



Common Cents 2010

Social Enterprise: Creating Jobs, Building Communities

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Developing Social &
Community Enterprise

Social Enterprise Task Force – Preliminary Recommendations

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Social Enterprise



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- **Businesses set up to**
 - tackle social, economic or environmental issues and
 - engaging in activities of a commercial nature

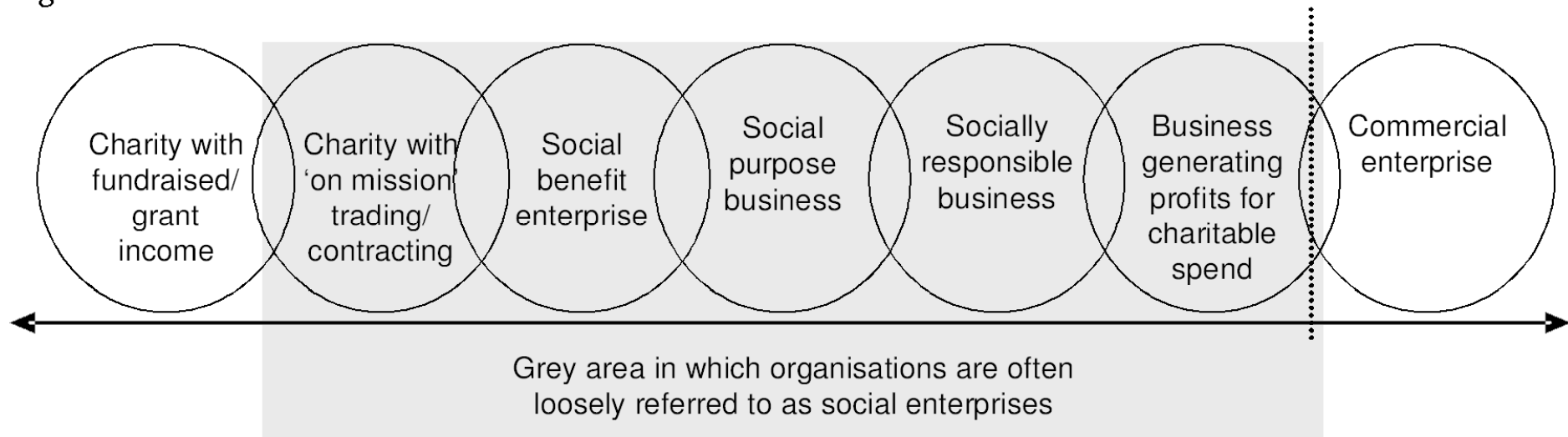
in order to produce social and community gain.

Spectrum



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Figure 1¹⁶



Social Enterprise



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- **Social enterprise is widespread**
- **Building on deep and strong roots of**
 - community organisation, self help and an enthusiasm for enterprise
- **This spirit created**
 - the GAA, Credit Unions, agricultural co-ops, local development and enterprise organisations, and a wide range of charitable groups from Rehab to local community owned enterprises.

National Policy



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- **Unheralded**
- **Undervalued**
- **Unknown**

Current Supports



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- **Social Enterprise**
 - Community Services Programme
 - A small share of the National Training Budget
 - And only then after the Wheel forced an opinion from AG
- **Private Enterprise**
 - A Government Department with €2bn spend
 - Many grants and schemes
 - Variety of agencies from EI to An Bord Glas
 - Plus 28 different ‘tax expenditure’ programmes

Benefits of Social Enterprise



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- **More than jobs**
- **Overcomes market failures**
- **Flexible and responsive to local needs**
- **Innovative and creative**

More than jobs



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- **Social Enterprises**

- support people to develop skills
- acquire new skills,
- training (formal and informal),
- social outlets and networks for individuals who previously might have been isolated,
- meaningful employment and experience for vulnerable groups (e.g. people with disabilities, ex-prisoners, recovering drug users).



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"I got a lot out of Speedpak in the three years I worked there. Speedpak was my first real job. I got used to getting up in the morning and needing to improve my time keeping... I found this really useful. I left Speedpak and got a job in Beaumont hospital Car Park. I was recently made permanent and am working in the office"

Meeting Needs



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- **Overcomes market failures,**
 - delivering services that neither the private sector nor public sector can or will provide
- **ActsLtd**
 - Accessible Transport for people with disabilities
 - To get to work, shops, medical appointments, social life
 - In short, independence.

RESPONSIVE



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- **Social enterprise is flexible and responsive to local needs.**
- **Limerick Enterprise Development Partners (LEDP)**
 - established in 1999 following the closure of the Krups factory
 - Now covers employment, regeneration, education, training, supports for community enterprise and micro-enterprise start-ups, social finance provision and community development.
 - LEDP has developed commercial activity to underpin its social agenda.
 - Self-sufficient through rental of units to commercial enterprises.
 - Reinvests surpluses, developing new projects and supporting local communities through grant aid, mainly for education and training projects.

Innovation



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- **Clondalkin Community Recycling Initiative (CCRI)**
 - Innovative response to illegal dumping of electrical goods
 - Collects and recycles electrical and electronic waste
 - Operates a kerbside collection and also goes into the homes of older people to collect waste goods.
 - Converts waste drums from washing machines and tumble dryers into garden plant holders and generated a new side to its business as a result.
 - Feasibility of restoring some electrical goods for re-use, e.g. lawnmowers.

Win Support



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- **Social enterprise sector needs to make its case publicly and work together**
- **Clann Credo & Dublin Employment Pact set up Social Enterprise task Force**
- **Maurice Healy Chair.**

SE Task Force



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- **Clann Credo and Dublin Employment Pact brought together a wide group**
 - Maurice Healy Chair (Social Entrepreneurs Ireland, former President IBEC),
 - Social enterprises, academia, researchers and state support agencies

Enterprise with a Social Remit



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- **Commercial activity in order to:**
 - Provide services that would not otherwise be provided (i.e. addressing market failures),
 - Support disadvantaged groups and communities,
 - Respond to environmental challenges,
 - Regenerate urban and rural areas and
 - Support labour market activation.

Preliminary Recommendations



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- 1. National Policy Framework**
- 2. Support Structures**
- 3. Funding**

National Policy Framework



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- **Develop a national policy framework to support the development of the potential of the sector,**
- **Primary responsibility residing within the department responsible for supporting enterprise.**

Social Enterprise Unit



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Within Department responsible for ENTERPRISE,

- **Establish a Social Enterprise Unit to ensure that**
 - the specific interests of social enterprises are taken into account in the development and execution of enterprise policy at national level and that
 - this aspect is incorporated into all enterprise support programmes.

Social Enterprise Unit (2)



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- **Social Enterprise Unit should**
 - Formulate a long-term policy framework to facilitate growth,
 - Develop links to other departments of immediate relevance,
 - Promote and developing inter-agency and cross-departmental responses to the needs of the social enterprise sector,
 - Enable social enterprises to work with government (national and local) and
 - Foster a culture of social enterprise.

National Policy Framework



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- **Tackle the barriers to access to finance for social enterprise,**
- **Review the current legislative framework on corporate failure ,**
- **Develop of appropriate legal structures, regulation, legal definitions for Social Enterprises,**
- **Devise appropriate monitoring and evaluation systems,**
- **Co-ordinate government departments with responsibility for service delivery in order to assist the development of the social enterprise sector in a coherent manner.**

Support Structure



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- **Provide social enterprises with the right to access existing support structures that are available to SMEs, such as**
 - County Enterprise Boards,
 - Enterprise Ireland,
 - Business Innovation Centres, etc.,
- **Which in turn must be enabled and upskilled to meet the particular needs of this sector.**

Support Structure (2)



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- **Incorporate social enterprise into the brief of**
 - Business Innovation Centres, County Enterprise Boards, Enterprise Ireland, Integrated Local Development Companies and Local Authority Community & Enterprise sections and
 - Ensuring that these support structures are accountable for the support they provide to social enterprises.

Support Structure (3)



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- **Embark on a campaign to educate enterprise officers about social enterprise and the needs of the sector.**
 - This could be achieved collaboratively through a learning network whereby interested parties could come together to learn and develop.

Public Procurement



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- **Include social clause provisions in the public and Local Authority procurement framework.**
 - This is already a feature of many other countries, for example Italy and the U.K.
 - EU procurement law allows public authorities to insert social clauses in their procurement procedures.
 - Social clauses recognise the social value of work being contracted for and assess applicants on both social and economic merits.
 - For example, by encouraging the employment of the long-term unemployed or disadvantaged people.

Funding



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- **Provide access to equity-type investment instruments (as distinct from loan finance)**
 - in order to provide equity investment or long-term ‘patient’ capital in social enterprise, including start-ups and those with high growth potential, so that social enterprises have at least the same range of financing options as SME’s.

Funding (2)



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- **Change the regulatory framework for Credit Unions**
 - in order to end the anomaly whereby CU's are permitted to invest in industrial and provident societies (mutual) but are precluded from investing in organisations with charitable status or companies limited by guarantee without share capital.

Win - Win



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- **Economic growth and employment that supports community spirit and development.**
- **A cost effective way to meet a wide range of real social and environmental needs.**
- **Trading in an ethical as well as business-like manner.**
- **Innovative solution with economic, environmental and social objectives.**