landfill by collecting and redistributing unused materials as low-cost supplies for art, education, and social services. The educational mission is to increase creativity and lateral thinking, while at the same time raising awareness of school children and the general public regarding the green benefits of reusing materials.

From the very beginning, the key to this project has been gaining access to unlimited volumes of diverse materials from suppliers such as Smurfit Kappa, Tilestyle, Avoca, Irish Packaging ReCycling, Bewleys, IKEA and Musgraves.

Recreate has over 250 suppliers who provide excess materials at no cost. In 2017 they distributed over 210 tonnes of materials through their warehouse.

Services and Goods provided

ReCreate sells arts and crafts materials from their 'Warehouse of Wonders'. They run professional workshops and eco-friendly training programmes.

Age of Enterprise: 5 years

Income Range: €350,000 - €450,000

Employment Range: 11-20



Case Study 18

Social Enterprise in Ireland

Shuttle Knit

Address: CEART, Crinion Park, Wicklow Town

Website: <http://www.shuttleknit.com>

A partnership between the settled and Traveller communities, creating a workplace where everyone is treated equally. Their knitwear is sold all over Ireland as well as in Scotland and North America.

Motivation for establishing the Social Enterprise

Sr. Caitriona set up a meeting place in her home for women of the Traveller community to come together, socialise and enjoy some crafting. At some point, she acquired some knitting machines and moved the group to Rathnew, converted a small hall into classrooms, took on a manager and knitting teacher. In 2000 CEART was built and became The Wicklow Traveller Centre, the women moved there along with their knitting machines, looms and their extensive skillset. Shuttle Knit is a social enterprise and a partnership between the settled and traveller communities. Their aim is to create and maintain an environment where everyone is treated with equality, respect and valued for the work they do. 'Knitting Communities Together' encompasses their ethos.

Services and Goods provided

They design and manufacture a range of innovative contemporary women's knitwear which holds a strong identity within the market place. Shuttle Knit has grown into a recognisable brand.

Revenue streams are threefold, wholesale, retail and embroidery. Currently Shuttle Knit is stocked in 19 outlets around the country, as well as Scotland and North America and is seen in various craft fairs. They hold concession space in The Irish Design Gallery, Powerscourt & Dun Laoghaire. Recently, their web site has been fully upgraded resulting in online selling revenue. Examples of projects are: The Ryder Cup, yarn bombing for Vodafone and the complete set for Kilbeggan whiskey.

Age of Enterprise: 25 years

Income Range: €0-50,000



Case Study 19

Social Enterprise Ireland

Space Engagers

Address: UCD Earth Institute, O'Brien Centre for Science, Belfield, Dublin 4

Website: <http://www.spaceengagers.org>

Enables communities to engage with local issues and space that matters to them through interactive mapping, bringing together local observations, knowledge and ideas.

Motivation for establishing the Social Enterprise

Space Engagers was established by Aoife Corcoran and Philip Crowe during their doctoral studies in UCD funded by the EU FP7 TURAS project. Space Engagers is a spin-out from this project and started with a demonstrator project called Reusing Dublin from the TURAS project, exploring the ability of interactive mapping processes to engage citizens with local issues, gather useful local data, and co-create solutions. Reusing Dublin was launched in April 2015 and succeeded in engaging over 4000 citizens with the issue of vacant and underused space in Dublin. The project was adopted by Peter McVerry Trust in December 2016 who now use it to raise awareness of vacant homes, crowd-source data, and identify potential projects for bringing buildings back into use as homes. As a result, a research group and social enterprise called Space Engagers was set up with funding from Social Innovation Fund Ireland.

Services and Goods provided

Interactive mapping technologies (mobile and web apps) that enable citizens to engage with their place and local issues; gather essential data on these issues that is distributed throughout communities or large areas (and otherwise resource intensive to obtain); and with this engagement and data, co-create positive change together. Interactive mapping technologies enable many individuals to contribute observations and knowledge to a shared map and reveal the bigger picture. Space Engagers has started to generate trading income as part of pilot projects. An example project is a social enterprise mapping initiative with the TCD Centre for Social Innovation and the National Economics University Centre for Social Innovation and Entrepreneurship in Hanoi, Vietnam.

Age of Enterprise: 1 year

Income Range: In start-up phase

Employment Range: <5



Case Study 20

Social Enterprise in Ireland

St. Munchin's Community Enterprise Centre

Address: Kileely Court, Kileely, Limerick City

Website: <http://www.stmunchinscommunitycentre.ie/>

Plays an active role in promoting and developing the community to reach its full potential. By providing a meeting space, supporting the older members of the community and identifying and responding to local needs.

Motivation for establishing the Social Enterprise

The principle aim of the community enterprise is to combat isolation and social exclusion within the area. This is achieved through the provision of affordable services. Examples include: community café, meals on wheels, beauticians/hair salon, allotments, and recreational activities.

Services and Goods provided

A wide variety of products and services are sold through the following channels: Community café, meals on wheels, recreational services, employment and training opportunities for marginalised groups, Be Beautiful Salon, hair training campus, allotments, and St. Lelia's Age Friendly Community Education Campus.

A recent initiative launched by St. Munchin's is Hope Montessori. Hope is a Montessori for Autism Spectrum Disorder (ASD) and mainstream children. The aim is to help parents and their child with ASD to accomplish as much as possible including speech and language therapy twice a month, play therapy twice a month, psychology review once a month, regular coffee mornings, daily and weekly report for each child, Applied Behaviour Analysis (ABA) and The Picture Exchange Communication System (PECS), Montessori, Early Intervention, One to One sessions and after school activities.

Age of Enterprise: 1 1 years

Income Range: €750,000 - €1,000,000



Case Study 21

Social Enterprise in Ireland

The Green Kitchen Café & Garden Centre

Address: 12 Walkinstown Green, Dublin 12 (Café & Garden Centre);

Richmond Barracks, Inchicore, Dublin 8 (Café);

Rediscovery Centre, Ballymun, Dublin 9 (Café)

Website: <http://walk.ie/the-walk-family/walkinstown-green-social-enterprises-ltd/>

A Community Coffee Shop, a Community Garden Centre, Meeting Rooms and a Training Room, Men's Shed for people with disabilities.

Motivation for establishing the Social Enterprise

The Green Kitchen Café & Garden Centre was established in 2014 by WALK (the Walkinstown Association for People with Intellectual Disabilities). WALK's mission is to be leaders in a movement for change, empowering people with disabilities to live self-determined lives in an equal and inclusive society. People with disabilities in Ireland should be as likely to be in employment as their non-disabled peers.

The Green Kitchen provides training, work experience and supported employment opportunities to people with disabilities and to other persons who are distanced from the labour market.

Services and Goods provided

Services; The Social Enterprise provides supported employment, training and work experience for people distanced from the labour market. At present the focus is on supporting people with disabilities, but in future this may expand to include persons from other groups, such as early school-leavers, long term unemployed, etc.

Trading activities; Cafés sell a range of hot & cold food (breakfast and lunches), plus hot and cold beverages. The Garden Centre sells a range of indoor & outdoor plants and garden products.

Age of Enterprise: Established in 2014. The Walkinstown Green Café & Garden Centre opened in September 2014. The café in the Richmond Barracks opened in January 2017. The café in Ballymun opened in May 2017.

Income Range: €250,000 - €500,000

Employment Range: 20-30



Case Study 22

Social Enterprise in Ireland

Vantastic

Address: Chase House, City Junction Business Park, Northern Cross, Dublin 17

Website: <http://www.vantastic.ie>

Offers accessible transport services to people with disabilities, citizens (65+) with mobility impairments.

Motivation for establishing the Social Enterprise

Vantastic offers accessible transport services to people with disabilities, citizens (65+) with mobility impairments and not for profit groups.

The Vantastic services originated from the total lack of accessible transport in the early 1990s and the efforts made by the Centre for Independent Living Dublin to establish a transport division (called Vantastic) with the twin aims of providing an accessible transport service for people with disabilities and also to act as a policy lobby group on government.

Services and Goods provided

Vantastic generates income through their Accessible Transport Services, they operate a fully regulated Accessible Minibus Service (Current Fleet 45) and a Wheelchair Accessible Rental Car Services (Current Fleet 13).

Vantastic has in the region of 200 organisational and around 7,000 individuals registered members who pay subsidised fares for the transport services that they use. Vantastic has also won various contracts on the open market for the delivery of specialised transport for people with mobility problems. It has developed joint partnerships, especially with local government, to deliver discounted local services for older people.

Age of Enterprise: 18 years

Income Range: €2 million plus

Employment Range: 50-70



Case Study 23

Social Enterprise in Ireland

Innovation Wexford

(Wexford Community Development Association Society Ltd)

Address: Strandfield Business Park, Kerlogue,
Rosslare Road, Wexford.

Website: www.wec.ie www.datagroup.ie

Its Group Divisions of Wexford Enterprise Centre, Datagroup, and Recycling 2000, have developed into successful job creating Social Enterprises that also deliver social advancement for individuals combating disability, social disadvantage and marginalisation throughout County Wexford.



Motivation for establishing the Social Enterprise

Innovation Wexford believe passionately, that Social Enterprise once delivered professionally, with a clearly defined vision, a sustainable economic model, and the ability to address social needs within the community in which it is based, has the real opportunity to create thousands of jobs in Ireland. This belief played a fundamental role in its decision to establish its social enterprise divisions of Wexford Enterprise Centre, Datagroup and Recycling 2000 which now employ over 30 staff.

Services and Goods provided

Wexford Enterprise Centre: Is a dynamic Enterprise and Innovation Hub located two kilometres from Wexford Town. It is one of Ireland's first and largest such facilities and the Centre played a fundamental role in the development of the model most Community owned Enterprise Centres follow today. From its 60,000 square facility it offers a complete range of services and facilities to its 40 Start up and SME enterprises including a fully serviced reception, premium Conference, Training and Meeting rooms together with high speed Fibre Broadband. A 50 seat Cafe, their new co-working Incubator called "The Cube" and access to onsite free car parking ensures tenants needs are catered for at all times.

Recycling 2000: Reduces the amount of waste entering the waste stream of Co Wexford by collecting and transporting used and discarded newspapers from its collection sites and primary school throughout County Wexford and the South East. It transports the waste paper under licence to its Recycling Facility in Wexford, where it is processed into dust free, bio-degradable and environmentally friendly animal bedding products used within the Dairy and Equine Industries. The quality and consistency of their products have ensured the development of a loyal client base within the agricultural community. It provides employment and training opportunities to individuals who may have become disenfranchised and socially excluded.

Datagroup: Offers clients a comprehensive range of information management solution from its secure base in Wexford. Their document and information services are designed around the specific needs of each client and they ensure that data protection protocols and GDPR is maintained at all times through their various ISO management, security and quality standards. They nurture ability through social inclusion and ensure that staff values are founded on the principles of fairness, equality and integrity. Over fifty percent of their workforce live with disability, but do not allow that to define who they are as professional, equal and valued members of the Datagroup team.

Age of Enterprise: 30 years Income Range: €1 million plus Employment Range: 30-50



triestpress.ie

print & design social enterprise

Athlone Road, Roscommon (090) 66 27 500

Triest Press is a social enterprise providing employment opportunities for people with intellectual disabilities. Specialising in digital print while incorporating traditional hand finishing crafts.