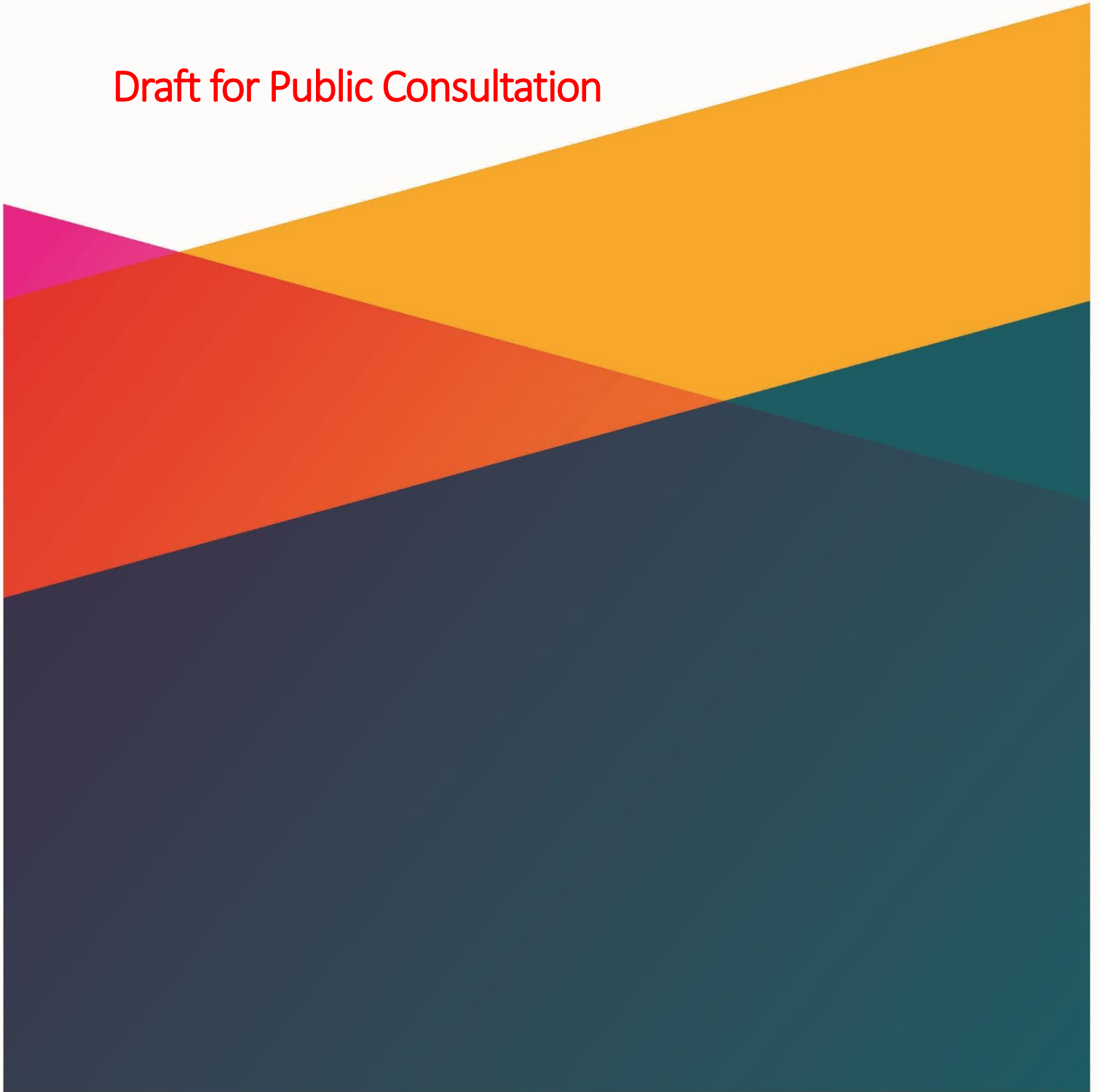




Rialtas na hÉireann  
Government of Ireland

# National Social Enterprise Policy for Ireland 2019-2022

**Draft for Public Consultation**



### ***About this consultation***

The Government has given a commitment to developing and publishing a National Policy on Social Enterprise (see *Action Plan for Rural Development – Action 99*). The development of this policy is being led by the Department of Rural and Community Development and is underpinned by desk research, workshops and consultations with many stakeholders over a period of 18 months.

The Department is now publishing a draft *National Social Enterprise Policy for Ireland* for public consultation. The consultation period will run from **23 April until 14 May 2019**.

### ***How to participate***

The recommended means of response is by email to: [SEConsultation@drcd.gov.ie](mailto:SEConsultation@drcd.gov.ie).

Alternatively, responses can be posted to:

**Social Enterprise Policy Consultation,  
Department of Rural and Community Development,  
Trinity Point,  
10-11 Leinster Street South,  
Dublin 2,  
D02 EF85**

Please include full contact details and the name of the organisation or entity you are responding on behalf of, if relevant.

Submissions should be as concise as possible but in any event should not exceed 10 pages. Any submissions received after the closing date of 14 May 2019 may not be considered.

### ***Freedom of Information***

Respondents are advised that the Department is subject to the Freedom of Information Act 2014 and Data Protection legislation.

Personal, confidential or commercially sensitive information should not be included in your submission and it will be presumed that all information contained in your submission is releasable under the Freedom of Information Act 2014.

### ***What we will do with your response***

Responses will inform the preparation of the National Policy on Social Enterprise. Any submissions received may be published on the Department's website.

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# 1. Introduction

## ***Background***

The Department of Rural and Community Development was established in July 2017 to provide a renewed and consolidated focus on rural and community development in Ireland. The Department's Mission is *"to promote rural and community development and to support vibrant, inclusive and sustainable communities throughout Ireland"*.

In line with this Mission, a key objective of the Department is to offer a policy framework for the development of the not-for-profit sector and to provide a full range of appropriate supports to organisations in that sector to improve their capability to deliver services to individuals and communities, tackle social issues, and contribute to a fairer and more inclusive society.

The not-for-profit sector pursues social objectives through many different forms, including community and voluntary organisations, charities, social innovators and social enterprises. These various models require different types of supports and at different stages to help them to maximise their impact through improved service provision as well as through strengthened organisational capacities.

This *National Social Enterprise Policy for Ireland* is one in a suite of initiatives to support not-for-profit organisations. Other policy initiatives will include the *Strategy to Support the Community and Voluntary Sectors in Ireland*, and a new *National Volunteering Strategy*. It is intended that each of these initiatives will be launched in 2019. Organisations will be best placed, themselves, to select the supports that are available through these initiatives to meet their particular developmental needs.

## ***Social Enterprise in context***

Social Enterprises are enterprises whose objectives are to achieve a social impact rather than making a profit for their owners or shareholders.

They pursue those objectives by trading - or having an ambition to trade - on an ongoing basis through the provision of goods and/or services, and by reinvesting surpluses made (if any) into achieving their social objectives. They are governed in an accountable and transparent way by voluntary Boards.

These characteristics make social enterprises different from mainstream for-profit enterprises. This has often made it difficult for social enterprises to access the type of supports available to other enterprises to improve their business models. The need for improved access to appropriate supports for social enterprises has been highlighted by stakeholders on many occasions and this Policy seeks to address that gap.

Social enterprises are part of the wider social economy<sup>1</sup> and make a valuable contribution to the social and economic progress of Ireland through the creation of jobs and through the delivery of a broad range of services in areas such as homecare, child care, employment activation, retail, hospitality and catering, environmental services, and social housing. They are innovative, entrepreneurial and are increasingly utilising new technologies and creative approaches to address social, socio-economic and environmental challenges.

Given their focus on delivering social impact, social enterprises contribute significantly to the delivery of Government policy goals in areas such as labour market activation, health care, social inclusion, and housing. Many social enterprises work hand-in-hand with public bodies in the delivery of their services. They often provide services that would not otherwise be provided by the State or by private sector providers.

### ***Why we are publishing this Policy***

Notwithstanding their important role in the delivery of services to individuals and communities, social enterprises in Ireland have not yet reached their full potential for a number of reasons, including the absence of a clear policy framework to support their development. A lack of understanding of what social enterprises are, and what they do, has also contributed to a general lack of awareness of social enterprises in Ireland and has made it difficult to collect reliable data on their social and economic impact.

There have been many calls for supports from Government for the development of social enterprise over the last decade. A 2013 Forfás report<sup>2</sup> on the potential of, and opportunities for, social enterprises in Ireland identified, as a prerequisite for growth, the need for a coherent Government policy to be developed, with appropriate institutional oversight and co-ordination. Until recently, supports for social enterprise have been dispersed across a number of Government Departments and this has resulted in a lack of clarity around where policy responsibility for social enterprise lies.

In July 2017, the Government assigned policy responsibility for social enterprise to the newly-established Department of Rural and Community Development. The strategic objectives of the Department include the advancement of the economic and social development of both rural and urban communities, and enabling communities disadvantaged by location or social issues to reach their full potential.

The assignment of responsibility for social enterprise to the Department of Rural and Community Development provides an unprecedented opportunity for policy on social

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<sup>1</sup> The 'Social Economy' includes cooperatives, mutual societies, non-profit associations, foundations and social enterprises. The primary objective of traditional social economy enterprises is to serve the members and not to obtain a return on investment as traditional mainstream companies do.

<sup>2</sup>[https://www.tcd.ie/business/assets/pdf/centre-social-engagement/23072013-Social\\_Enterprise\\_in\\_Ireland-Sectoral\\_Opportunities\\_and\\_Policy\\_Issues-Publication.pdf](https://www.tcd.ie/business/assets/pdf/centre-social-engagement/23072013-Social_Enterprise_in_Ireland-Sectoral_Opportunities_and_Policy_Issues-Publication.pdf)

enterprise to be developed in a coordinated and integrated way alongside policies for the wider non-profit sector, including the *Strategy to Support the Community and Voluntary Sectors in Ireland*, and the forthcoming *National Volunteering Strategy*. Taken together, the Department's policies will provide a full range of supports to organisations that are providing services to communities or tackling social issues, whether through the established community and voluntary approach, or a social enterprise model.

Through this *National Social Enterprise Policy for Ireland*, the Government's objective is to assist the social enterprise model in Ireland to grow and contribute to our social and economic progress. The implementation of the Policy will open new opportunities for social enterprises to address social and environmental challenges, contribute to the revitalisation of local communities throughout the country, and support many of those most vulnerable in society.

It is intended that this Policy, when finalised, will include a series of commitments on the part of Government to be delivered in partnership with social enterprise stakeholders over the next four years, to support a strong and vibrant social enterprise ecosystem in Ireland. The policy will be coordinated centrally by the Department of Rural and Community Development.

### ***A New Policy for a New Era***

This Policy marks the start of a new phase in the development of social enterprise in Ireland. The Government, social enterprises and other relevant stakeholders have a role to play in helping social enterprise to develop and achieve its potential. Implementation of the Policy will therefore best be achieved through a collaborative approach.

The development of the Policy is underpinned by a joint research project undertaken over the period 2017/2018 by the Social Finance Foundation and the Department of Rural and Community Development. It is informed by the findings and conclusions of that research work, and discussions at workshops and consultations as part of that research. It is also informed by other national and international papers on social enterprise, and by many discussions with stakeholders during the policy development process.

The Policy sets out a roadmap for the development of social enterprise over the period 2019-2022. The final draft will include a series of policy measures that will be delivered in partnership with stakeholders over its lifetime. Some of these measures will be delivered in a short time-frame, while others will require on-going development over the lifetime of the policy. Collectively, they will represent a clear pathway for the development of the social enterprise model and will be a key first step on the journey to more effectively supporting social enterprises in Ireland and maximising their socio-economic impact for society.

The Policy is based around 3 Objectives:

- Policy Objective 1: Building Awareness of Social Enterprise**
- Policy Objective 2: Growing and Strengthening Social Enterprise**
- Policy Objective 3: Achieving Better Policy Alignment**

The Government values the experience and expertise of social enterprises and relevant stakeholders, and will seek to strengthen engagement with them in delivering the Policy Objectives.

The Department of Rural and Community Development will co-ordinate the implementation of the Policy across Government and will establish an Implementation Group to oversee its delivery. Continuing the collaborative approach which was a feature of the research project<sup>3</sup>, the Implementation Group will comprise representatives from key Government Departments and social enterprise stakeholders and will meet on a regular basis. It will be chaired by the Department of Rural and Community Development.

In addition to meetings of the Implementation Group, the Department will convene a Social Enterprise Forum on an annual basis to ensure the widest possible engagement with key stakeholders and practitioners and enable them to contribute to the on-going development and implementation of social enterprise policy in Ireland.

While the Policy will run for a four year period, 2019-2022, a review of the Policy will commence after three years, with a view to renewing/updating the policy, as necessary, for a further period.

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<sup>3</sup> The research work was overseen by a Steering Group which included representatives from key Government Departments and social enterprise practitioners.

## 2. Understanding Social Enterprises

### *Defining Social Enterprise*

Many definitions of social enterprise exist globally and a wide variety of organisational forms are adopted by social enterprises around the world. The definition also varies depending on geographic region and cultural backgrounds.

Up to now, there has been no single accepted definition of social enterprise in an Irish context and this has created an inherent difficulty in measuring the prevalence and impact of social enterprises. In order to direct appropriate supports to where they are needed, and to develop metrics around the extent and impact of social enterprise, it is important to define what we mean when we refer to social enterprises in an Irish context.

Arising from the work of the research project and subsequent consultation with key stakeholders, the following definition is used in this Policy to describe social enterprises in an Irish context:

A Social Enterprise is an enterprise whose objective is to achieve a social impact rather than making a profit for its owners or shareholders.

It pursues its social objectives by trading - or having an ambition to trade - on an ongoing basis through the provision of goods and/or services, and by reinvesting any surpluses made into achieving its social objectives.

It is governed in an accountable and transparent way by a voluntary Board and is independent of the public sector. If dissolved, it must transfer its assets to another organisation with a similar mission.

Social enterprises are distinguished from for-profit enterprises and other organisations by displaying all of the characteristics outlined above.

The definition used is consistent with definitions of social enterprises at EU and OECD level.



## ***Social Enterprise internationally***

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

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, including high quality employment, job creation, social cohesion, access to services, social and environmental innovation, promotion of entrepreneurial culture, and local and regional development.

The benefits that accrue from social enterprise activity are both social and economic and include:

- the provision of training, jobs and employment opportunities both in the social enterprise itself and within the wider economy;
- supporting those most vulnerable and those marginalised in society;
- fostering and sustaining local communities, both urban and rural;
- addressing market failures;
- addressing social problems; and
- boosting social capital.

The potential of the social enterprise model is becoming increasingly more apparent at an international level. In an era of better informed and socially and environmentally-conscious citizens, the social enterprise model is likely to gain increased traction as a vehicle for delivering social and societal benefits while also utilising the best components of a commercial model.

Most EU countries have social enterprise policies, strategies or frameworks in place, and the development of social enterprise is strongly supported at EU level.

## ***Social Enterprise in Ireland***

While the term “social enterprise” is relatively new in Ireland, the country has a long tradition of non-State intervention in community and social life which is consistent with the ethos of social enterprise. Many social enterprises have emerged from the community and voluntary sector and build on the work of addressing social challenges in that sector. Other social enterprises have been established by entrepreneurs who have chosen to use the social enterprise model to maximise the social impact of their enterprise and/or their contribution to society.

In the public sector, the Department of Justice and Equality, with the Irish Prison Service and the Probation Service, has recently developed a Social Enterprise Strategy and social enterprise projects to help ex-offenders reintegrate into the labour force.

While there is currently a lack of comprehensive data on the full extent and impact of social enterprise in Ireland – an issue which will be addressed through this Policy - social enterprises deliver a wide range of goods and services and contribute to the achievement of Government policy goals in areas such as labour market activation, health care, social cohesion and rural development.

The spectrum of social enterprise activity in Ireland is wide, and social enterprises take a variety of different forms, including, amongst others:

- Work Integration Social Enterprises (WISEs), which support disadvantaged people to prepare for, and participate in, the labour market,
- Enterprise Development social enterprises which support the creation of other enterprises (e.g. through the provision of office space and facilities),
- ‘Deficient Demand’ social enterprises which seek to meet a demand for goods and services within a community where there is insufficient demand for the operation of a regular market due to inherent economic and social disadvantage or low density of population,
- Environmental social enterprises which focus on environmental sustainability,
- Social enterprises contracted with the public sector to deliver public services in disadvantaged areas and communities.

The activities of some social enterprises can cut across more than one of these areas.

Social enterprise is receiving increased interest in Ireland due to the emphasis being placed on the wider social economy at EU level, the desire of a new cohort of young people to contribute to societal objectives, and a better understanding of the positive socio-economic impacts social enterprises can have for individuals and society as a whole.

In international terms, social enterprise in Ireland has significant potential to grow and develop, and Ireland can draw on its own domestic experience and learn from the experience of other countries to create vibrant social enterprises suited to the economic, social and cultural context in which they operate. Similarly, there is scope to showcase the Irish experience of social enterprise at international level.

## ***Social Entrepreneurship and Social Innovation***

Alongside the concept of social enterprise, other new approaches to creating social value have also developed - in particular social entrepreneurship and social innovation.

Social entrepreneurs and social innovators are an important part of the wider social enterprise ecosystem. They develop concepts and ideas for social good and are often assisted through philanthropic or corporate donations, supporting them, kick-starting them and enabling their ideas to be tested in a real environment.

Social enterprises can often be established as a means of delivering or up-scaling ideas initiated by social entrepreneurs. These types of social enterprises are currently much smaller in number in Ireland, but they typically have more potential to scale up their ideas, both nationally and internationally.

A number of organisations in Ireland provide support to social entrepreneurs and innovators through funding and other measures such as advice, mentoring, training and networking opportunities such as Social Entrepreneurs Ireland and Social Innovation Fund Ireland.

## ***Synergy with the Community and Voluntary tradition***

There is a rich tradition in Ireland of community and voluntary bodies supporting communities by providing services where the private sector or State sector does not deliver such services directly.

The Government acknowledges the contribution which the wider community and voluntary sector makes to addressing social objectives, and many social enterprises have evolved from the work of community and voluntary organisations. Therefore, there are often many similarities between the social enterprise model and the traditional community and voluntary approach. However, social enterprises are differentiated by their more entrepreneurial approach and the generation of revenue from the on-going provision of goods and services.

Some community and voluntary bodies use a social enterprise model to deliver some of their services. However, other services which many of these organisations provide are not suited to such an approach, or are not commercially tradable; therefore, the social enterprise model does not suit all non-profit activities. Other delivery models can, and do, work effectively in the wider community and voluntary sector.

The Government acknowledges the important role of the community and voluntary sector in its *Framework Policy for Local and Community Development*, published in 2016, and is committed to supporting that sector through a *Strategy to Support the Community and Voluntary Sectors in Ireland* which is being developed by the Department of Rural and Community Development in conjunction with the sector.

Collectively, the *Strategy to Support the Community and Voluntary Sectors in Ireland*, this *Social Enterprise Policy*, and the forthcoming *National Volunteering Strategy*, will provide a comprehensive basis for the development and growth of the traditional Community and Voluntary approach and social enterprise model respectively in an aligned way. The Government's objective is to ensure that a full range of appropriate supports are available to all organisations seeking to deliver on social and societal objectives that will support a better Ireland, regardless of the model they use for service delivery.

### **Local Level Support**

#### **Local Authorities**

Local Authorities play a key role in leading the social, economic and cultural development of local areas. Objectives to support social enterprises are set out in many Authorities' Local Economic and Community Plans, which are overseen by Local Community Development Committees. Local Authorities are involved in delivery of a range of supports to social enterprises through initiatives such as the Social Inclusion and Community Activation Programme (SICAP), and the Community Enhancement Programme.

By way of example, Dublin City Council, through its Economic Development Office, partnerships, and the Dublin City Social Enterprise Committee, seeks to encourage and support sustainable and strategic social enterprise and social innovation development in the city. Supports provided include training, mentoring, awards, resources and promotion of social enterprises.

In County Clare, structural support and funding was provided to Kilmaley Meitheal Co. Ltd. by Clare County Council under the 2017 Clare Rural Development Strategy, to develop a model embracing the aging generation within the community.

Local Authorities Ireland has also worked with Social Innovation Fund Ireland (SIFI) and IPB Insurance on the new €1.6 million Social Enterprise Development Fund which will be delivered by SIFI over the period 2018-2020.

#### **Local Development Companies**

There are 49 Local Development Companies (LDCs) across the country, delivering community and rural development, labour market activation, social inclusion, and social enterprise services. LDCs play a valuable role in supporting social enterprises in their communities. For example, in Roscommon, Roscommon Integrated Development Company has a long term commitment to creating an enabling, supportive environment for both emerging and established social enterprises in the county. It utilises a mix of in-house expertise and external funding to support innovation and the effective management of social enterprises through a dedicated Social Enterprise Managers Network and the provision of an annual calendar of bespoke training.

**Local Enterprise Offices (LEOs)**

There are 31 Local Enterprise Offices (LEOs) located across the country, one in each Local Authority Area, which deliver a range of services and act as a 'first stop shop' for those in business or starting a business, including social enterprises subject to certain criteria. They can offer 'soft' supports in the form of training and mentoring (e.g. a Start Your Own Business course). They can only offer direct financial support to microenterprises (10 employees or fewer) in the manufacturing and internationally traded services sectors which, over time, have the potential to develop into strong export entities.

LEOs work in partnership with the Department of Business Enterprise and Innovation (DBEI), Enterprise Ireland and the Local Authorities. Funding and policy is the remit of DBEI and programmes are co-ordinated by Enterprise Ireland i.e. Centre of Excellence (CoE) based in Shannon in line with Ireland's National Enterprise Policy.

### **3. Establishing Policy Objectives**

#### ***Responding to the needs of Social Enterprises***

While, to date, Ireland has not had a national Social Enterprise policy, there have been significant analyses and studies on the subject of social enterprise which are referenced in the research report which contributed to the development of this Policy. Collectively, these documents have highlighted the need for a cohesive policy to support the development of social enterprise and to assist in realising its potential in the coming years.

The studies have also consistently highlighted:

- the potential for growth and the benefits this growth could bring to Irish society;
- the importance of access to finance for social enterprises;
- the importance of capacity-building and business supports for social enterprises;
- the need for leadership and good governance within social enterprises;
- the benefits of enhanced networking/collaboration; and
- the need for better measurement and awareness of the impacts of social enterprises.

This Policy responds to those previous studies and aims to provide a cohesive strategy to enable social enterprises to further develop and maximise their positive impact on communities and society by fulfilling their primary social purpose.

The Policy is based around 3 Objectives:

- Policy Objective 1: Building Awareness of Social Enterprise
- Policy Objective 2: Growing and Strengthening Social Enterprise
- Policy Objective 3: Achieving Better Policy Alignment

The implementation of the policy, and the policy measures that will underpin its delivery, will involve a shared effort on the part of Government, social enterprises and other relevant stakeholders. In this context, enhancing engagement with social enterprises is an overarching priority of this policy.

#### ***Consolidation of responsibility for social enterprise***

In the absence of a cohesive policy, responsibility for social enterprise in Ireland has, up to recently, been somewhat fragmented, with no single Government Department clearly identified as taking the lead role. Schemes through which social enterprises can source funding to support their activities were also widely dispersed between Departments.

In July 2017, the Government assigned responsibility for social enterprise to the newly-established Department of Rural and Community Development. The Government has also

consolidated the main funding schemes which support social enterprises under the remit of that Department. The Department of Rural and Community Development now has responsibility for the Community Services Programme, LEADER and the Social Inclusion Community Activation Programme (SICAP), all of which fund social enterprise activity to some extent.

Funding for social enterprises is also provided through the Dormant Accounts Fund. A new €2 million per annum Social Enterprise measure was established by the Department in 2017 through the Dormant Accounts Fund, in anticipation of the development of this Social Enterprise Policy, while a €1.6 million Social Enterprise Development Fund, co-financed by the Dormant Accounts Fund, was established by Social Innovation Fund Ireland in 2017 to support the scaling up of social enterprises.

The consolidation of the various funding streams under the remit of the Department of Rural and Community Development will enable these schemes to be kept under review, to ensure that, collectively, they continue to meet the Department's objectives of supporting vibrant, inclusive and sustainable communities across Ireland, through established community and voluntary provision, or through social enterprises.

## **4. Policy Objective One - Creating Awareness of Social Enterprise**

Although there is a long tradition of social enterprise in Ireland, 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, etc., are sometimes used interchangeably and contribute to a lack of clarity about what constitutes a social enterprise. Similarly, the fact that social enterprises are comparable in ways to other trading enterprises is not always appreciated, notwithstanding the fact that they have voluntary boards and any surpluses they generate are re-invested to achieve their social objectives.

### ***Building knowledge and understanding of Social Enterprise***

Social enterprises are entrepreneurial, innovative and impactful. They improve the lives of people and are established to address significant societal challenges. Many social enterprises work with government, delivering services in areas such as community development, rural development, healthcare, and addressing economic and social disadvantage and equality issues. Many social enterprises emerge from and/or operate in the community and voluntary tradition. While this contribution to society and to the economy is well understood by those working with, and within, social enterprises, it is not always recognised more widely.

For social enterprise to fully realise its potential it is necessary to build more coherence and raise awareness with the public, other businesses and across government. Developing and promoting an understanding of social enterprise will therefore be a key part of the implementation of this Policy. A particular focus will be to better quantify and explain the positive socio-economic impacts achieved by social enterprises.

### ***Role of Social Enterprises in raising awareness***

The implementation of this National Policy on Social Enterprise will be led and overseen by the Department of Rural and Community Development. The effectiveness of its delivery requires a shared effort on the part of Government, social enterprises and other relevant stakeholders.

In Ireland, a number of different organisations provide advocacy for social enterprises and social entrepreneurs. This breadth of representation is a reflection of the wide range of activities which social enterprises are involved in, from social innovators to social enterprises trading internationally. However, this same breadth of representation has also placed social enterprises at a disadvantage in their attempts to convey a clear and cohesive message to Government, and to the public generally, about what needs to be done to support the development of social enterprise in Ireland.



While individual representative and advocacy bodies will continue to serve their members, the publication of the National Social Enterprise Policy for Ireland marks a timely opportunity for social enterprise stakeholders to work together to communicate cohesively, clearly, and effectively the priorities for social enterprise in Ireland. This will create a stronger understanding of the shared objectives of social enterprises and their support needs. It will also help to profile social enterprises better and create an improved understanding of social enterprise across the public and private sectors, and amongst the general public, through more effective communication.

While it is a matter for social enterprises and representative/advocacy bodies to determine how best to communicate the social enterprise agenda in a co-ordinated way, it is important that the full range of stakeholder activity is reflected in that messaging to ensure coherence and to improve public understanding of social enterprise as a whole, and its contribution to society and the economy.

Building on the good work done to date by existing national and local networks, there is also an opportunity for social enterprises to benefit from improved networking. Enhanced engagement between existing networks, or the establishment of new networks at local, regional or national level, would facilitate information sharing, peer-learning and collaboration.

**In implementing this Policy, the Government will work with social enterprise stakeholders to help raise awareness of social enterprise, social entrepreneurship and social innovation in Ireland. The type of policy initiatives which the Government could take through the Department of Rural and Community Development to help raise awareness could, for example, include:**

- 1. Working closely with social enterprise stakeholders to develop an Awareness Strategy to raise the profile of social enterprise in Ireland.**
- 2. Identifying, with social enterprise stakeholders, best practice examples of social enterprises to improve public understanding of such enterprises and to highlight their contribution to society and the economy.**
- 3. Holding an annual Social Enterprise Forum for all stakeholders to participate in shaping policy, building understanding of social enterprise, disseminating information, and sharing best practice.**

**Questions for consideration:**

- Are these suggested policy measures sufficient to achieve the objective of raising greater awareness of social enterprise?

- Are there other actions the Government could consider to raise awareness of social enterprise, and if so, what are those actions?

### ***Initiating social enterprises***

Increased understanding and awareness of social enterprise will play an important part in stimulating a new level of social entrepreneurship by individuals and groups. The education system also has a role to play in this regard. There are several notable developments in our education and training system which contribute to promoting the concept of social enterprise, as well as responding to a demand from students for careers in the field of social enterprise and social innovation.

For example, the inclusion of social enterprise and related topics within the curricula at both 2<sup>nd</sup> and 3<sup>rd</sup> level in Ireland has proven helpful in raising awareness of the work of social enterprises and can be further built upon. 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.

The Higher Education Institutions are offering relevant modules in research, undergraduate and post-graduate courses, including at UCD, UCC, NUIG, TCD, Technological University Dublin, DCU, and University of Limerick.

Outside the formal education and training system, the Young Social Innovators programme, which is supported by the Department of Rural and Community Development, works to raise social awareness among 15-18 year olds in Ireland by providing social innovation education frameworks and platforms, and enabling the creation of social action projects to bring about positive social change.

At community level, programmes such as LEADER, the Social Inclusion Community Activation Programme (SICAP), and Enterprise Development social enterprises, support the creation of new social enterprises, including through the provision of incubation space and facilities. Many social enterprises also emanate from the community and voluntary tradition.

Many Local Authorities include objectives to support social enterprises through their Local Economic and Community Plans, while Local Development Companies provide both direct and indirect supports, including pre-enterprise training programmes, advice for the development of business ideas, business planning, marketing and strategy development, guidance on procurement, and advice on sourcing funding. Indirect supports include peer-to-peer learning, and governance support.

**Building on a number of current initiatives around social entrepreneurship and social enterprises, in finalising this Policy the type of policy measures which the Government could take to increase social enterprise initiation could, for example, include:**

- 4. Supporting social innovation and social enterprise start-ups through targeted programmes and initiatives.**
- 5. Exploring the scope for further inclusion of social enterprise and social entrepreneurship modules in the education and training system.**
- 6. Working with education and research bodies to further support the development of social innovation.**

**Questions for consideration:**

- Are these suggested policy measures sufficient to achieve the objective of increasing social enterprise initiation?
- Are there other actions the Government could consider to achieve this objective, and if so, what are those actions?

## **5. Policy Objective Two - Growing and Strengthening Social Enterprise**

### ***Context***

Supports for social enterprises in Ireland are currently provided by a range of bodies including the Department of Rural and Community Development, Local Development Companies, Local Authorities, and support organisations. However, supports available through public bodies can vary in terms of their effectiveness in meeting the needs of social enterprises. An objective of this Policy is to improve the range, quality and consistency of supports available to social enterprises throughout the country.

### ***Business supports for social enterprise***

Like any other enterprises, social enterprises require, and can benefit from, the provision of business supports to help them start-up, become self-sustaining and to grow.

The consultation process with stakeholders which was undertaken in developing this policy points to the strong desire from social enterprises to having access to such business supports in order to drive further enterprise development and capacity, while still maintaining a focus on their social objectives. Supports are needed in areas such as business planning, mentoring, capacity building, leadership and governance, impact measurement, financial planning, as well as access to business incubation space.

In the case of mainstream businesses, the State provides a range of supports, including through the Local Enterprise Offices, to help enterprises to establish, develop and become sustainable. While some mainstream business supports are currently available to social enterprises, subject to certain criteria, accessing these supports can sometimes be difficult for social enterprises for a variety of reasons. These can include a lack of understanding on the part of service providers that social enterprise is a business model that involves trade in goods and services, although in this case to achieve a social impact. It can also be due to a lack of knowledge on the part of the social enterprises themselves of the supports which they can access.

There is a need, in the first instance, for information to be provided on the business supports available to social enterprises, and for the development of further tailored supports to meet the specific needs of social enterprises. An objective of this Policy is to develop more coherent information on available supports, to raise awareness and use of these existing resources, to identify gaps in existing supports, and to work to address those gaps.

## ***Leadership and Governance***

The areas of leadership and governance affect all aspects of an enterprise, whether a private for-profit enterprise or a social enterprise. They are particularly important foundations to enable any enterprise to develop and grow.

The importance of good governance and leadership development for social enterprises was highlighted in the research report underpinning this Policy and in earlier research papers.

The extent of governance-related compliance has increased for all sectors, from voluntary bodies to multi-national companies, and carries an added level of complexity in managing an organisation. For some social enterprises, obligations under the Charities Act, which are overseen by the Charities Regulatory Authority, are also a factor.

Respondents to an on-line survey conducted as part of the research paper referred to the need for specific programmes focused on recruitment, development, and entrepreneurial learning for Board directors, Committee members, and management within the social enterprise.

**In finalising this Policy, the type of measures which the Government could take to improve business and leadership supports for social enterprises could, for example, include:**

- 7. Compiling and making available information on the various business supports available to social enterprises, along with details of the providers of those supports.**
- 8. Identifying any gaps which may exist in business supports available to social enterprises and working to address those gaps.**
- 9. Providing access to advice and supports to assist social enterprises and social entrepreneurs to develop their business proposals.**
- 10. Providing tailored training for social enterprises to help them to improve their business potential as well as leadership and governance skills.**

### **Questions for consideration:**

- Are these suggested policy measures sufficient to achieve the objective?
- Are there other actions the Government could consider to achieve this objective, and if so, what are those actions?

## ***Access to Finance and Funding***

In addition to business supports, access to finance and financial supports are important to social enterprises.

Financial supports for social enterprises in Ireland are often provided through labour market activation programmes which provide work placements or training in social enterprises to help unemployed people to improve their employment options. In other cases, grants are provided to social enterprises, for example through the Community Services Programme (CSP), towards the cost of employing staff to enable them to deliver local services. CSP is particularly important for social enterprises operating in the community and voluntary tradition.

This support is very valuable for both social enterprises and for the people who participate on the programmes. However, such programmes do not necessarily meet the development needs of those social enterprises which are competing in an open-market environment. The nature of supports required vary depending on many factors, including the economic sector in which the enterprise operates, the stage of development of the enterprise, and the scale of the enterprise.

Access to working capital from mainstream financial providers presents many challenges for social enterprises. This is because the nature of the services the enterprises provide are innovative and they may lack traditional forms of collateral, or because they are unlikely to have strong income streams in their early years. Social lenders such as Clann Credo and Community Finance Ireland provide practical alternatives when finance is not forthcoming from mainstream lenders.

**In finalising this Policy, the type of measures which the Government could take to improve access to finance and funding for social enterprises could, for example, include:**

- 11. Cataloguing and disseminating information on financing/funding schemes available to social enterprises at national and EU levels.**
- 12. Identifying gaps in financing/funding schemes and working to address those gaps.**
- 13. Exploring the potential for new innovative funding schemes for social enterprise.**
- 14. Seeking to improve alignment of funding schemes to support the objectives of social enterprises, whilst avoiding any displacement of existing supports for Community and Voluntary organisations.**

### **Questions for consideration:**

- Are these suggested policy measures sufficient to achieve the objective of improving access to finance and funding for social enterprises?

- How could current government funding streams be improved to support social enterprises?
- Are there other actions the Government could consider to achieve this objective, and if so, what are those actions?

### ***Enabling market opportunities***

Social enterprises are trading organisations and access to markets is as important for these enterprises as for any other business. Improved 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) will help social enterprises to increase their traded activity and underpin their sustainability. As is the case for any other enterprise, access to these markets must be consistent with EU and national competition policy and rules.

A number of issues hamper access to markets for social enterprises, including the visibility of their products and services to buyers and to contractors who sub-contract elements of their projects to smaller businesses.

One way for social enterprises to increase participation in markets is to build knowledge and capacity on procurement processes and on accessing the various markets more effectively. Clear and concise guidance with regard to competition policy and, in particular, displacement, would also be beneficial in the context of public procurement.

Measures to be taken as part of this Policy in relation to building awareness and strengthening social enterprise will also support the objective of increasing market opportunities for social enterprises, whether in the context of business-to-business markets, consumer markets, or public procurement markets.

A key part of the Government's public procurement agenda involves encouraging a spectrum of businesses, and especially SMEs, to participate in competitive tendering for public contracts. Social enterprises may often be best placed to deliver certain types of contracts, for example, services to disadvantaged sections of the community.

**In finalising this Policy, the type of measures which the Government could take to improve access to markets for social enterprises could, for example, include:**

**15. Supporting capacity-building for social enterprises in relation to procurement processes through workshops and training.**

**16. Working with stakeholders to identify how to improve opportunities for social enterprises in the business-to-business supply-chain.**

**17. Helping policy makers to better understand how procurement can be used to facilitate the advancement of social policy objectives within appropriate and structured public procurement guidelines.**

**Questions for consideration:**

- Are these suggested policy measures sufficient to achieve the objective of improving market opportunities for social enterprises?
- Are there other actions the Government could consider to achieve this objective, and if so, what are those actions?
- What should the Government's priority be in working towards achieving this objective?



## 6. Policy Objective Three - Achieving Better Policy Alignment

### *Interaction with national and international policies*

As this Policy has outlined, this *National Social Enterprise Policy for Ireland* is one in a suite of initiatives to support not-for-profit organisations. Other policy initiatives will include the *Strategy to Support the Community and Voluntary Sectors in Ireland*, and a new *National Volunteering Strategy*.

Social enterprises operate right across society and the economy addressing social, economic and environmental challenges. Many social enterprises interact with a wide range of government funding schemes and programmes, in areas such as labour market policy, rural and community development, childcare, health, social inclusion and environmental policy.

Social enterprises also contribute to the achievement of the policy objectives of the UN's Sustainable Development Goals. These Goals aim to deliver a more sustainable, prosperous and peaceful future by 2030, by ending poverty, protecting the natural environment, addressing inequality, and strengthening human rights in Ireland and around the world.

Developing a better understanding of the interactions between government policy and social enterprise is necessary to ensure that future policy reviews and policy development across Government, where relevant, are co-ordinated in a way that is aligned with this National Policy for Social Enterprise.

Given the emphasis underway at an EU level in relation to social enterprise and the wider social economy, there is also an opportunity for social enterprises to benefit from Ireland engaging more closely with EU policy developments at Governmental level. A deeper examination of the various funding schemes and support options available to social enterprises from the EU will also help to determine the potential for Irish social enterprises to avail of these supports.

Developing linkages with the OECD and other international bodies in relation to social enterprise policy will also be useful.

**In finalising this Policy, the type of measures which the Government could take to improve better policy alignment for social enterprises could, for example, include:**

**18. Developing a better understanding of the interaction between social enterprises and relevant policy areas across Government to ensure closer alignment with social enterprise and enabling social enterprises to increase their contribution to delivering on policy objectives.**

**19. Ensuring that Ireland engages closely on social enterprise policy developments at international level so that Ireland can influence international Social Enterprise policy development and, where relevant, social enterprises can benefit from international supports.**

**Questions for consideration:**

- Are these suggested policy measures sufficient to achieve the objective of achieving better policy alignment for social enterprises?
- Are there other actions the Government could consider to achieve this objective, and if so, what are those actions?
- Are there specific areas of Government policy which are causing difficulty for social enterprises, or which could be improved?
- What should the Government's priority be in working towards achieving this objective?

***Data and Impact***

Several reports on social enterprise in Ireland have pointed to the limited empirical evidence and data about the scope, prevalence and contribution of social enterprises in Ireland. Nonetheless, the 2013 Forfás report noted that social enterprise is a small but growing part of the enterprise base that has the potential to bring further job gains and deliver economic returns.

A key theme emerging from the research which underpins this Policy is the need to gather data on social enterprise and to understand its economic and social impact in more detail. Establishing the size, reach and impact of social enterprise is essential to inform policy development in the years ahead. In this regard, the current lack of comprehensive and reliable data needs to be addressed.

A number of mapping studies have been carried out which identify the scale of social enterprise activity in specific geographic areas. The methodologies developed in these studies can provide a basis to further progress the work of benchmarking the scale of activity as part of the implementation this Policy.

**In finalising this Policy, the type of measures which the Government could take to improve better policy alignment for social enterprises could, for example, include:**

**20. Improving data collection relating to the extent of social enterprise and the areas in which social enterprises operate.**

**21. Developing mechanisms to measure the social and economic impact of social enterprises across the full spectrum of social enterprise.**

**Questions for consideration:**

- Are there other actions could the Government consider to establish a reliable evidence-base for social enterprises?
- What should the Government's priority be in working towards achieving this objective?

## 7. Policy Implementation and Oversight

The *National Social Enterprise Policy for Ireland* represents the Government’s clear commitment to supporting the development of social enterprise in Ireland. It is underpinned by the following core principles:

<b>Partnership</b>	Recognising the vast experience of social enterprise, collaboration between government and relevant stakeholders is central to the shared success of implementing this Policy.
<b>Impartiality</b>	The Government will engage impartially with social enterprise stakeholders in implementing this Policy and will seek to create an environment of trust and confidence in delivering the policy measures.
<b>Coherence</b>	Coherence of policies and actions is fundamental to an effective national policy framework and the Government will work to improve policy alignment in relation to issues that impact on social enterprises. The Government will also ensure synergy between this Policy and other policy initiatives which support the Community and Voluntary sector.
<b>Effectiveness</b>	We will support social enterprise in a manner which contributes added-value, is transparent, and outcome-oriented, and which enhances the effectiveness and sustainability of social enterprise in the delivery of its social objectives.
<b>Equality</b>	We will ensure that the Policy underpins the Government’s commitments to equality, human rights and social cohesion, including efforts to achieve the UN Sustainable Development Goals in Ireland.

The draft Policy has set out objectives for social enterprise in Ireland and suggested steps to be implemented to achieve those policy objectives.

Successful implementation of the Policy will require a collaborative approach on the part of Government and social enterprises themselves. The Department of Rural and Community Development, as the Department responsible for the co-ordination of the Policy, will engage with the range of social enterprise stakeholders on an on-going basis to achieve the shared ownership and operational delivery of the Policy.

It is recognised that there are many organisations that currently deliver tailored training programmes and other supports for social enterprises. In implementing the measures in the

Policy, the Government will ensure that any tendering processes will be transparent and open to all interested parties.

In addition, an Implementation Group chaired by the Department of Rural and Community Development, which will include representation from key Government Departments and social enterprise stakeholders, will be established to oversee and monitor progress on the Policy.

The National Social Enterprise Policy will be implemented in close co-ordination with the *Strategy to Support the Community and Voluntary Sectors in Ireland* and the *National Volunteering Strategy*, to ensure coherent and aligned policy and supports are available for both social enterprise and other non-profit organisations.

This policy will run for a four year period, 2019-2022. A review of the policy will commence after three years, with a view to renewing/updating the policy, as necessary, for a further period.

