



Taighde, Idirphlé, Comhairle
Research, Dialogue, Advice

Social Enterprise on the Island of Ireland



COUNCIL REPORT

No.161 May 2023

An Chomhairle Náisiúnta Eacnamaíoch agus Shóisialta
National Economic & Social Council

An Oifig Náisiúnta um Fhorbairt Eacnamaíoch agus Shóisialta
National Economic & Social Development Office NESDO

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Abbreviations

ARISE	Awareness Raising Initiative for Social Enterprises	NIE	Northern Ireland Executive
B2B	Business-to-Business	NTF	National Training Fund
BIC	British-Irish Council	OECD	Organisation for Economic Co-operation and Development
CAF	Community Activities Fund	PSPs	Public Social Partnerships
CAN	Compass Advocacy Network	PSTA	Public Sector Transformation Academy
CEAI	Community Enterprise Association of Ireland	PV	Photovoltaic
CEIS	Community Enterprise in Scotland	SDGs	Sustainable Development Goals
CEP	Community Enhancement Programme	SEETF	Social Enterprise and Entrepreneurship Task Force
CFI	Community Finance Ireland	SEI	Social Entrepreneurs Ireland
CICs	Community Interest Companies	SEM	Social Impact Mark
CLG	Company Limited by Guarantee	SENI	Social Enterprise NI
CSP	Community Services Programme	SEP	Social Economy Programme
EPSCO	European Employment, Social Policy, Health and Consumer Affairs Council	SEPG	Social Economy Policy Group
ESF	European Social Funding	SERI	Social Enterprise Republic of Ireland
ESG	Environmental, Social and Governance	SERNI	Social Economy Research Network of Ireland
EU	European Union	SEUK	Social Enterprise UK
ICBAN	Irish Central Border Area Network	SEWF	Social Enterprise World Forum
ILDN	Irish Local Development Network	SFF	Social Finance Foundation
ILO	International Labour Organization	SIB	Strategic Investment Board
ISEN	Irish Social Enterprise Network	SICAP	Social Inclusion and Community Activation Programme
ITI	InterTradelreland	SII	Social Impact Ireland
JAM	Just a Minute	SMEs	Small and Medium Enterprises
LCDCs	Local Community Development Committees	SSE	Social and Solidarity Economy
LDCs	Local Development Companies	STEM	Science, Technology, Engineering and Maths
LEED	Local Employment and Economic Development	SUWF	Social Enterprise World Forum
LEOs	Local Enterprise Offices	UCIT	Ulster Community Investment Trust
LPSP	Lisburn People's Support Project	UKSPF	UK Shared Prosperity Fund
MLAs	Members of the Local Assembly	USEL	Ulster Supported Employment
NFTE	Network for Teaching Entrepreneurship	WISEs	Work integration Social Enterprises
NICVA	Northern Ireland Council for Voluntary Action		

Addendum

National baseline data on social enterprises in Ireland has recently been released (Department of Rural and Community Development (2023) Social Enterprises in Ireland: A Baseline Data Collection Exercise, Amárach Research, SERI & ILDN). The key findings show that:

- There are 4,335 social enterprises in Ireland, employing 84,382 people, or 3.7 per cent of the Irish workforce.
- 74,824 volunteers work in social enterprises, including 30,324 board members.
- The total income of social enterprise was €2.34 billion in 2021, representing 0.63 per cent of Ireland's GDP.
- 15 per cent of the social enterprises in Ireland operate internationally as well as nationally.
- 57 per cent are in urban areas and 43 per cent are in rural areas.
- Social enterprises are typically microenterprises with 1 – 9 employees (57 per cent) or small enterprises employing 10 – 49 (35 per cent).
- 77 per cent of social enterprises engage in more than one economic activity.
- 68 per cent of social enterprises are concentrated in 4 sectors: childcare; community infrastructure and local development; health, youth services and social care; and heritage festivals, arts and creative industry.
- Almost half of the workforce is between the ages of 31 and 50. Women represent 69 per cent of the workforce across the sector, and 47 per cent of the workforce is part-time.
- Most (64 per cent) derive their income from a mix of trading goods/services and government grants.
- While a variety of legal forms are adopted by social enterprises, 75 per cent are registered as a CLG (company limited by guarantee) with 88 per cent registered with the Charities Regulator.
- Half of the surveyed social enterprises (49 per cent) have been in operation for more than 20 years.
- Data from emergent social enterprises (established in the last four years) indicates they are especially relevant in sectors of activity such as training and work integration and environmental services.

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The author wishes to thank the people who generously gave of their time to talk to her and, in some cases, to show her their social enterprise. She gained insights into a fascinating range of initiatives that are making a tangible difference to many people and places. Many social enterprises are also a springboard of innovation and creativity. The author would also like to acknowledge the perceptive and helpful comments of Council members and colleagues. All interpretations and any errors or omissions are the responsibility of the author.

Executive Summary

The role of social enterprises is growing, both on the island of Ireland and internationally. There is an opportunity to have greater ambition for social enterprises, as their development has the capacity to contribute strongly to the economy and to society. Social enterprises can have an important role in addressing current challenges facing our societies.

Social enterprise straddles that space between the national economy and local community, and is instrumental in providing services to marginalised groups and in disadvantaged areas, as well as creating and providing jobs, and contributing to innovative social and environmental initiatives. While much of the activity is set at local level, social enterprises also contribute to the national economy.

In Ireland, social enterprise is defined as:

A social enterprise is an enterprise whose objective is to achieve a social, societal or environmental impact, rather than maximising profit for its owners or stakeholders. It pursues its objectives by trading on an ongoing basis through the provision of goods and/or services, and by reinvesting surpluses into achieving social objectives. It is governed in a fully accountable and transparent manner and is independent of the public sector. If dissolved, it should transfer its assets to another organisation with a similar mission.

There are many understandings of what this means in practice, and social enterprises are seen as part of a wider social economy. The social economy includes co-operatives, mutual societies, non-profit associations, foundations and social enterprises, as illustrated in the following diagram.

Figure: The Social Enterprise Spectrum



Source: Irish Social Enterprise Network, 2019.

The basic tenets of social enterprise are:

- a market trading relationship;

- social and/or environmental objectives;

- reinvestment of profits; and

- transparent and accountable governance.

The range of social enterprises in Ireland is broad, and has been summarised as:

- 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 providing office space and facilities);

- ‘deficit demand’ social enterprises which seek to meet 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 and reuse through the circular economy; and

- social enterprises contracted with the public sector to deliver public services in disadvantaged areas and communities.

Social enterprise is diverse, from deficit demand social enterprises, which are usually situated within the community, are voluntary sector and have limited trading capability but are very important in their local communities, through to international trading organisations. Overall, social enterprises play an important role in meeting social needs, but increasingly they are also making a contribution in helping to meet climate targets, for example, through renewable energy initiatives and the circular economy. Social enterprises also dovetail with community wealth-building which is a community-based approach to local economic development, and which redirects wealth back into the local economy and places control and benefits in the hands of local people. Social enterprises also played an important role in addressing and mitigating the impacts of the Covid-19 pandemic on both the economy and society.

Given this diversity, there are social enterprises that are profitable and reinvest their profits into the achievement of social outcomes, and there are social enterprises that innovate to achieve social outcomes, and/or provide vital services in disadvantaged areas and/or to marginalised people, which rely on start-up grants or loans and may not be viable without an ongoing subsidy.

Chapter 2 of this report provides an international perspective on social enterprises, tracing their historical development as well as presenting the current context in Europe and internationally. Chapter 3 outlines the situation in Ireland: the historical development of social enterprise in Ireland, its scale and nature, and the current national policy on social enterprise. The legal forms and supports for social enterprise are also outlined, as well as the potential for social enterprises in procurement. There is also a section on community wealth-building. The chapter concludes with a summary of current issues.

The following chapters, as part of the NESC programme of work on the shared island, document the role of social enterprise in Northern Ireland (Chapter 4) and on a shared island basis (Chapter 5). The chapter on Northern Ireland situates the work in a UK context before documenting similar areas to those covered for Ireland. The chapter on shared island co-operation considers existing co-operation on social enterprise, its role in peace-building, and the potential for building on shared island co-operation in social enterprise in the future.

Chapter 6 draws together the conclusions. The four main conclusions arrived at are:

Developing a co-ordinating framework for greater cohesion

The development of a co-ordinating framework would bring a cross-government perspective by setting out the main stakeholders and supports for social enterprise, yet allow some self-definition within the framework to embrace the diversity of social enterprises. Such a co-ordinating framework would help to bring greater clarity on the definition of social enterprise, and could catalogue the role of various funders and what funding is available. A co-ordinating framework could set out the various legal options available to social enterprises, and clarify the complementary links with community wealth-building. A collaborative social enterprise forum would encourage greater cohesion. There is an

ongoing requirement for more data on social enterprise, as well as a need to actively involve young people and to recruit, support and retain volunteers.

Embedding social enterprise

There is now the opportunity to have greater ambition for social enterprises, as they can make an important contribution in addressing current and future challenges facing our society. Social enterprise can be further embedded by having a stronger focus on enterprise, through applying additional mechanisms and approaches from the enterprise sector to support social enterprises, including through the National Training Fund. There is also the opportunity to take greater account of social and environmental considerations in procurement and the promotion of 'buy social' (which aims to boost trade with social enterprises). However, there is also the need for capacity-building for social enterprises, for additional funding and financial options, including through philanthropy, and for further exploration of models of impact assessment on the contribution of social enterprises.

Supporting areas of growth for social enterprise

A number of areas have emerged in which social enterprises could play an important role in future, for the benefit of Irish society, the economy and local communities. These areas include:

- *labour market* – social enterprises have an important role in providing employment opportunities for people distant from the labour market;

- *environmental*, such as renewable energy regeneration, the circular economy and restoration of biodiversity;

- *digital*, particularly for social entrepreneurs;

- *caring* for children, people with disabilities and older people, especially those who wish to be cared for in their own homes and/or communities;

- *new communities*, where social enterprises can provide language and translation services, as well as support to access services; and

- *social farming*, which offers disadvantaged people the opportunity to spend time in a healthy, supportive and inclusive environment.

Building a shared island dimension

There are a number of areas where there is the opportunity to build a shared island dimension for social enterprise. For example, the Peace Plus programme provides scope for social enterprises to work on a cross-border basis in a number of investment areas. There is potential to further develop cross-border community wealth-building in the border region. There is also the opportunity for a greater role for InterTradeIreland in developing cross-border social enterprise collaboration. Other suggestions include an all-island social enterprise forum, an all-island social enterprise conference, and an alignment of data collection exercises. It will also be useful, in future, to continue to keep up to date with international developments in social enterprise.

Chapter 1



1.1 Overview

As part of its programme of work on the Shared Island, NESC undertook to consider social enterprise. Reference to social enterprise is included in *Shared Island Shared Opportunity: NESC Comprehensive Report*. However, given the growing significance of social enterprise in Ireland and internationally, the Council believes it warrants further examination.

This report provides an overview of the state of social enterprise internationally, in Ireland, in Northern Ireland, and on a shared island basis. It is based on analysis of published material, more than thirty meetings with people engaged in some way with social enterprise across the island of Ireland, research on a number of social enterprises, and attendance at relevant social enterprise events.

The work is timely in relation to contributing to the current review of the *National Social Enterprise Policy for Ireland 2019-2022* and preparation of the next strategy.

1.2 Rationale

Social enterprise has recently seen a resurgence in interest, both nationally and internationally. Within this overall context, there are a number of reasons why NESC believes it is timely to examine the current and potential role of social enterprise in Ireland and on the island as a whole.

First, social enterprise straddles the space between what happens at local community level and at a national economic level. This is an important bridge which has been somewhat ignored to date and is now an area which NESC wants to highlight.

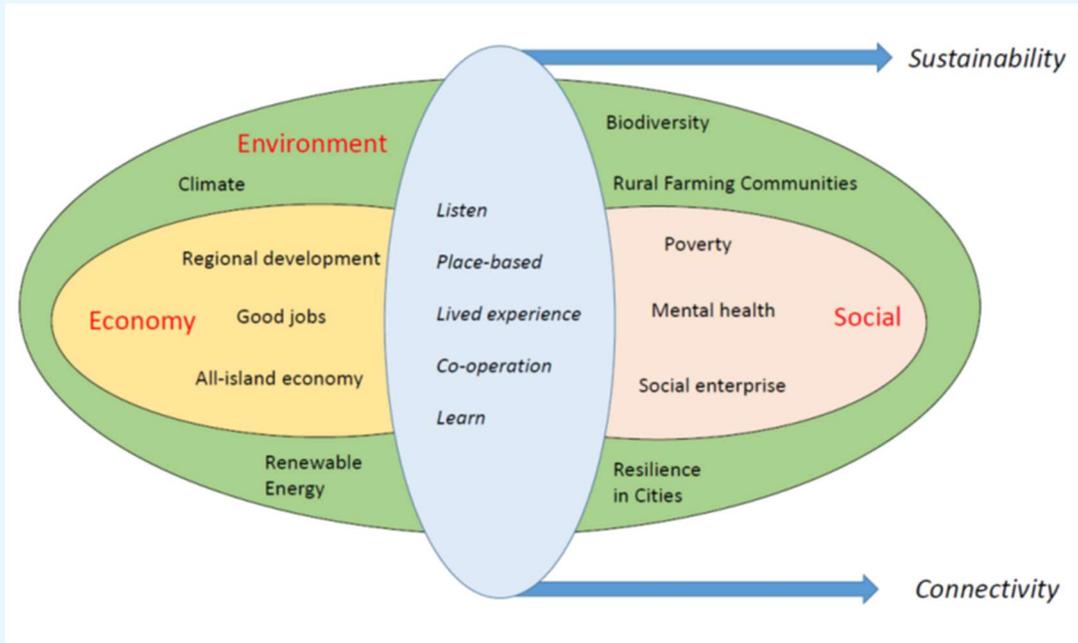
Secondly, social enterprise sits right within NESC's remit of linking economic, social and environmental issues. Social enterprise straddles these spheres in a connected and sustainable way.

Thirdly, social enterprise is one of the areas NESC committed to explore in its Shared Island work. Although in Figure 1, it is situated within the social sphere, it very much spans the economic and environmental areas and is concerned with sustainability and connectivity.

Fourthly, internationally and here in Ireland the social economy has been receiving more attention, especially given its role in supporting local communities through the Covid-19 pandemic, helping to integrate and support refugees from the Russian invasion of Ukraine and other international conflicts, and also helping to mitigate the effects of climate change.

In addition, there is a myriad of related reasons as to why social enterprise warrants attention – the need to increase awareness, strengthen support, build its capacity, assess its impact, and so on. Many of these issues are currently being considered within the Irish policy and social economy system. One of the first questions often asked about social enterprise is: what is it?

Figure 1: NESC Shared Island research programme



1.3 Definitional issues – what is social enterprise?

Social enterprise as a concept and a reality is situated somewhere between community programmes and the market economy, historically meaning different things to different people. It is defined in the *National Social Enterprise Policy for Ireland 2019-2022* (Government of Ireland, 2019a) as follows:

A social enterprise is an enterprise whose objective is to achieve a social, societal or environmental impact, rather than maximising profit for its owners or stakeholders. It pursues its objectives by trading on an ongoing basis through the provision of goods and/or services, and by reinvesting surpluses into achieving social objectives. It is governed in a fully accountable and transparent manner and is independent of the public sector. If dissolved, it should transfer its assets to another organisation with a similar mission (ibid.: 9).

There are many understandings of what this means in practice, and social enterprises are seen as part of a wider social economy.¹ The social economy includes co-operatives, mutual societies, non-profit associations, foundations and social enterprises. The basic premise is that they trade but exist to serve their members rather than to make a profit for owners or shareholders, and have a social purpose. Box 1 highlights some of the definitions of the social economy and social enterprise in use by different organisations.

¹ For instance, as noted in Section 3.4 of this report, the CSO produces accounts for S15 non-profit institutions serving households, such as charities and non-commercial agencies not owned by government, including schools and hospitals, but these are not aligned particularly well with social enterprises.

Box1: Some definitions of social economy and social enterprise.**International Labour Organization (ILO)**

The social and solidarity economy (SSE) encompasses enterprise, organisations and other entities that are engaged in economic, social and environmental activities to serve the collective and/or general interest, which are based on the principles of voluntary co-operation and mutual aid, democratic and/or participatory governance, autonomy and independence, and the primacy of people and social purpose over capital in the distribution and use of surpluses and/or profits as well as assets.

SSE entities aspire to long-term viability and sustainability, and to the transition from the informal to the formal economy, and operate in all sectors of the economy. They put into practice a set of values which are intrinsic to their functioning and consistent with care for people and planet, equality and fairness, interdependence, self-governance, transparency and accountability, and the attainment of decent work and livelihoods. According to national circumstances, the SSE includes co-operatives, associations, mutual societies, foundations, social enterprises, self-help groups, and other entities operating in accordance with the values and principles of the SSE (ILO, 2022b: 2).

Organisation for Economic Co-operation and Development (OECD)

The social economy, also referred to in some countries as solidarity economy and/or social and solidarity economy, is made up of a set of organisations such as associations, co-operatives, mutual organisations, foundations, and, more recently, social enterprises. In some cases, community-based, grassroots and spontaneous initiatives are part of the social economy in addition to non-profit organisations, the latter group often being referred to as the social solidarity economy. The activity of these entities is typically driven by societal objectives, values of solidarity, the primacy of people over capital, and, in most cases, by democratic and participative governance (OECD, 2022).

A social enterprise is defined as an entity that trades in goods and services, fulfils a societal objective, and whose main purpose is not the maximisation of profit for the owners but its reinvestment for the continued attainment of its societal goals.

Social innovation development refers to new solutions that aim primarily to improve the quality of life of individuals and communities by improving their well-being as well as their social and economic inclusion. These solutions can be new services, new products and new relationships with stakeholders.

European Union (EU)

Traditionally, the term social economy refers to four main types of entities providing goods and services to their members or society at large: co-operatives, mutual-benefit societies, associations (including charities) and foundations. They are private entities, independent of public authorities and with specific legal forms.

Social enterprises are now generally understood as being part of the social economy. They operate by providing goods and services for the market in an entrepreneurial and often innovative fashion, having social and/or environmental objectives as the reason for their commercial activity. Profits are mainly reinvested with a view to achieving their societal objective. Their method of organisation and ownership also follow democratic or participatory principles or focus on social progress. Social enterprises adopt a variety of legal forms depending on legal context (European Commission, 2021a: 5).

This report adheres to the definition in the *National Social Enterprise Policy for Ireland*, while acknowledging there are variations in understanding within the broad spectrum of the social and solidarity economy. Figure 2 illustrates the social enterprise spectrum.

Figure 2: The social enterprise spectrum



Source: Irish Social Enterprise Network, 2019.

The basic tenets of social enterprise are:

- a market trading relationship;
- social and/or environmental objectives;
- reinvestment of profits; and
- transparent and accountable governance.

The spectrum of social enterprises in Ireland is broad, and has been summarised as:

- 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 providing office space and facilities);
- ‘deficit demand’ social enterprises, which seek to meet 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 and reuse through the circular economy; and
- social enterprises contracted with the public sector to deliver public services in disadvantaged areas and communities (Government of Ireland, 2019a).

Social enterprise is diverse, from deficit demand social enterprises, which are usually situated within the community and voluntary sector and have limited trading capability but are very important in their local communities, through to international trading organisations. Overall, social enterprises play an important role in meeting social needs, but increasingly they are also making a contribution by, for example, helping to meet climate targets through renewable energy initiatives and the circular economy. It is also important to recognise the distinctive nature of urban and rural social enterprises, for example, in terms of their social ecosystems, resource availability, and accessibility (Olmedo & O’Shaughnessy, 2022). Given this diversity, there are social enterprises that are profitable and reinvest their profits into the achievement of social outcomes, and there are social enterprises that innovate to achieve social outcomes, and/or

provide vital services in disadvantaged areas and/or to marginalised people that are reliant on start-up grants or loans and are potentially non-viable without an ongoing subsidy.

1.4 Work already underway

A lot of work, both conceptually and in practice, is already underway to better understand and support social enterprise, in Ireland and internationally. This report documents some of this work with a view to understanding more clearly the current state of social enterprise, the issues arising and its future potential. This work can contribute to ongoing discussions on revising Irish social enterprise policy, but also spell out the potential for building on the connections of its economic, social and environmental contribution, as well as exploring its shared-island dimensions.

It is worth noting that social economy organisations have played an important role in addressing and mitigating the impacts of the Covid-19 pandemic on both the economy and society. In the short term, social economy organisations have assisted the recovery from the pandemic by providing innovative solutions that have supported and strengthened public services, as a complement to government action. In the longer term, social economy organisations can help reshape the post-pandemic economy by promoting inclusive and sustainable economic models (OECD, 2020).

In addition, there is increasing interest in the concept of community wealth-building and its connection with social enterprise. Community wealth-building is understood to be a community-based approach to local economic development, which redirects wealth back into the local economy and places control and benefits in the hands of local people. It seeks to provide resilience where there is risk, and local economic security where there is precarity. It is underpinned by five key principles: (i) plural ownership of the economy; (ii) making financial power work for local places; (iii) fair employment and just labour markets; (iv) progressive procurement of goods and services; and (v) socially productive use of land and property.² Specific examples of community wealth -building can be found in Cleveland, USA; Preston, England, and Ayrshire, Scotland.

1.5 Structure of this report

The next chapter provides an international perspective on social enterprise. This is followed by Chapter 3 on social enterprise in Ireland and Chapter 4 on social enterprise in Northern Ireland. Chapter 5 explores the extent of existing and potential co-operation between social enterprises on the island of Ireland. Chapter 6 sets out conclusions.

² For further information, see <https://cles.org.uk/community-wealth-building/what-is-community-wealth-building/>

Chapter 2

International Perspective

This chapter tracks the evolution of social enterprise internationally, focusing initially on its historical development, particularly in relation to the International Labour Organization (ILO), the Organisation for Economic Co-operation and Development (OECD) and the European Union. These organisations have recently made ground-breaking resolutions on the role and potential of the social economy. The chapter engages with these current deliberations to provide a context for the position of social enterprise in Ireland and Northern Ireland.

2.1 Historical development

2.1.1 Development of the social and solidarity economy (SSE)

The historical roots of the social and solidarity economy (SSE) in Europe can be traced back to the Industrial Revolution and the need to address the living and working conditions of vulnerable groups. Organisations based on self-help, co-operation and mutual assistance emerged in several European countries in the middle of the 19th century (ILO, 2022a: 25).

The ILO's Cooperatives Unit was established in 1920 to be responsible for ILO activities in relation to the SSE. The term 'social economy' has occasionally appeared in documents as far back as 1922 (ILO, 2022a: 25). Over the past fifty years, the ILO's approach to the SSE has evolved. Until the late 1980s, co-operatives were mainly supported by the ILO in developing countries. This was followed by a period of fifteen years when the focus was on establishing a conducive environment for co-operative development more broadly. Since 2002, co-operatives and others in the wider social and solidarity economy have been recognised not only as implementing partners of the ILO, but also as institutions that can help advance decent work and sustainable development.

In 2008, the ILO declared that productive, profitable and sustainable enterprises, together with a strong social economy and a viable public sector, are critical to sustainable economic development and employment opportunities. In 2015, the ILO acknowledged that co-operatives and SSE organisations can be a means to transition to the formal economy, while also recognising that they may operate in the informal economy. In 2019, the ILO recognised the importance of promoting an enabling environment for entrepreneurship and sustainable enterprises, in particular micro, small and medium-sized enterprises, as well as co-operatives and the social and solidarity economy, in order to generate decent work, productive employment and improved living standards.

The OECD, mainly through its Local Employment and Economic Development (LEED) Programme, has contributed to the conceptual knowledge and practical understanding of the social economy since the mid-1990s. It has expanded its work in this field over the last twenty-five years, raising awareness of the social economy's contribution to inclusive and sustainable growth at the local, regional and national levels in OECD member countries and beyond. It asserts that the social economy is a driver of job creation and economic activity (OECD, 2022).

In Europe, the term 'social and solidarity economy' is used in some countries, while the terms 'social economy' and 'social enterprise' are more prominently used in others. From the end of World War II to the late 1970s, the term social economy fell out of use. However, in 1980 a 'social economy charter' was published³ which defined the social economy as the set of organisations which do not belong to the public sector, operate democratically, with the members having equal rights and duties, and practise a particular regime of ownership and distribution of profits, employing the surpluses to expand the organisation and improve its services to its members and to society (Monzon & Chaves, 2017).

³ The Charte de l'économie sociale was published in France by the CNLAMCA (National Liaison Committee for Mutual, Co-operative and Associative Activities).

2.1.2 Development of the concept of social enterprise

In Europe the term ‘social enterprise’ first appeared in Italy in the late 1980s, and began to be used at European level in the mid-1990s (Deforny & Nyssens, 2010). The concept of social enterprise is not necessarily understood the same way across European countries but there is evidence of its existence in most countries (Evers & Laville, 2004). Organisational forms, the social and societal objectives and the fields of activity vary across countries. While the work integration of vulnerable groups has given rise to many social enterprises, other objectives include local development, environmental activities, provision of social and personal services, ethical finance, fair trade, cultural creation and international development. The driving forces have included the persistence of structural unemployment in many European countries, the need to reduce state budget deficits, and the need for more active integration policies. The limitations of public policy schemes to tackle the increasing exclusion of some groups – such as the long-term unemployed, people with low levels of qualifications and people with social problems – from the labour market, or more generally from society, added to this impetus (Deforny & Nyssens, 2010).

This scenario was present in many European countries in the 1980s and 1990s, and served as a background for more new entrepreneurial dynamics which emerged in the third sector⁴ as responses to these challenges. In contrast to traditional co-operatives, which were primarily oriented towards their members’ interests, social enterprises were serving a broader community or specific target groups. They also differed from traditional co-operatives in that they often combined different types of stakeholders in their membership – paid workers, volunteers, other supporting members – compared to traditional co-operatives, which are usually single stakeholder groups (Borzago & Mittone, 1997).

Thus, the trends in the development of social enterprises can be understood in a context of changing forms of government support to third-sector organisations and new emerging social needs resulting from the evolution of European societies. Social enterprises have been pioneers in tackling social exclusion among various groups, especially in supporting their integration into the workforce. The historical perspective shows that these innovative entrepreneurial initiatives have contributed to the development of new public schemes and legal frameworks. In addition, social enterprises combine the economic principles of the market, redistribution and reciprocity, and hybridise these three types of economic exchange so that they work together rather than in isolation (Deforny & Nyssens, 2010).

As the evolution of European societies continues, social enterprises are adapting to address emerging economic, social and environmental challenges. The next section presents the main policies and actions being put in place to support these developments.

2.2 Current Context

2.2.1 Status of the social economy in Europe

On 9 December 2021, the European Commission published a Communication on ‘Building an economy that works for people: an action plan for the social economy’.⁵ The Communication noted:

Every day some 2.8 million social economy entities in Europe offer concrete and innovative solutions to key challenges we are facing. They create and retain quality jobs, contribute to social and labour-market inclusion of disadvantaged groups and equal opportunities for all, drive sustainable economic and industrial development, promote the active participation of citizens in our societies, play an important role in Europe’s welfare systems, and revitalise Europe’s rural and depopulated areas (European Commission, 2021a: 1).

⁴ The third sector comprises organisations which are neither private nor public sector.

⁵ The Action Plan announces a set of actions by the Commission to strengthen the social economy. It also encourages Member States and other actors to put in place actions to support its implementation and to make the most of the opportunities it offers. The Commission encourages Member States to adopt or update their social economy strategies and initiatives in co-operation with social economy stakeholders. It also calls on Member States to designate social economy coordinators. The Commission will take stock in 2025, looking at progress made and remaining barriers.

The Communication goes on to say that the social economy has been included as the core of the ‘proximity and social economy’ ecosystem, one of the 14 industrial ecosystems in the EU Industrial Strategy (European Commission, 2021c).⁶ The social economy employs some 13.6 million people; paid employment varies between 0.6 and 9.9 per cent among member states, showing the uneven development of the social economy within the EU. For example, employment in the social economy accounts for between 9 and 10 per cent of the working population in countries such as Luxembourg, Netherlands, France, Belgium and Italy (see Box 2 for an example of a recent social enterprise initiative in France). In the newer member states such as Lithuania, Croatia, Slovenia, Malta and Romania, the social economy remains a small emergent sector, employing less than 2 per cent of the working population (see Figure 3) (European Commission, 2017).

Box 2: The role of social enterprises in tackling long-term unemployment in France

In France, social enterprises offer the long-term unemployed opportunities to take up a job. Small municipalities of up to 10,000 inhabitants identify people who have been out of the labour market on a long-term basis. Their skills are cross-referenced with the town’s needs, and appropriate activities – which do not compete with existing service providers – are developed. These are organised through a job-creation company, which is itself a social enterprise, that converts beneficiaries’ unemployment benefits into the minimum wage. The long-term unemployed participate in the development of the project in their town, along with other local actors. A permanent job contract is offered to individuals who, on average, have been out of work for up to five years. Also, on average, close to one quarter have some sort of disability.

The services provided address key challenges in the town; for example, accelerating the green transition, improving food security (through horticulture and market gardening), recycling, expanding local services, offering alternatives to the mobility-challenged, and some industrial activities. The turnover generated by the social enterprises, supplementing unemployment benefits, covers the cost of the initiative.

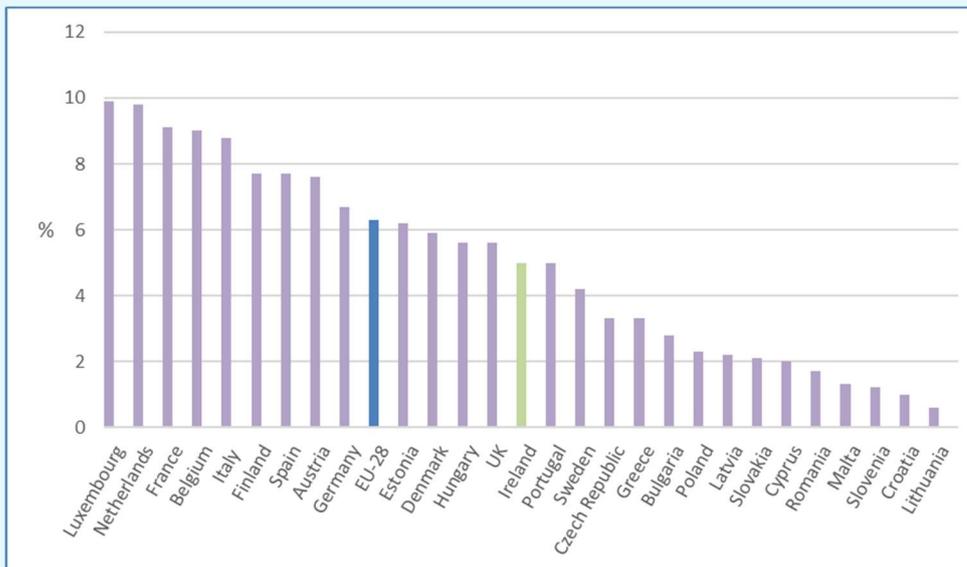
Ten French towns have successfully pioneered the project since 2017. So far, about 2,000 long-term unemployed people have found a job in these companies, and the initiative has helped an additional 1,000 to find a job in the conventional labour market. The initiative continues to grow. In 2020 an additional 40 municipalities joined the initiative, and it is expected to be expanded further in 2026. Belgium, Italy and Austria are adopting the approach,, while the Netherlands is testing a ‘basic jobs’ programme (see <https://www.socialeurope.eu/eradicating-long-term-unemployment>).

All this diversity also signifies untapped economic and job-creation potential for the social economy in several member states and regions if adequate measures are put in place. The Communication also notes that the social economy is contributing to the implementation of the Sustainable Development Goals (SDGs) where it is active in reducing poverty and driving the transition to sustainable cities and communities, responsible consumption and production, and sustainable finance. The social economy workforce also showed resilience to the 2008 economic crisis, dropping only from 6.5 to 6.3 per cent of the total European paid workforce in the 2008 to 2012 period (European Commission, 2017).

Nevertheless, many people remain unaware of the social economy, and the social economy concept has little or no recognition in some EU countries. Because they are not sufficiently understood and recognised, social economy entities face difficulties in developing and scaling up their activities, and are held back from delivering great economic and social benefits (European Commission, 2021a).

⁶ The EU’s updated industrial strategy proposes 14 industrial ecosystems to take account of the new circumstances following the Covid-19 crisis and aims to drive the transformation to a more sustainable, digital, resilient and globally competitive economy.

Figure 3: Percentage of paid employment in the social economy in the European Union (2014-2015)



Source: European Commission, 2017: 24.

Social economy entities share a number of common principles and features:

- the primacy of people as well as social and/or environmental purpose over profit;
- the reinvestment of most of the profits and surpluses to carry out activities in the interest of members/users ('collective interest') or society at large ('general interest'); and
- democratic and/or participatory governance.

The EU action plan for the social economy seeks to enhance social innovation, support the development of the social economy, and boost its social and economic transformative power. It proposes a series of actions for the period 2021-2030 in relation to: developing policy and legal frameworks; considering state aid for the social economy; supporting socially responsible public procurement; promoting the social economy at international, regional and local levels; providing business support and capacity-building, including broadening the appeal of entrepreneurship; improving access to funding; maximising the contribution of the social economy to the green and digital transitions; and boosting social innovation. To support this work the European Commission will undertake regular communication activities, launch a new study to collect quantitative and qualitative information on the social economy covering all EU member states, and launch a specific study on philanthropic donations in the EU (European Commission, 2021a).

Although the EU social economy action plan seeks to support socially responsible public procurement, it notes that most public tenders are still awarded based only on the price criterion. The plan calls on member states and other relevant public authorities to foster and monitor the uptake of socially responsible public procurement, while the European Commission commits to improving its efforts to highlight the benefits of using public procurement to achieve labour and social policy objectives, better working conditions and the delivery of high-quality human services.

As part of its work in developing the action plan, the European Commission has published a staff working paper setting out possible scenarios for a transition pathway towards a more resilient, green and digital Proximity and Social Economy Industrial Ecosystem (European Commission, 2021b).

In July 2022, the European Parliament accepted the EU action plan for the social economy, and adopted the European Commission’s definition of the social economy which includes a specific reference to ‘associations (including charities)’ (see Box 1). This is significant as most Irish charities and local community organisations have some form of trading activity (European Parliament, 2022: 2).

2.2.2 Status of the social economy internationally

ILO

On 10 June 2022, after 10 days of discussions, the ILO approved ‘Conclusions on Decent Work and the Social and Solidarity Economy (SSE)’ (ILO, 2022a). The conclusions include the first definition within the UN system of what SSE is (see Box 1, Chapter 1).

The conclusions note that SSEs can play a valuable role in post-conflict situations by taking part in conflict-sensitive and peace-responsive recovery and reconstruction efforts. SSEs can contribute to peaceful coexistence, social cohesion and sustainable peace-building by creating jobs for returning displaced persons and ex-combatants, rebuilding businesses and homes, giving refugees and returnees access to markets, facilitating reconciliation and re-establishing relationships torn apart by war. Similarly, representatives of SSEs can take part in cross-border social dialogue mechanisms, notably in regional integration communities.

The conclusions identify the challenges of overcoming an unfavourable environment for SSE entities, such as: inadequate participation, poverty, indebtedness; legal uncertainty and the weak rule of law; inadequate access to finance; and unfair competition and trade practices. Other challenges include the need to enhance productivity and combatting pseudo-SSE entities and their circumvention of labour legislation in violation of workers’ rights.

The documentation calls on governments and social partners to create conditions for SSEs to operate and be treated equally by introducing support measures to enable access to information, finance, markets, technology, infrastructure and well-regulated and socially responsible public procurement, especially for disadvantaged groups and people in vulnerable situations.

OECD

Also on 10 June 2022, a ‘Recommendation on the Social and Solidarity Economy (SSE) and Social Innovation’ was adopted by the OECD Council at ministerial level. The recommendation provides a ground-breaking policy framework that takes a holistic approach to support social economy organisations:

The first international standard in this area, the Recommendation provides Adherents with an internationally agreed policy framework to foster social economy and social innovation development and ensure their ongoing expansion (OECD, 2022: 3).

Both Ireland and the UK are listed as adherents.⁷

The OECD notes that the social economy is driven by values of solidarity and the primacy of people over capital, and by democratic and participative governance. It can pioneer new business models; provide essential services; contribute to a fairer, green and digital transition; create jobs with impact, particularly for those experiencing disadvantage; engage youth, and build cohesion. It can be a driver of job creation and economic activity. Based on estimates, it accounts for between 2 and 10 per cent of national GDP in OECD member countries (OECD, 2022).

In recognition of the diversity of practice and the need for policy tools applicable to a range of country contexts and varying degrees of development of the social economy, the OECD has proposed a social economy framework of nine building blocks, which provide the conditions for the social economy to thrive at international, national and local level:

⁷ Adherents are countries that are supportive of the SSE.

- Foster a social economy culture.
- Create supportive institutional frameworks.
- Design enabling and regulatory frameworks.
- Support access to finance.
- Enable access to public and private markets.
- Strengthen skills and business development support.
- Encourage impact measurement and monitoring.
- Support the production of data.
- Encourage social innovation (OECD, 2022).

The implementation of the recommendation will be supported by the Local Employment and Economic Development (LEED) Programme, which will report to the OECD Council in 2027. In parallel, the OECD will continue to develop relevant country reviews, thematic work and good-practice reports to ensure that the recommendation remains relevant over time.

United Nations

The foundations have been laid for the UN General Assembly to promote its first resolution on the social and solidarity economy and the SDGs. The intention is to raise the visibility of SSEs within the UN as a driver of a more human, fair and sustainable economic model, and to consolidate social alliances around the world. The UN acknowledges that SSEs can be a means to promote resilience during times of crisis, bring communities together, and tackle climate change. A UN resolution on the SSE will strengthen and promote work done by SSE organisations, and will enhance recognition of their contribution to achieving the SDGs. It will facilitate exchange and learning among member states, as well as providing information on the progress of SSE national policies on the implementation of the UN 2030 Agenda on Sustainable Development.

2.3 Conclusions

The broader dimensions of the social economy, such as co-operatives and associations, have been around for a long time but a focus on the specifics of the social economy and social enterprise is a more recent phenomenon.

The more recent evolution of the social economy took place particularly in the 1980s and 1990s as a response to structural unemployment, the limitations of public employment schemes, and the requirement to meet emerging social needs resulting from the evolution of European societies. Thus, one of the drivers of the social economy was the provision of work for, and societal integration of, vulnerable groups.

This focus has evolved and broadened as social economy entities have expanded their remit to address emerging needs such as climate change, the fallout of the Covid-19 pandemic and the Ukrainian war, and the digital transformation. Associated with these developments has been the evolution of policy instruments to support the social economy and social innovation.

Nevertheless, there remains a diversity of understanding of the concept and application of the social economy, and of social enterprise as a dimension of the social economy. Social enterprises can take a number of legal forms.

As outlined, initiatives are being taken forward by the ILO, the OECD, the UN and the EU to support social enterprise. Given that the UK is no longer a member of the EU, the recent decisions of the OECD, the ILO and the UN can provide a basis for collaborative social enterprise initiatives between Ireland and Northern Ireland, and the wider UK.

Chapter 3

Social Enterprise in Ireland

3.1 Introduction and context

The wider social economy has had a long history in Ireland but the official emergence of social enterprises is a more recent phenomenon.

This chapter traces the evolution of social enterprise in Ireland, legal forms for social enterprises in Ireland, the scale and nature of the social economy, the development of a social enterprise policy, supports for social enterprise, social enterprise networks, procurement and social value, and alignment with community wealth-building, and finally presents a number of current issues.

3.2 Historical development of social enterprise in Ireland

The term social economy in Ireland can be traced to the 18th century (O'Shaughnessy & O'Hara, 2016). Like elsewhere, the social economy in Ireland typically includes charities, co-operatives, mutual associations, social enterprises, community and voluntary organisations and other non-profits. Ireland's oldest functioning charity was established in 1790 when a group of Dublin businessmen formed the Sick and Indigent Roomkeepers Society to provide services for the city's poor (The Wheel, 2022). However, the social economy label is not always used to describe this array of organisations, so many organisations within the wider social economy do not identify themselves with, or even fully understand, the term (O'Shaughnessy & O'Hara, 2016).

The concept of social enterprise first emerged in public policy discourse in Ireland in the 1990s. O'Shaughnessy and O'Hara contend that, initially, social enterprise was viewed as a mechanism of job creation/integration and service provision in disadvantaged communities. For example, in early 2000 the social economy was defined as that part of the economy, between the private and public sectors, which engages in economic activity in order to meet social objectives (FÁS, 2000). Social enterprises were identified as one type of enterprise within this part of the economy.

Nevertheless, there has been ambiguity in the understanding of both the social economy and social enterprise, in particular. At a policy level, perspectives on social enterprise have been significantly influenced by Europe, as outlined in the previous chapter. By contrast, in Irish academic discourse, the interpretation of social enterprise is more varied due to the different influences of the USA and European intellectual traditions.

The USA intellectual tradition has focused on the social innovation and social entrepreneurship role of non-profit organisations, which are often used to provide a state service and driven by a social mission. The US tradition also refers to some for-profit bodies with a social mission and that invest some of their profit in the social mission. In the European intellectual tradition, there is an emphasis on the social economy and social enterprises as a civil society-based solution to a range of localised social and economic problems, most notably unemployment and service provision in disadvantaged communities. These varied understandings have compromised attempts to estimate the scale and potential of the sector in Ireland to date (O'Shaughnessy & O'Hara, 2016).

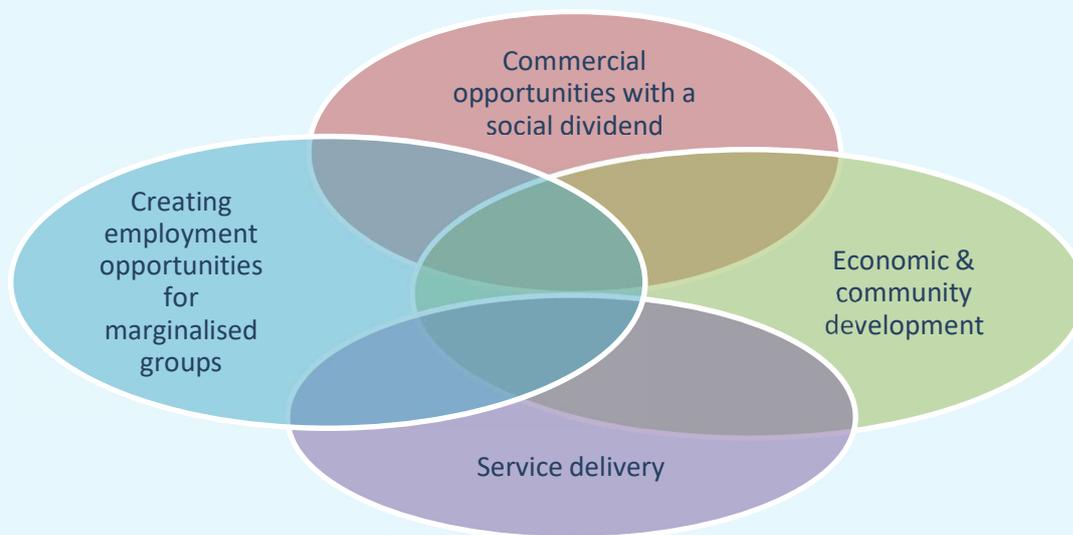
In 2013, as part of the policy response to the unemployment crisis in the economic recession, the Irish government commissioned an examination of the job-creation potential of social enterprise. Forfás reported on the sectoral opportunities and policy issues for social enterprise in Ireland at the time (Forfás, 2013).⁸ It identified four main types of social enterprise in Ireland, with overlapping remits as shown in Figure 4.

The potential of the sector was identified as a small but growing part of the enterprise base, with the prospect of providing further job opportunities. At the time (2013), Forfás estimated, the social enterprise sector employed between 25,000 and 33,000 people in over 1,400 social enterprises, with a total income of around €1.4bn. It estimated that, if Ireland's social enterprise sector was to approach average EU levels of output, there could be at least 65,000 social enterprises in Ireland.

⁸ Forfás was Ireland's policy advisory board for enterprise, trade, science, technology and innovation at the time. It was subsumed into the Government Department of Jobs, Enterprise and Innovation in 2014.

The nature of social enterprises is such that goods and services tend to be provided locally and therefore the jobs are created in local communities. Social enterprises can provide jobs across a range of skillsets, including jobs for those most distant from the labour market, both socially and spatially. In general, Forfás found that social enterprises are not necessarily seeking additional state funding, but rather require adjustments to some policy areas such as access to funding, procurement, capacity-building and supportive legal frameworks. One overriding recommendation was the need for a coherent policy for social enterprise in Ireland.

Figure 4: Types of social enterprise in Ireland



Source: Forfás, 2013: 14.

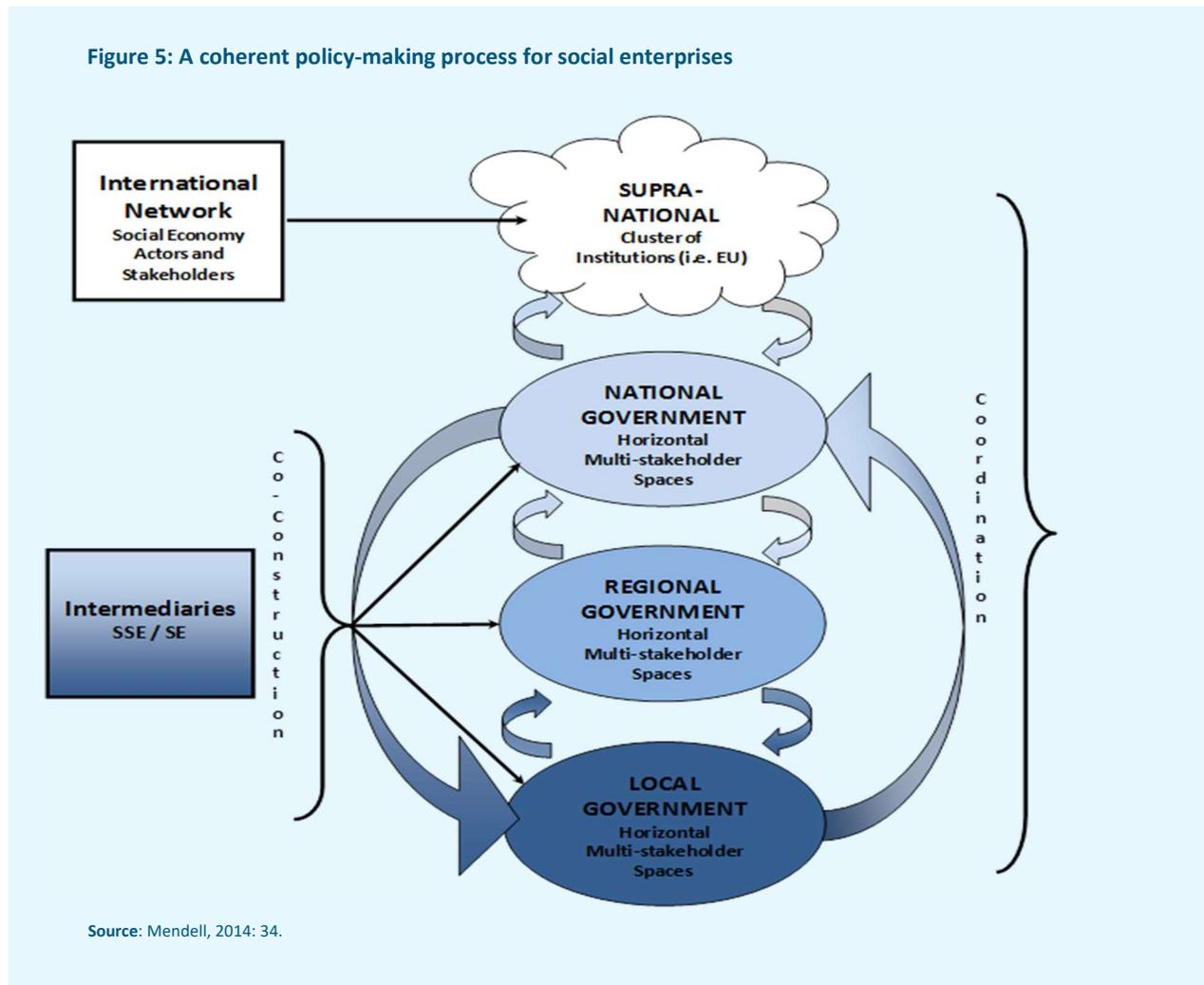
In many countries, policy on social enterprise is located in enterprise departments. However, in Ireland it has been difficult to find a home for social enterprise. As noted by Forfás in 2013, the Social Economy Programme (SEP), which was mainly focussed on social enterprise, transferred from the Department of Enterprise, Trade and Employment in 2007, initially to the Department of Community, Rural and Gaeltacht Affairs and subsequently to the Department of the Environment, Community and Local Government, where it evolved into the Community Services Programme (CSP). The Departments of Social Protection and Health also have had responsibility for a range of programmes of relevance to the social enterprise sector.

An inter-departmental group on the social economy was set up in 2013, following a recommendation by Forfás (Forfás, 2013). The group comprised the Departments of Environment, Community and Local Government; Social Protection; Agriculture, Food and the Marine; Health; Arts, Heritage and the Gaeltacht; and Jobs, Enterprise and Innovation. The establishment of the inter-departmental group was seen as an important step towards the creation of a conducive ecosystem for social enterprises, especially if it fostered collaboration with social economy organisations. The OECD has emphasised 'the need for better co-ordination between different divisions of government and between different jurisdictions as well as collaboration with non-government actors and organisations' in enhancing the social economy' (OECD, 2013). It stressed:

The social economy is a template for horizontal or distributed governance. It is inherently a horizontal file and cannot be squeezed into a narrow silo framework. The capacity of the social economy to integrate social and economic objectives, to work across sectoral boundaries, ... provides sufficient evidence to support a strong

recommendation that where the social economy, and social enterprises, are on the policy agenda, they must not be reduced to sectoral strategies (Mendell, 2014; OECD, 2013).

The OECD has proposed a process of policy formulation to create conducive ecosystems for social enterprises (see Figure 5). The aim of this process is to reduce information asymmetries and increase policy coherence for greater effectiveness. The role of social enterprise networks as intermediaries is noted as critical to the policy formulation process at national, regional and local levels.



The inter-departmental group engaged with the Social Enterprise and Entrepreneurship Task Force (SEETF).⁹ Set up in 2009, it comprised social enterprises, support organisations, community practitioners, state support organisations, academics and experts. Its mission was to promote social enterprise and social entrepreneurship as a viable part of the Irish economy. SEETF established an online and social media platform, a network of social enterprises and a forum for the social enterprise community in Ireland. This role has been played by the Irish Social Enterprise Network (ISEN), a national representative network of social enterprises that focuses on networking, advocacy and education (see <http://www.socent.ie>). The OECD has underlined the importance of such networks for building capacities and a sense of organisational identity (Noya, 2009).

⁹ The SEETF was set up by social enterprise interests to bring people together to focus specifically on how to promote the concept of social enterprise and the common interests of the sector.

The social economy inter-departmental group was to advise on how best to access EU funds. At a European Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) meeting in Milan in 2014, the Irish Minister for Social Protection acknowledged the tensions between a vision of needs-based or people-centred bottom-up development models and a more modest or pragmatic top-down view of social enterprise as a labour market tool to improve the employability of participants engaged at local level (OECD, 2016: 53). As well as accessing European funding, the inter-departmental group engaged with representatives from the credit unions in relation to the potential of credit unions lending to the social enterprise sector.

The Government's 2012 Action Plan for Jobs contained a commitment to develop a vibrant social enterprise sector. The Forfás (2013) report was produced on foot of this commitment and the inter-departmental social economy group established. The 2014 Action Plan for Jobs included a commitment to develop the social enterprise sector, including: the policy development of the sector; building the capacity of the sector; addressing procurement policy; funding and finance; developing leaders; harnessing community support; and governance. Under the 2015 Action Plan for Jobs, a €5m Community Enterprise Initiatives Fund was established. The Social Inclusion and Community Activation Programme (SICAP), established in 2015, also includes support for social enterprises.

In its *Weaving Together Policies for Social Inclusion in Ireland* (OECD, 2016), the OECD noted the potential of social enterprises to create job opportunities and improve service provision in disadvantaged areas, but that there was not yet a systemic vision on the role that social enterprise could play in addressing such challenges. It proposed establishing a conducive framework at national level, while initiatives such as innovation pilot zones could be considered. Such an ecosystem could include providing an adequate legislative and regulatory framework; tailoring public procurement to foster the delivery of social services by promoting social clauses; facilitating access to finance; and providing capacity-building opportunities to social enterprises.

In addition, the OECD drew attention to the peripatetic nature of social enterprise policy in government. In July 2015, the Government assigned responsibility for the social enterprise agenda to a minister of state at the Department of Housing, Planning, Community and Local Government. This augmented the minister's responsibility for rural economic development, and local and community development. It was seen as an important step in terms of political leadership, particularly in relation to supporting the work of an inter-departmental group on the social economy.

The social economy inter-departmental group also noted the need for data on social enterprises, which would provide better understanding of the scope and boundaries of the sector.

Section 3.4 discusses what we know to date about the scale of the social economy in Ireland and social enterprise within that. But first, legal forms for social enterprises in Ireland are considered.

3.3 Legal forms for social enterprises in Ireland

As discussed in Chapters 1 and 2, there are various understandings of the social economy and social enterprise. For many, this does not matter as organisations can self-define how they want to be classified. Many social enterprises and other social economy organisations emerge from the bottom-up grassroots level, so this self-definition seems appropriate. There is also much diversity within the social enterprise sector in terms of size, from locally based to international trading companies, and in terms of their type of business.

However, from a legal and funding point of view, classification is important, to determine whether or not enterprises are eligible for various types of financial and other support. The Department of Rural and Community Development and Rethink commissioned research on the legal form that social enterprises should take (Lalor & Doyle, 2021). The research found that 72 per cent of social enterprises they surveyed (*ibid.*: 179) were incorporated as a company limited by guarantee without share capital (CLG). The second most prevalent form was co-operatives (6%). Almost three-quarters (73%) were standalone organisations and one in five (20%) were part of or associated with parent organisations. A majority of respondents had applied for charitable status (60%) to access grants and social investment funding, to safeguard the enterprise's social mission, to gain charitable tax exemption, and to safeguard their reputation. The majority of respondents (59%) believed that the legal form of their social enterprise met their current or future requirements. However, close to one-quarter believed that it did not.

Two-thirds (67%) of respondents believed that a distinct legal form was required for the social enterprise sector. Requirements of a dedicated legal form were:

- that it should ensure that the assets of the social enterprise are dedicated to social benefit (asset lock);¹⁰
- that it should require annual reporting of social outcomes;
- that it should place limits on the distribution of profits/surpluses;
- that private shareholding should not be facilitated in a dedicated legal form.

Most of the respondents believed that directors should not be allowed to financially benefit.

In terms of the appropriate type of legal structure, the predominant view referenced the use of community interest companies (CICs) in the UK, which is derived from company law. There was broad consensus that there should be limits on the distribution of profits and that there should be an asset lock. Some respondents also advocated for a dedicated legal form to be based on an adaptation of the co-operative, as is the case in some European countries.

There were a number of points of divergence on whether: (i) there should be some provision for private shareholding if access to equity is a key requirement for development of the social enterprise sector, and (ii) board members should be able to gain financial benefit. There was also a view that a dedicated legal form might not benefit the sector as it would involve placing boundaries on a sector which is evolving and where there are different views on the concept of social enterprise and the principles underpinning it.

The research concluded that, overall, the argument for a dedicated legal form was not compelling. The authors contended that it was not required to address the issues raised, such as recognition of the social enterprise sector and governance, and in any case, there is not an overriding view on what configuration a dedicated legal form would take (Lalor & Doyle, 2021). Since the research was published, there has been no move to introduce a dedicated legal form for social enterprises. A guide to legal forms for social enterprises has been produced by TrustLaw on behalf of the Department of Rural and Community Development (see <https://www.gov.ie/en/publication/b89d8-trustlaw-guide-social-enterprises-in-ireland/>).

One of the recommendations of the research was to use existing legal forms more – in particular, co-operatives. The Government recently approved the drafting of long-awaited legislation for the co-operative sector. As noted in earlier chapters, co-operatives are established to serve the interests of their members, who range from producers and workers to consumers and the wider community. A widely used definition is ‘an association of persons united voluntarily to meet their common economic, social and cultural needs and who own jointly and control democratically their enterprise’.¹¹ Currently, there is no specific legislation dealing with co-operatives in Ireland. At present, those who wish to operate as co-operatives register as industrial and provident societies or as companies, and reflect their co-operative ethos in their rules or constitution. Some 967 industrial and provident societies were registered at the end of 2021.

The new Co-operative Societies Bill will modernise existing provisions and introduce modern corporate governance, financial reporting and compliance requirements, which will make co-operatives more attractive to investors. It will be easier to set up and operate a co-operative by reducing the number of founding members from seven to three. As co-operatives differ from companies in that they serve the interests of their members rather than their shareholders, it is contended that it is a model that can work particularly well for social enterprises. The proposed legislation should provide flexibility that will enable co-operatives to reflect in their rules what best suits their own particular circumstances. Thus, the co-operative model should be seen as an attractive formation option for both entrepreneurs and for social and community activities.

¹⁰ An asset lock is a legal clause that prevents the assets of a company from being used for private gain rather than the stated purpose of the organisation.

¹¹ See <https://enterprise.gov.ie/en/news-and-events/department-news/2022/november/202211161.html>.

Credit unions are essentially financial co-operatives, in that they are not-for-profit organisations with a volunteer ethos and community focus that allow members to save and lend to each other at reasonable rates of interest. However, they commit only a small proportion of their funds (about 5%) to community business. Credit unions are categorised as social enterprises in many jurisdictions, including Northern Ireland, but not in Ireland. There are developments underway to enable credit unions to provide funding for social enterprises, with the Central Bank as regulator agreeing, in March 2018, that credit unions can lend through a regulated investment vehicle. Community Finance Ireland (CFI) (see Section 3.6) is now developing a collaborative loan product with a number of credit unions. This is something which could be undertaken on a shared island basis.

Following the outline of the historical development of social enterprise in Ireland, and its legal forms, the next section discusses what we know to date about the scale of the social economy in Ireland and social enterprise within that.

3.4 The scale and nature of social enterprise in Ireland

While there are no definitive statistics on the scale of the social economy in Ireland, it is estimated that there are more than 11,500 community and voluntary organisations, of which 8,500 are registered charities. These non-profit organisations employ over 100,000 staff, involve over 50,000 people as trustees/board members and have a combined income of €5.7bn a year (O'Connor, 2016). Benefacts estimated that, in 2019, the Irish not-for-profit sector had a turnover of €13.9bn, of which less than half (44%) came from government (Benefacts, 2021; The Wheel, 2022).¹² However, many community and voluntary organisations would not view themselves as part of the social economy, and certainly not as social enterprises, as they are not trading and would not fit the current definition of social enterprise as defined in the *National Social Enterprise Policy*. The CSO produces accounts for S15 non-profit institutions serving households, such as charities and non-commercial agencies not owned by government, including schools and hospitals, but these are not aligned particularly well with social enterprises. In short, there are currently no specific figures at national level for social enterprise in Ireland. However, publication of a recent national baseline data collection exercise on social enterprise is imminent.

Along with increasing recognition of social enterprise in Ireland, the concepts of social entrepreneurship and social innovation have also evolved. They develop ideas for social good and are often supported through philanthropic or corporate donations. Social enterprises can be established to deliver ideas developed by social entrepreneurs or innovators. Organisations such as Social Entrepreneurs Ireland and Rethink Ireland (previously the Social Innovation Fund Ireland) provide support to social entrepreneurs and innovators (see Section 3.6 for further information).

The lack of information on the number and nature of social enterprises in Ireland has been identified as a gap in our knowledge base. While a number of 'local' mapping projects have provided useful data on social enterprise activities in particular geographical areas, and helped to develop technical capacity and useful methodologies, authoritative data have been lacking on key metrics such as the number of social enterprises, employment levels, trading patterns, income levels, turnover, gross value added and business activities/sectors. Thus, it is recognised by the social enterprise sector and policy makers that this knowledge gap needs to be addressed in order to build awareness of the social enterprise sector and so that its full potential to address social, economic and environmental problems is realised.

Experience from Scotland, which has conducted three national social enterprise census surveys since 2014, indicates that this is complex issue that requires a high degree of professional and technical capacity, and the allocation of appropriate resources. At the same time, it is recognised that these data and technical challenges are not insurmountable, and can be addressed by carrying out a number of data collection exercises. In 2019, for example, Community Enterprise in Scotland (CEIS) published its third biannual survey of social enterprise activity, which included data and insights on:

- composition of the sector;
-
- economic and social contribution to Scotland;

¹² The financial data in the Benefacts report is limited to 8,733 organisations whose accounts are publicly available.

-
- financial performance;

 - markets;

 - business and employment practices;

 - geographical spread; and

 - prospects and needs of the sector.

Initial work on meeting the data challenges in Ireland has begun. The *National Social Enterprise Policy* has committed the Government, in collaboration with stakeholders, to:

- improve data collection relating to the extent of social enterprise in Ireland and areas in which social enterprises operate; and

- develop mechanisms to measure the social and economic impact of social enterprises across the full spectrum of social enterprise (Government of Ireland, 2019a: 23).

In September 2022, the Department of Rural and Community Development initiated Ireland's first social enterprise data collection survey, which was undertaken by Amárach Research, in partnership with Social Enterprise Republic of Ireland (SERI) and the Irish Local Development Network (ILDN). The exercise, which involved extensive data mapping and a national survey, identifies key data such as the total number of social enterprises in Ireland, their regional spread, the primary sectors they are active in, their staffing levels, and traded income. Over 800 responses have been received and analysed. The results of this work are due to be published in May/June 2023. This information will be important to help quantify the scale of the social enterprise sector. However, complementary qualitative information will also be required to enable full understanding of the nature of the sector and the challenges it is facing.

3.5 The development of social enterprise policy

In 2017, the Government assigned responsibility for social enterprise to the newly established Department of Rural and Community Development, which went on to develop the first government policy for social enterprise in Ireland, *National Social Enterprise Policy for Ireland 2019-2022* (Government of Ireland, 2019a). These were important steps in developing a more coordinated and robust policy framework for social enterprises. As well, the 2020 Programme for Government contains a commitment to build on this national strategy as part of the strategic mission 'Building Stronger and Safer Communities' (Government of Ireland, 2020b: 92).

The overall aim of the *National Social Enterprise Policy* is to create an enabling ecosystem for social enterprises to grow in scale, support jobs and contribute to Ireland's economic and social progress. The policy is underpinned by research undertaken in 2017/8 by the Social Finance Foundation and the Department of Rural and Community Development (2018). The research provided information on social enterprises in Ireland and was informed by extensive stakeholder engagement, international scoping and local mapping. Consultancy support was provided by Community Enterprise in Scotland (CEIS), which is a country recognised as a leader in social enterprise.

The *National Social Enterprise Policy* sets out three policy objectives:

- building awareness of social enterprise;

- growing and strengthening social enterprise; and

- achieving better policy alignment.

Despite a long tradition of social enterprise in Ireland, it is not widely understood or recognised. The policy commits to improving awareness and understanding of what social enterprise is and how it operates. Since publication of the policy, this has been progressed in a number of ways, for example through the ARISE scheme (Awareness Raising Initiative for Social Enterprises), an annual conference and a national social enterprise day (17 November 2022), the Higher Education Institutions on Social Enterprise Network, the Foróige Youth Entrepreneurship Programme to get young people involved, and regular newsletters (senews@dracd.gov.ie).

In terms of growing and strengthening social enterprise, the aim is to improve the range, quality and consistency of supports available to social enterprises throughout the country. This is being done in a number of ways; for example, by scaling up the grants that are available,¹³ providing funding for capacity-building, schemes for training and mentoring, business support through Chambers Ireland, the establishment of a Strategic Procurement Advisory Group, improving access to funding (for instance, through Rethink Ireland), and through the Working to Change Initiative with the Department of Justice (see Box 3). The financial and other supports for social enterprise are described in greater detail in Section 3.6.

Box 3: Working to Change

Working to Change is an initiative that works to increase access to employment options for people with a criminal conviction by engaging multiple stakeholders across a range of sectors, including social enterprise. Having a criminal record makes getting a job difficult. Working to Change is about removing barriers, supporting individual change and providing meaningful employment for people with a criminal record. The initiative is overseen by a multi-departmental steering committee, and is hosted by Pobal on behalf of the Department of Justice, the Probation Service and the Irish Prison Service (see <https://www.workingtochange.ie/>).

As part of Working to Change, the KickStart fund supports organisations with a new or existing social enterprise idea which will increase employment opportunities for people with a criminal conviction who find it difficult to access the labour market. There is also a KickStart scholarship scheme to support people with a criminal conviction who are experiencing socio-economic disadvantage to access higher education.

The third objective, achieving better policy alignment, seeks to dovetail the *National Social Enterprise Policy* with other policies such as the strategy to support the community and voluntary sector in Ireland (Government of Ireland, 2019b) and the national volunteering strategy (Government of Ireland, 2020a), as well as co-ordinating across government departments and developing linkages internationally. To date, this has involved alignment with policies on rural development, climate action, justice and the *White Paper on Enterprise*. At a regional level, there is co-operation on social enterprise with Údarás na Gaeltachta, the Western Development Commission and the Mid-West Region. There is international engagement on the EU Action Plan on the Social Economy; the OECD, which is undertaking a Review of the National Social Enterprise Policy; the UN and the ILO, on the social and solidarity economy; and the Social Enterprise World Forum (SEWF) whose goal is to grow the global social enterprise movement. Closer to home, there is co-operation with Northern Ireland and the UK, through the Shared Island initiative and the British Irish Council (see Chapter 5).

Since the publication of the *National Social Enterprise Policy*, the Government has published two annual reports – for 2020 and 2021 (Government of Ireland, 2022a). These reports document progress on the implementation of each of the three objectives of the policy, including case studies.

Social enterprises have played a valuable role in addressing crises, such as the Covid-19 pandemic and supporting Ukrainian refugees. However, the pandemic has also affected social enterprises, particularly in relation to their financial

¹³ In July 2022, the Minister for Rural and Community Development announced the allocation of €1.5m for 34 social enterprise projects through a Scaling Up Fund. This funding supports projects to carry out capital works.

performance (Weaver, 2020). In Ireland, the Social Enterprise Regeneration Programme¹⁴ has helped social enterprises recover from the impact of Covid-19 by providing training and mentoring. In general, social enterprises in Ireland demonstrated resilience during the unprecedented health emergency, as evidenced by their ability to absorb stress, re-establish critical services, reconfigure their operation and, in some cases, thrive in altered circumstances.¹⁵ Social enterprises also contributed to the Community Call initiative (McGauran, 2021). More recently, social enterprises are supporting the integration of Ukrainian refugees in the country and helping households with the increases in the cost of living.

The current *National Social Enterprise Policy* came to an end in 2022. A process is underway to prepare its successor. This includes: a data collection survey, a review by the OECD, workshops around the country and public consultation on a draft when it has been prepared. It is intended that a successor policy will be published in late 2023.

3.6 Supports for social enterprise

One of the key elements of the policy is its engagement with a range of organisations supporting funding, capacity-building, awareness-raising and implementation. Most social enterprises operate at the local level where a number of supports are available. Local Economic and Community Plans, developed by Local Community Development Committees, often identify supports for social enterprises; for example, through the Social Inclusion and Community Activation Programme (SICAP), the Community Enhancement Programme (CEP) and the Community Activities Fund (CAF). Also important are the Social Enterprise Development Fund from Rethink Ireland and the Community Services Programme (CSP), delivered through Pobal.

Pobal, which works on behalf of government to support communities and local agencies toward achieving social inclusion and development, is instrumental in supporting social enterprises through a number of its programmes. For instance, the Community Services Programme (CSP), which evolved from the Social Economy Programme (SEP) referenced in Section 3.2, has been an important source of funding for local social enterprises. The CSP is designed to support community-based organisations to provide local social, economic and environmental services through a social enterprise model, providing a contribution towards the cost of staff. It typically supports organisations to meet local service gaps and provide access to services and facilities that would otherwise generally be unavailable. An independent review of the programme was published in 2020. On the basis of the review, the CSP has been restructured, with a new funding rate introduced for CSP organisations operating in areas of high disadvantage, employing individuals from prescribed target groups and having limited earning potential. This will go some way towards meeting one of the criticisms of the programme: that the CSP staffing contribution does not meet the salary cost of supported posts. The CSP currently supports 420 community-based organisations. Another criticism was that the scheme was closed to new entrants. A call for new applications is to be announced in the first half of 2023. The new funding strand will support social enterprises and community/voluntary organisations that focus on the circular economy and that are either Traveller-led or ones that will primarily employ members of the Traveller community.

The Wheel, Ireland's national association of community and voluntary organisations, charities and social enterprises, supports social enterprises in a number of ways. It has a social enterprise officer and has established a social enterprise hub (see <https://www.wheel.ie/policy-campaigns/socialenterprise>). The EU's EaSI (Employment and Social Innovation) programme funds projects that promote high-quality and sustainable employment, improve working conditions, support adequate social protection and combat poverty and social exclusion. The EU Commission has appointed The Wheel as the national contact point for the fund in Ireland. The baSE project 'Blueprint for advanced skills & trainings in the social economy (2022-2026)' is the sole EU project funded to create a European blueprint to address skills needs in the social economy. RevitalESE EU is an Erasmus+ funded project led by The Wheel, with partners from six EU countries, to provide innovative training and networking opportunities for social economy organisations. Access Europe, a programme run by The Wheel and funded by the Department of Foreign Affairs, has mapped all EU funding opportunities for social enterprises and offers a comprehensive support service for social enterprises and other non-profits to help them access and manage EU funding. More could be done to promote the support that The Wheel offers

¹⁴ The Social Enterprise Regeneration Programme is funded by the Dormant Accounts Fund. It is being administered by the Irish Local Development Network on behalf of the Department of Rural and Community Development.

¹⁵ See <https://www.socialenterprisesni.org/news/8-march-2021/social-enterprise-ni-build-back-social-virtual-conference-2-21-links-to-videos>

as National Contact Point for both Access Europe and EaSI, as well as the breadth of training and supports they offer as part of its work in supporting social economy organisations.

Local development companies (LDCs) have a key role in supporting social enterprises, both individually and through the Irish Local Development Network (ILDN). LDCs support social enterprises throughout Ireland through LEADER, SICAP and other programmes. They use a mix of in-house expertise and external funding to support social enterprises through a dedicated Social Enterprises Managers Network and the provision of training tailored to social enterprises. LDCs have delivered a training and mentoring supports programme and a small capital grants scheme on behalf of the Department of Rural and Community Development. The Social Enterprise Small Capital Grants Scheme provides grants for equipment, repairs or refurbishments to enable social enterprises to improve their service delivery. Also, of particular note was the administration of a Covid-19 social enterprise regeneration fund by the ILDN in 2021. As noted earlier, the pandemic highlighted the invaluable role played by social enterprises in their communities, making an important contribution in areas such as mental health, social inclusion and the circular economy. The Covid-19 Social Enterprise Regeneration Programme resourced LDCs and LDC consortia to provide supports to social enterprises in communities as they emerged from the pandemic.¹⁶ As well, the Local Community Development Committees (LCDCs) have delivered a social enterprise capital grant scheme in each local authority area.

Údarás na Gaeltachta, the state development agency with responsibility for the economic, social and cultural development of Gaeltacht regions, supports social enterprises in the Gaeltacht. Following a research and consultation process, Údarás has developed a three-year strategic action plan for social enterprises based on the National Social Enterprise Plan, with 13 objectives, associated actions and key performance indicators (Údarás na Gaeltachta, undated). An example of one of the social enterprises supported is a photovoltaic project in Carraroe, Co. Galway (see Box 4).

Box 4: Photovoltaic Project, An Cheathrú Rua, Co. Galway

Comharchumann Mhic Dara (The 'Co-op') in An Cheathrú Rua (Carraroe) in the Galway Gaeltacht is undertaking a renewable energy project, which includes installation of 120kw photovoltaic (PV) solar panels on the roofs of its buildings and Ireland's first carbon-neutral Irish college.

The industrial estate in which Comharchumann Mhic Dara is located is now zero carbon-rated. The surplus energy generated will be sold to the grid. The annual savings on electricity and oil on the estate are estimated to be €12,000.

The Co-op hopes to produce approximately 900,000 kwh in PV solar power by the end of 2026.

(Údarás na Gaeltachta, undated)

The Local Enterprise Offices (LEOs), which deliver a range of services to local businesses, can also support social enterprises. However, social enterprises in general and companies limited by guarantee (CLGs) specifically are not included in the range of businesses eligible for financial support from LEOs.¹⁷ Enterprise Ireland similarly does not support CLGs. The CLG structure is the most common structure for social enterprises. It would therefore be progressive for CLGs to be afforded similar status to limited companies, etc, when accessing supports from LEOs and Enterprise Ireland. Some CLGs have engaged in workarounds, such as establishing subsidiary companies limited by shares, but this creates additional and unnecessary complexity. Moreover, while some LEOs are open to considering supporting social enterprises, others are less convinced, citing eligibility and viability as concerns. However, if social enterprises have a strong business component, LEOs should be able to support them. Consistency of approach from LEOs has been raised as an issue by social enterprise proponents.

¹⁶ This scheme, funded by the Department of Rural and Community Development through the Dormant Accounts Fund, provided grants to deliver free training and mentoring to social enterprise managers, directors and staff across the country, with a particular focus on strategic planning, digital innovation, capacity-building and governance.

¹⁷ LEOs provide a range of financial supports designed to assist with the establishment and/or growth of enterprises (limited company, individuals/sole trader, co-operatives and partnerships) employing up to ten people – see <https://www.localenterprise.ie/Discover-Business-Supports/Financial-Supports/>.

Dublin City Council provides an example of a LEO which does support social enterprises. In 2015, Dublin City Council, Inner City Enterprise and Dublin City LEO established the Dublin City Social Enterprise Awards. This programme aims to help social enterprises develop in Dublin city, promote social enterprises and increase awareness of the important contribution they make to local communities and economies. As part of the programme, awardees receive funding and supports to enhance their development and impact. For the 2022 awardees, see Box 5.

Box 5: Dublin City Social Enterprise Awardees 2022

The Grassroots Guild

The Grassroots Guild provides practical biodiversity programmes to community groups and corporate organisations. It is focused on engaging the most marginalised members of its community such as young people, stay-at-home parents, older people, unemployed people and people with disabilities. It is currently piloting a water conservation project tackling flash flooding while caring for street trees, and a wildlife mini-pond network with Waterways Ireland.

CanDo Enterprises (ChildVision)

ChildVision is the only centre in Ireland totally dedicated to the education and therapy needs of blind and multi-disabled children and young people. CanDo enterprises was developed to further a life-skills programme for young adults with multiple disabilities and visual impairment aged between 18 and 25. CanDo Enterprises provides specialist training in a range of enterprises while supporting each individual to learn the skills required to get employment. CanDo Enterprises is currently working on soap and skincare, weaving, confidential shredding, horticulture, and handmade cards.

Crosscare Community Café

Crosscare Food Services has two community cafés, three community food banks and two food poverty case workers across the north and south sides of Dublin. The community cafés offer individuals and families access to low-cost, healthy, nutritious meals in a welcoming environment. Information is provided on local services, rights and entitlements, social activities and outreach. The cafés are non-profit and aim to keep costs low; for just €2, customers can enjoy a three-course hot meal and friendly chat.

Little Fitness

This initiative is aimed at children who are homeless, living in a family hub or similar temporary accommodation. Children participate in an 8-to-10-week programme, with a person-centred and holistic approach to their well-being. They are supported in a range of fundamental skills and physical activities, including skipping, running and balance, as well as activities such as stretching to relax, and wind-down activities such as colouring. Such activities are often impossible while living in a family hub or similar temporary accommodation. The skills the children learn improve both physical and mental well-being, which empowers them to benefit from the programme long after they finish.

Recycle IT

Clondalkin Community Recycling Initiative was set up in 2002 and, with support, developed into a social enterprise offering employment and training opportunities to more than 20 people. Over the years, the initiative established a presence in Dublin and surrounding areas, and became known as Recycle IT. Recycle IT works with households, community organisations and small businesses to facilitate electronic, electrical and pure-metal recycling, and promote environmental awareness.

The Yard

The Yard is a social enterprise with the aim of equipping young people with the skills and knowledge that will enable them to fulfil their personal and professional potential, including getting a job. It was established nine years ago to target young people in Dublin 8 who had left school early and were not involved in education or employment. The Yard Crew is a 16-week programme to develop personal, practical and business skills for young people aged 16-23. Each member of the Yard Crew receives hands-on work experience, learning everything from woodwork skills and bike repairs to the particulars of running a social enterprise.

While awards help to increase awareness about the value of social enterprises in local communities, there is potential for LEOs to develop and support their commercial capacity.

The recent *White Paper on Enterprise* references social enterprises as important locally traded services. It is noted that social enterprises are an important and growing part of Ireland's entrepreneurship ecosystem, creating jobs and stimulating local economic activity, and are recognised as an integral part of Ireland's broad enterprise landscape. Reference is made to the important role that social enterprises are playing in the green transition and digital economy, as well as contributing to recovery and resilience. It is also acknowledged that the LEOs will provide training and advisory programmes for locally trading enterprises of over 10 and up to 50 employees, particularly on digitalisation and reducing energy and carbon emissions. However, direct financial assistance for expansion or growth activities for those who plan to only trade locally will not be available due to a risk of deadweight, displacement and administrative costs. Some view this as a constraint on the development of social enterprises. Nevertheless, the *White Paper on Enterprise* also notes that the Department of Enterprise, Trade and Employment will examine alternative mechanisms such as one-to-many models that could be leveraged to engage with this cohort (Government of Ireland, 2022b: 48).

Enterprise Ireland's remit is to support the development and growth of Irish firms in world markets. While only a small proportion of social enterprises operate at this scale, Enterprise Ireland also manages funds for LEOs. It can also support infrastructural development for social enterprises, if they meet the requisite criteria. Its Regional Enterprise Development Fund, which supports regional projects, has supported social enterprises such as the Burren Lowlands CLG, a community collaborative project that provides a focus point for enterprise activities in a rural setting, aimed at creating and attracting alternative employment opportunities, and the BNest Social Initiative, which assists businesses seeking social impact to achieve viability and scale through development programmes, service supports and cluster development, thus enabling innovative ideas with potential for societal impact to evolve into sustainable commercial entities.

There are also loans available for social enterprises. The main social lenders are Clann Credo and Community Finance Ireland (CFI). The Social Finance Foundation (SFF) was established in 2007 to address the needs of social enterprises and community groups for loan funding. Essentially, SFF is a wholesale lender of finance to social lending organisations, so that they can lend to borrowers seeking funding for social enterprise and community development. It provides finance to Clann Credo and CFI (see <https://sff.ie/>).

Clann Credo, set up by the Presentation Sisters in 1996, has from its inception supported social enterprises, and was a co-founder of the Social Enterprise Task Force (see Section 3.2). Clann Credo is Ireland's largest social finance provider and is itself a social enterprise. It has a strong focus on an organisation's social impact as well as its financial accounts, and on supporting sustainable community development. It can provide both bridging loans and term loans, and takes pride in its agility and ability to make quick decisions (see <https://www.clanncredo.ie/>).

Community Finance Ireland (CFI) provides social finance on an all-island basis, and is also a social enterprise (see <https://communityfinanceireland.com/>). Originating as the Ulster Community Investment Trust (UCIT) in Northern Ireland in 1995, it is now the only provider of social finance in Northern Ireland. In 2008, it also became established in Ireland, receiving funds from the Social Finance Foundation (SFF).¹⁸ Ulster Community Investment Trust (Ireland) was rebranded as Community Finance Ireland in 2015. CFI also provides both bridging and term loans.

CFI is developing a new hybrid social finance product with Rethink Ireland. The blended social finance model will include a repayable loan, a non-repayable loan and non-financial business support. It is intended that this product will increase the sustainability of start-up social enterprises in Ireland.

Rethink Ireland, previously Social Innovation Fund Ireland, provides cash grants and capacity-building support to innovative non-profit organisations in Ireland. Rethink was created by the Government in 2016 to stimulate philanthropy and support social enterprises to scale up. It works in five areas: education, health, social enterprise, equality and green transition. It places a lot of emphasis on measuring social impact (see <https://rethinkireland.ie/>).

¹⁸ CFI pays for the funds it receives from SFF in Ireland, whereas it recycles its own funds in Northern Ireland.

Rethink is currently leading a European funded project, with Genio,¹⁹ to establish a National Competence Centre for Social Innovation, see <https://ec.europa.eu/european-social-fund-plus/system/files/2022-02/Factsheet%20FUSE.pdf>.

Social Impact Ireland (SII) was set up in 2017, based on the premise of ‘for-profit companies with a social purpose’. It works with individuals and runs a variety of programmes and workshops such as incubator programmes and one-to-one business advice clinics (see <https://socialimpactireland.ie/>). It promotes the social enterprise mark (SEM) which provides independent accreditation for social enterprises. There are two levels: ‘Aspiring’ for start-ups, with tailored support to achieve sector-agreed standards of good practice in social enterprise, and ‘Approved’ which is externally assessed and internationally recognised, and provides an independent guarantee that an organisation has met sector-agreed criteria and is operating as a genuine social enterprise, committed to creating positive social change. The Rediscovery Centre in Ballymun is one of Ireland’s first accredited social enterprises (see Box 6).

Box 6: The Rediscovery Centre

The Rediscovery Centre, located in a repurposed boiler house in Ballymun, Dublin, is the national centre for the circular economy in Ireland. It connects people, ideas and resources to support greener, low-carbon living. It brings together the skills and expertise of artists, scientists, designers and crafts people who work together to promote sustainability.

The centre is a demonstration eco-facility, supporting four reuse social enterprises: Rediscovery Furniture, Rediscovery Fashion, Rediscovery Paint and Rediscovery Cycling. These businesses use unwanted materials for new product development and design demonstrating effective resource efficiency, reuse and low-carbon living.

The Rediscovery Centre is also an accredited Discover Primary Science and Maths Centre, offering interactive and experiential workshops for primary, secondary and third-level students, covering environmental and STEM (science, technology, engineering and maths) topics.

The centre runs a Circular Economy Academy which provides a free mentoring and support programme that assists social enterprises and community organisations in every part of Ireland to move their actions towards sustainability.

The Rediscovery Centre became one of Ireland’s first accredited social enterprises in November 2022. The centre notes that the social enterprise mark (SEM) will help it to share its mission and communicate its social impact as well as allowing it to demonstrate best practice in social enterprise (see <http://www.rediscoverycentre.ie/>).

There are mixed views about the benefits of the SEM. Some think that the rigour of having to meet the social enterprise criteria is beneficial and that it provides a transparent and credible acknowledgement of the operation of the social enterprise, helping it to attract customers, funders and volunteers. Others think that it is expensive (fees are on a sliding scale depending on turnover), difficult to achieve for many social enterprises as it requires at least 51 per cent traded income, and unnecessary.

Social Entrepreneurs Ireland (SEI) was founded in 2004 to support people with innovative ideas to tackle Ireland’s social problems. An all-island body, it supports people through six programmes, from initial ideas to consolidating innovations through to transformational change. This is done through a programme application and assessment process (see <https://www.socialentrepreneurs.ie/>). Since its establishment, SEI has supported more than 550 social enterprises, including well-known ones such as FoodCloud, CoderDojo, AsIAm and the Irish Men’s Sheds Association. SEI funding comes from corporates, philanthropists and charitable foundations. It argues that to be innovative you have to take risks, and that not all profits should be reinvested in the social objectives as some profit is required for equity

¹⁹ Genio is a non-profit European organisation based in Ireland with experience of scaling social innovation; see <https://www.genio.ie/>

investment to develop ideas and make social enterprises sustainable. It contends that the social mission is the most important element – a view shared by some but not all social enterprise stakeholders.

Support for social enterprise can also be provided through philanthropy. The Department of Rural and Community Development is currently drafting a National Policy on Philanthropy with the assistance of a National Advisory Group which comprises philanthropists, grant-makers, government and civil society. The policy is being developed with a view to supporting and facilitating philanthropy in Ireland and to further develop its potential. This offers funding possibilities for social enterprises.

As well as these organisational funding supports for social enterprise, a range of funds are available through the Department of Rural and Community Development, mainly from the Dormant Accounts Fund (see <https://www.gov.ie/en/publication/624c74-social-enterprise/#funding-and-supports-for-social-enterprises>).

Despite all the various funding supports, barriers remain that can prevent some social enterprises from accessing business supports. For example, not-for-profit organisations and charities are required to pay the National Training Fund (NTF) levy of 1 per cent on all salaries, but are not eligible to access Skillnet Ireland, which is the main channel through which NTF money is invested in business supports.²⁰ Given the contribution of charities and not-for-profits to the NTF (estimated at €90m per year)²¹ it would be worth considering options for charities and not-for-profits to gain more benefit from this contribution, either through Skillnet or an alternative business support agency.

In summary, it is clear that a wide range of supports for social enterprises is available. While this is necessary to deal with the diversity of social enterprises, a number of issues have been raised. These include:

- lack of clarity on what is available from whom, for what and when;

- the bureaucracy associated with some of the funding schemes;

- gaps in funding, e.g. for start-ups, for scaling up, for equity investment, and access to NTF business supports; and

- a need for agreed mechanisms to measure social impact.

There are a range of views on the extent to which any profits should be reinvested towards the social mission, and the level of traded income required to qualify for various supports.

3.7 Social enterprise networks

Social enterprise networks play an important role in connecting, informing and supporting social enterprises, as well as progressing the key issues arising for social enterprises. There are two main social enterprise networks in Ireland: the Irish Social Enterprise Network (ISEN) and Social Enterprise in the Republic of Ireland (SERI), while a number of networks have a more specific focus, such as The Wheel's Social Enterprise Member Network and the Social Economy Research Network of Ireland (SERNI).

The ISEN is a national representative network of social enterprise in Ireland, established in 2013. It works to make the social enterprise sector more visible by focusing on networking, advocacy and education (see www.socent.ie). ISEN has a website, produces a newsletter and provides training. Sponsored by Dublin South City Partnership, Dublin City Council and Community Finance Ireland, it has produced a social enterprise toolkit, which is a resource for communities and individuals setting up a social enterprise in Ireland (see <https://socialenterprisetoolkit.ie/>). ISEN has also been involved

²⁰ Skillnet Ireland is mandated to support private enterprise. Public sector organisations, charity or not-for-profit organisations, and businesses based outside of Ireland cannot join a Skillnet Business Network; <https://www.skillnetireland.ie/about/about-skillnet/>

²¹ This estimate is based on 165,000 employees in the community and voluntary sector being paid the national average wage of €28 per hour, and thus contributing over €90m to the NTF every year (the figure would be about €33m if employees were paid the minimum wage).

in a number of European projects and it runs the BuySocial movement, a campaign to raise awareness of social enterprises across Ireland (see <https://buysocial.ie/>).

SERI, established in 2020, is also a national representative body for social enterprises in Ireland. Its emphasis is on representation, raising awareness of social enterprise, providing support and building relationships (see www.socialenterprise.ie). It undertook the first national data collection exercise of social enterprises in Ireland in conjunction with ILDN. It liaises with Social Enterprise NI (SENI) in Northern Ireland and links in with social enterprise networks in Europe and further afield (e.g. the Social Enterprise World Forum – SEWF). SERI is also involved in a B2B (business-to-business) pilot led by Social Enterprise UK (SEUK) as part of its Buy Social Corporate Challenge, which helps large businesses to engage with a range of innovative suppliers and embeds sustainability and diversity into their core operations; it also helps high-performing social enterprises to grow their revenues and impact by tapping into corporate purchasing power (see <https://www.socialenterprise.org.uk/get-involved/social-procurement/buy-social-corporate-challenge/>).

There is a view that, in future, it would be prudent to have one national representative network, merging and building on the strengths of the two current networks, ISEN and SERI.

The Wheel hosts a Social Enterprise Member Network through which Wheel members with a social enterprise aspect to their operations have access to networking opportunities, are kept informed on key issues affecting social enterprises, and can avail of training opportunities from recognised experts (<https://www.wheel.ie/membership/networks/social-enterprise-network>).

The Irish Local Development Network (ILDN), the representative body for local development companies in Ireland, delivers a programme specific to social enterprise, see <https://ildn.ie/themes/enterprise-and-social-enterprise-development/>).

The Social Economy Research Network of Ireland (SERNI) is an all-island voluntary network of academics and graduate students working in the areas of social and solidarity economy, social enterprise, social entrepreneurship and social innovation. SERNI aims to be a resource for the study of the social economy in Ireland (<https://www.serni.ie/>). The Community Enterprise Association of Ireland (CEAI) is a network of community enterprise centres in Ireland. Its primary role is to support and develop the interests of community enterprise centres on a national basis (<https://communityenterprise.ie/>).

3.8 Procurement and social value

Unlike the UK, Ireland does not have a Social Value Act. However, reform is underway in the area of public procurement. A social clauses policy group was set up in 2015/16 by the Department of Public Expenditure and Reform with the aim of strengthening the use of social clauses and to reserve some contracts for social enterprises. Examples where social clauses have been used are in the construction of the Grangegorman Campus for Dublin Institute of Technology and in the school construction programme. In its report on addressing employment vulnerability as part of a just transition in Ireland, NESCA highlighted the important role that social clauses in public procurement processes can play in ensuring that public funding specifically addresses unemployment for marginalised groups in the labour market (NESCA, 2020).

In 2018 the Office of Government Procurement published an Information Note on *Incorporating Social Considerations into Public Procurement* (Government of Ireland, 2018). The note estimates that €12bn a year is spent by the State on the procurement of goods, services and works. While procurement is primarily focused on enabling the delivery of public services in a sustainable manner by ensuring value for money and broad access to public procurement opportunities for businesses, there are possibilities for public bodies to deliver wider social and environmental aims through their procurement processes. This can be achieved through including social considerations in the setting of the specifications and award criteria, through to the management of the contract. Examples of social considerations that can be included in the procurement processes include: employment and training opportunities for disadvantaged groups, disability access, promoting social inclusion, protection of the environment and combating climate change. As with other aspects of public procurement, there are EU and national rules that determine what and how such considerations can successfully be incorporated.

In 2019, the Department of Expenditure and Public Reform published Circular 20/2019 *Promoting the Use of Environmental and Social Considerations in Public Procurement* (DPER, 2019). The purpose of the circular is to ‘promote the wider use of environmental and social considerations with specific regard to the Climate Action Plan’. While the circular is very much environmentally focussed, it draws attention to the cross-departmental Social Considerations Advisory Group which aims to promote and facilitate the incorporation of social considerations, including environmental ones, into public procurement projects. This group has since been renamed the Strategic Procurement Advisory Group.

In practice, there are two ways that social considerations can be taken into account. One is where a contract can be reserved for a particular type of supplier, such as a social enterprise, who still has to meet the procurement criteria. This approach has been taken in the Working to Change enterprise (see Box 3). The second is where a percentage of the award criteria (10% or 20% usually) is awarded to businesses that partner with a social enterprise. This approach has been used by the Department of Rural and Community Development. The Department of Public Expenditure and Reform recently issued (28 March 2023) an updated circular on procurement which increases the advertising threshold from €25,000 to €50,000 for e-tenders (<https://www.gov.ie/en/circular/9e7bf-circular-05-2023-initiatives-to-assist-smes-in-public-procurement/>). This should provide increased opportunities for SMEs and social enterprises in public procurement.

There would be a benefit in having a register of social enterprises available to respond to tenders. The recent national baseline data collection exercise of social enterprises may help in this regard. It would also be useful to promote the use of ‘reserve contracts’; for example, by compiling a set of case studies to demonstrate the practicalities of how the procurement process works. There is also the option of tendering through the use of lots or clusters to enable social enterprises (and SMEs) to compete for tenders collectively or in partnerships. A key aspect of enabling social enterprises to compete for tenders is to build their capacity through dedicated training and/or establishing consortia of social enterprises that wish to tender for larger projects.

There is also the potential to incorporate social enterprises into the supply chains of corporate businesses. The previous section referenced the BuySocial movement being promoted by ISEN, and SERI’s involvement in the B2B pilot as part of SEUK’s Buy Social Corporate Challenge. SERI has partnered with CBRE’s²² Global Workplace Solutions business in Ireland to promote social enterprise participation by the country’s corporate sector. The aim of the pilot is to raise awareness of social enterprise in the Irish corporate sector, to create procurement opportunities for social enterprises in Ireland, and to support capacity-building in social enterprise businesses by providing feedback, training and mentoring. SERI estimates that about 30 social enterprises have indicated a willingness to trade with corporates.

3.9 Community wealth-building

A concept associated with social enterprises is community wealth-building. As stated in Chapter 1, community wealth-building is understood to be a community-based approach to local economic development which redirects wealth back into the local economy and places control and benefits in the hands of local people.

Examples of the inter-relationships between community wealth-building and social enterprises are the People’s Transition project and the Aran Islands Energy Co-operative (see Boxes 7 and 8).

²² CBRE is a global real-estate services company.

Box 7: The People's Transition

The People's Transition is a participative decision-making model developed by TASC (Think-tank for action on social change) that views climate action as an enabler of local development. The intention is to give people in local communities a voice in and ownership of the transition to a zero-carbon society. The People's Transition has carried out two pilots in Ireland, one in a rural community in Ardara, Co. Donegal, the other in an urban community, in Phibsborough, Co. Dublin. Both took place in 2021 and comprised three phases: mapping, listening and devising solutions.

Ardara, Co. Donegal

The community in Ardara highlighted the need for good jobs, with greater focus on sustained employment within the community, as well as more local apprenticeships and traineeships. The importance of traditional industries to the area was highlighted, along with the need for better connectivity, a lack of sufficient housing provision, and the importance of including women, young people and older members of the community. After deliberation, two proposed solutions were a co-operative biochar facility²³ and a large-scale indigenous seaweed farm, with the community benefitting from a 30 per cent profit share. The rationale behind the proposals was the opportunities for community wealth-building, the potential for enhanced local employment, and the links to existing local industries and livelihoods. The community was enthusiastic about the biochar co-operative but less keen on the seaweed farm on the basis of its scale and concerns about its long-term viability.

Phibsborough, Co. Dublin

The issues identified in Phibsborough included the need for a higher standard of and more affordable housing as well as employment and apprenticeship opportunities. This pointed to the creation of a retrofitting co-operative which would create jobs and training opportunities while addressing some of the issues faced by renters and homeowners. Issues of traffic, pollution and transport were also raised, leading to the second proposed solution: a bicycle courier co-operative. This provided an alternative to both van deliveries and extractive bicycle delivery services by supporting the local economy through a locally run delivery service.

See <https://www.peoplestransition.ie/peoples-transition-projects>

These examples demonstrate the overlap between social enterprise and community wealth-building through the involvement of local people in initiatives to both benefit their communities and contribute towards carbon-reduction goals.

²³ Biochar is a charcoal produced from plant matter and stored in the soil as a means of removing carbon dioxide from the atmosphere and contributing to soil rejuvenation.

Box 8: Aran Islands Energy Co-operative

Comharchumann Fuinnimh Oileáin Árann, the Aran Islands Energy Co-operative, is a non-profit community-owned co-operative, set up in 2012. Only residents and businesses located on the Aran Islands can become full members with voting rights.

The energy co-operative is working towards becoming self-sufficient in locally generated renewable energy, thus reducing dependence on oil, coal and gas. The initiative aims to create sustainable communities and stem climate change.

The co-operative is focused on:

- heating – upgrading homes and buildings through retrofitting, air-to-water heat pumps and solar hot water pumps;
- transport – the use of electric cars and bicycles, plus ponies and traps; and
- energy generation – with houses being fitted with photovoltaic panels on roofs and geothermal heating, while battery storage has been introduced in some buildings, and a wind turbine is planned for Inis Meáin.

The co-op, through EU-funded research projects, is also participating in studies on clean energy, smart sustainable technologies and microgrids, including setting up Community Power, Ireland's first community-owned renewable energy supplier. Other projects are exploring the possibility of creating hydrogen fuel on the islands, which would be available for ferries, fishing boats and local transport.

The project is supported by government, semi-state bodies, universities, private companies and individuals.

See <https://www.aranislandsenergycoop.ie/>

3.10 Summary of current issues

This section presents issues raised in relation to social enterprises in Ireland.

3.10.1 Understanding of social enterprise

While awareness and understandings of social enterprise have improved since publication of the *National Social Enterprise Policy* in 2019, there is still some confusion about what the terms social enterprise, social innovation, social entrepreneur, social economy, social and solidarity economy, etc, mean conceptually and how they are recognised and supported in practice. Further work could be done in this area, in line with international developments, as part of the next social enterprise policy.

In particular, the definition of social enterprise as set out in the current national policy could be reconsidered:

A social enterprise is an enterprise whose objective is to achieve a social, societal or environmental impact, rather than maximising profit for its owners or stakeholders. It pursues its objectives by trading on an ongoing basis through the provision of goods and/or services, and by reinvesting surpluses into achieving social objectives. It is governed in a fully accountable and transparent manner and is independent of the public sector. If dissolved, it should transfer its assets to another organisation with a similar mission.

While most people accept this definition, and others feel that it is not the most pressing issue, there are some who contend that the definition could be broadened so that not all surpluses would have to be reinvested into achieving social objectives but could provide equity to grow the business. Others argue that this could lead to ‘social washing’ by big business, but that this could be countered by a greater emphasis being placed on the measurement of social impact. Some are of the view, however, that it is important that community development retains a central place in the understanding of social enterprise in that the enterprises are led by the communities themselves rather than being externally driven. The most productive way forward may be to retain the current definition, but to set out clearly how this will be interpreted in practice, and how social enterprise fits within the broader social economy. These understandings are important in terms of accessing finance and other supports.

3.10.2 Access to finance and funding

Social enterprises, by definition, trade in goods and/or services but many need additional financial support, either to get started or to be sustainable. As outlined in Section 3.6, various sources of funding are available: from grants and loans, from the Government, from social enterprise funders, from the European Union, and from philanthropists and trusts.²⁴ Some social enterprises may lack the awareness or knowledge to access the relevant funds, or may not meet the terms and conditions required, or the funding may not align with the mission and ethos of the social enterprise. The need to reduce the bureaucracy associated with some schemes has been highlighted. There is also a need for some multi-annual funding, funding for start-ups, for scaling up, and access to business supports through the National Training Fund. As suggested earlier, there is a need to be clear on what is available from whom, for what and when. Overall, with potential for growth in the sector, and the general benefits to disadvantaged communities and people, greater financial support for the sector would benefit society overall.

3.10.3 EU funding and co-financing

European projects usually involve some element of co-financing or what is often called ‘matched’ funding. While some programmes, including Horizon 2020, provide 100 per cent funding, there are others for which match funding can be sought through government bodies, e.g. peace funding. However, by and large, co-financing is a key characteristic, with co-financing rates usually between 60 to 80 per cent. Community and voluntary organisations, charities and social enterprises in Ireland can be at a disadvantage in applying for EU funds where matched funding is a requirement. The establishment of a central match-funding facility to provide co-financing to community organisations, charities and social enterprises for EU funding applications would address this issue. Access Europe has estimated that a €1m fund would provide sufficient co-financing for around 20 to 25 approved EU projects.

3.10.4 A stronger focus on enterprise

A thread running through this assessment of social enterprise in Ireland is the need for a stronger focus on the enterprise side of social enterprise. While some aspects relate to legal forms and capacity, there is also a general sense that social enterprises could receive better support from the enterprise sector – for example, through the LEOs. Some LEOs do provide this support, but others do not, so that there is a need for greater consistency across the country. There is a general acknowledgement of the potential for this to happen but greater awareness, training and supports are required.

3.10.5 Appropriate legal forms

Social enterprises can take a number of legal forms, the most common being a company limited by guarantee (CLG) without share capital, and a small proportion are co-operatives. A majority also have charitable status. While some people call for greater clarification on an appropriate legal form for social enterprises, recent research has concluded

²⁴ Details of current supports are available at <https://www.gov.ie/en/publication/624c74-social-enterprise/#funding-and-supports-for-social-enterprises> and <https://www.gov.ie/en/publication/624c74-social-enterprise/#supports-table-for-social-enterprises>

that a dedicated legal form is not required. The forthcoming legislation for the co-operative sector may make a co-operative legal structure a more attractive option for some social enterprises.

3.10.6 Procurement and social value

The importance of access to markets and the potential of public procurement is recognised in the *National Social Enterprise Policy*. The Office of Government Procurement has been reforming public procurement to take greater account of social and environmental considerations. This is an important step but requirements could be strengthened to facilitate a greater contribution by social enterprises. A central register of social enterprises interested in tendering for supply contracts would be useful, along with capacity-building, and the establishment of consortia of social enterprises that wish to tender for larger projects. There is also the potential to incorporate social enterprises into the supply chains of corporate businesses, and to promote 'buy-social' (which aims to boost trade with social enterprises). Consideration could also be given to the introduction of social value legislation.

3.10.7 Capacity-building

Most commentators on social enterprise call for greater capacity-building. This can involve skills training, in particular, in relation to how to run a business, marketing (especially digital marketing), how to access supports, and how to become sustainable. The need for leadership skills has also been identified, along with the provision of business supports, such as shared services (e.g. in relation to HR, payroll, marketing and social media). An example of the provision of resources for social enterprises is the Social Enterprise Policy Bank, which was created to help social enterprises with achieving good governance and meeting their statutory and legal requirements. It is a website that contains a series of free policy guidebooks, templates and other resources. The project was developed by Monaghan Integrated Development, Cavan County Local Development and Louth Local Development (see <https://sepolicybank.ie/>.)

3.10.8 Cohesion of the social enterprise sector

With a wide range of stakeholders in the diverse social enterprise sector, there are calls for greater cohesion in the social enterprise ecosystem. This could be mapped out within an over-arching framework, so that those interested in social enterprise can see how the various organisations and supports relate to one another. It could also be used to raise awareness about the scope of the social enterprise sector and help to inform others. It would help to identify gaps and potential overlaps. For example, a case could be made that it would be prudent to have one national representative forum with a common voice, building on the strengths of the current networks.

3.10.9 Alignment with community wealth-building

As demonstrated, there is overlap between social enterprise and community wealth-building, especially through the involvement of local people in initiatives which both benefit their communities and contribute towards carbon-reduction targets. Such initiatives also support a just transition approach. There is scope to progress these initiatives.

3.10.10 Data provision and impact assessment

The lack of information about social enterprises in Ireland has been highlighted and is now being addressed through the current national baseline data collection exercise. This is just the start of building information about social enterprises in Ireland and will need to be continued on a regular basis. The quantitative information provided will need to be complemented by qualitative information. There is also a need to build capacity and provide resources to assess the impact of social enterprises.

3.10.11 Engaging young people

A wide range of commentators have raised the need to engage young people. It is argued by some that young people today have a good awareness of environmental and social issues and want to make a contribution to the common good. This agenda can be taken forward in a number of ways; for example, through the education system at second and third level, especially in the area of business courses. Social enterprise should also be seen as a viable career choice, and terms and conditions would need to be commensurate with that aspiration.

Examples of where this is already happening are the Young Social Innovators (see <https://www.youngsocialinnovators.ie/>) and the Foróige Partnership. To increase awareness among young people of what social enterprises are and their potential in helping with social and environmental issues, the Department of Rural and Community Development collaborated with Foróige in 2020 to develop a social enterprise module as part of the Network for Teaching Entrepreneurship (NFTE). The NFTE is a youth entrepreneurship education and development programme, managed and provided by Foróige. In 2021/22, 6,000 students participated in the social enterprise module, with very positive feedback received from teachers and students.

3.10.12 Supporting volunteers

Many social enterprises rely on volunteers for their governance structures and, in some cases, for assistance in delivering their services. An ongoing challenge is to get volunteers with the requisite skills and time to fulfil these roles. There needs to be attention given to recruiting, supporting and retaining volunteers to enable social enterprises to function effectively. Implementation of the *National Volunteering Strategy 2021-2025* will help in this regard.

3.10.13 Areas for future development by social enterprises

A number of areas have emerged as areas particularly suited to social enterprises:

- **The labour market** - social enterprises have an important role in providing employment opportunities for people distant from the labour market.

- **The environment** - especially the areas of renewable energy regeneration and the circular economy. There is scope for social enterprises to support the just transition of people to zero-carbon occupations.

- **Digital** - particularly in the social entrepreneur space where digital innovations can bring many benefits to disadvantaged communities. There is also a need to digitally upskill people who are less familiar with digital technology or have less access to it.

- **Caring** - for children, people with disabilities, and especially older people as their number in the population will continue to increase in the years ahead. The evidence shows that people prefer to be supported in their own homes and/or communities. The social enterprise sector is well placed to support the State in meeting these needs.

- **New communities** – as Ireland becomes more diverse and welcomes people from many countries, social enterprises can work with new communities to provide language and translation services as well as supporting new arrivals to Ireland to find the services they require.

- **Social farming** - which is an initiative that offers people who are socially, physically, mentally or intellectually disadvantaged the opportunity to spend time on a family farm in a healthy, supportive and inclusive environment (see <https://www.socialfarmingireland.ie/>).

Chapter 4

Social Enterprise in Northern Ireland

4.1 Introduction and context

This chapter provides the context for social enterprise in Northern Ireland by setting out the current position in relation to social enterprise in the UK, and then in Scotland and Wales. It goes on to discuss the scale and nature of social enterprise in Northern Ireland, the current position with respect to the development of a policy for social enterprise, social value and procurement developments, and community wealth-building proposals. Finally, it outlines issues for further consideration.

4.2 Social enterprise in the UK

As Northern Ireland is part of the UK, it falls under UK social enterprise developments, albeit with some devolved powers. One of the pioneers of social enterprise in the UK was the workers' co-operative established in 1844 in Rochdale to provide good-quality food in response to factory conditions that were considered exploitative. While there is a long history of co-operatives in the UK, in the late 1990s social enterprise experienced a renaissance with the coming together of different traditions, including co-operatives, community enterprises and voluntary organisations (Mswaka, 2015).

A major development in the UK was the introduction of a Public Services (Social Value) Act, which came into force in 2013. This Act requires all public sector organisations and their suppliers to look beyond the financial cost of a contract to consider how the services they commission and procure can improve the economic, social and environmental wellbeing of an area. Evidence on the impact of the Act has been mixed; it has been characterised as 'promising in its ambition but with little prescriptive force in practice' (Boeger, 2017: 113). The Social Value Act's weakness is that it lacks teeth in that it only requires authorities to *consider* social value. In some cases, this has been taken seriously; in other cases, cost remains the overriding factor in procuring goods and services. However, from 2021 all central government departments when procuring goods and services must *evaluate* social value (rather than just consider it). This dimension does not (yet) apply to local authorities or other public commissioning bodies.

The UK government lists three categories of social value:

- social (activities that promote inclusive communities);
- environmental (activities that reduce waste or pollution); and
- economic (training, employment or apprenticeship opportunities for disadvantaged groups).

It is contended that, when these three elements can be combined into a 'triple bottom line', social enterprises can command a competitive advantage over traditional businesses.

For the past 12 years, Social Enterprise UK²⁵ has been undertaking regular surveys of the state of social enterprise in the UK. Its last survey, undertaken in 2021, found that social enterprises were doing what they could to help their communities get through Covid-19. Most had also been able to retain their staff and were taking steps to reduce their carbon emissions (Social Enterprise UK, 2021). Over the years the surveys have been undertaken, social enterprises have grown in number and value, as well as becoming more diverse and having a greater impact on their local communities and society in general. The experience of Covid-19 shows that the social enterprise model can work in the toughest of times.

The 2021 survey found that more than one-fifth of social enterprises operate in the most deprived parts of the country. In general, 85 per cent of social enterprise staff are drawn from the local community, and the percentage is even higher in the most disadvantaged communities. Some 83 per cent of leadership teams include women, and 47 per cent of social enterprises are led by women, which is a higher rate than in other forms of business. Nearly-one third (31%) of social enterprises have directors from the black, Asian and minority ethnic communities. Social enterprises were found

²⁵ Social Enterprise UK (SEUK), previously the Social Enterprise Coalition, is a community interest company founded in April 2002. It is the national membership and campaigning body for the social enterprise movement in Britain.

to be more likely to invest in training and to offer flexible working options. Nearly three-quarters (72%) said they were a living-wage employer. Overall, social enterprises have been scaling up, creating jobs, increasing exports and creating new products and services. In addition, 84 per cent of social enterprises believe that buying socially responsible and environmentally friendly products is as important as cost (Social Enterprise UK, 2021).

However, SEUK's February 2023 Social Enterprise Barometer showed that social enterprises are facing tight budgets, stretched capacity, and concerns about meeting demand. Some 14 per cent expect to reduce turnover or staff or to close, which indicates that as many as 18,000 social enterprises might be at risk of closure if prices increase further, there is a recession, and/or there is no additional support to sustain otherwise viable businesses. The main issues are high energy and operating costs combined with reduced consumer spend. However, demand for social enterprise products and services is strong, even if the capacity to meet this demand is more limited (Social Enterprise UK, 2023).

In SEUK's 2021 survey of social enterprise, 11 per cent of respondents were from Scotland and Wales. The most recent data for Northern Ireland is from the 2019 survey. Overall, social enterprises in devolved nations are slightly younger than those in England. They are more likely to invest in staff training and development, and less likely to pay the living wage.

In many ways Scotland is seen as being to the forefront of social enterprise development and promotion. As noted earlier, Scotland has conducted three national surveys since 2014. The most recent, undertaken in 2019, showed that there were 6,025 social enterprises in Scotland, with 88,318 full-time equivalent employees, making a contribution of £2.3bn gross value added (GVA) to the Scottish economy. An interesting statistic is that the differential between the highest and lowest-paid worker in the social enterprise sector is 1:2.5.²⁶ The average age of a social enterprise in Scotland is 21 years. Some 65 per cent of Scotland's social enterprises are led by women; 8 per cent operate internationally, and one-third operate in rural Scotland. Sixty two per cent of Scottish social enterprises generate at least half of their income from trading (Community Enterprise in Scotland, 2019). Information from the UK 2021 survey showed that the Covid-19 pandemic negatively affected social enterprise in Scotland, with staff being furloughed and disruption to services, though some experienced increased demand (Social Enterprise UK, 2022).

Scotland has a 10-year social enterprise strategy, running from 2016 to 2026, which was developed jointly with the social enterprise sector (Scottish Government, 2016). The strategy sets out three priorities: stimulating social enterprise, developing stronger organisations, and realising marketing opportunity. Implementation is being facilitated by the Scottish government's Equality, Human Rights and Third Sector Division, and co-ordinated by a multi-agency Social Enterprise Forum.

Wales undertakes a census of social enterprises every two years, Mapping the Social Business Sector, which is commissioned and published by Social Business Wales.²⁷ In 2020, there were 2,000 social enterprises in Wales, employing 55,000 people. In recent years there has been a substantial increase in social enterprise start-up activity in Wales, with an increased focus on supporting communities that are socially and financially excluded. Social enterprises in Wales employ many of those furthest from the labour market. In general, social enterprises in Wales have a positive gender balance but people from the black, Asian and minority ethnic community, people living with a disability and young entrepreneurs are under-represented. Many social enterprises fail to draw down grants due to a lack of awareness of potential funding opportunities. There is also a need for support in relation to digital marketing and procurement skills (Social Enterprise UK, 2021).

A 'vision for social enterprise, 2020-2030', *Transforming Wales through Social Enterprise*, has been produced as part of a collective process involving social enterprises and the social enterprise support bodies, with the support of the Welsh government. It situates social enterprise in a context of change related to the pandemic along with environmental damage, digitalisation, demographic change and globalisation, setting out nine desired outcomes for social enterprise in Wales (Wales Co-Operative Centre, 2020).

²⁶ In Ireland, for example, for conventional enterprises the differential between the earnings for the 10th percentile (level at which 10 per cent of workers earn less than this) and the 90th percentile (10% earn more than this) is almost 1:4; see <https://www.nerinstitute.net/blog/wages-ireland-are-more-unequally-distributed-any-other-high-income-eu-country>. The gap between the highest and lowest-paid earners in workplaces is often much higher than this.

²⁷ See <https://businesswales.gov.wales/socialbusinesswales/>

4.3 The scale and nature of social enterprise in Northern Ireland

A survey of social enterprises in Northern Ireland was undertaken in 2019, the first comprehensive survey since the previous survey in 2013. It provides the most recent information available about the sector. The survey report indicates that the social enterprise sector in NI continued to grow in the period 2013 to 2019, and makes an important economic and social contribution (Social Enterprise NI, 2019).²⁸ Table 1 illustrates how the sector has improved its performance across a number of key economic metrics.

Table 1: Social enterprise activity in Northern Ireland

Metric	2013	2019
No. of social enterprises	473	843
Total benefits to the local economy (direct, indirect, induced)		£625m
Turnover	£592m	£980m
Full-time employment (equivalent)	12,200	24,680
Wages		£581m

Source: Social Enterprise NI, 2019.

The substantial increase in the number of social enterprises in this five-year period reflects the support provided to the sector by the NI Executive, local councils and Social Enterprise NI, among others. Social Enterprise NI (SENI), established in 2012, is an independent member-led organisation that functions as the representative body for social enterprises and social entrepreneurs in Northern Ireland. It has around 400 members, 370 of whom are specifically social enterprises. Members also include local councils and construction companies with a social enterprise dimension.

The 2019 survey shows that social enterprises operate across numerous industries, with activity mostly concentrated in services, especially in education, employment and skills, business support and consultancy, and health and social care. Reflecting their social focus, many social enterprises work with the most vulnerable in society, including homeless people, the unemployed, young offenders and people with learning disabilities. It is estimated that more than half of organisations (53%) employ half of their workforce from the immediate locality, which ensures that the social enterprise sector functions as a key vehicle for addressing disadvantage, deprivation and economic inactivity.

In line with the UK overall, 43 per cent of the social enterprises surveyed were led by women. Social enterprise inter-trading was notable, with about one-third of organisations having other social enterprises as part of their supply chain. The growth in the sector was evidenced by four in ten organisations setting up in the past five years, with one-quarter starting in the last two years.

The main barriers to sustainability and growth were uncertainty around the UK’s withdrawal from the EU, finance and reduced funding. The types of supports identified as being required were marketing, tendering and procurement skills, and business and strategic planning.

²⁸ The scoping phase for the survey identified 843 social enterprises; 100 responses were received from individual organisations representing 189 social enterprises (a response rate of 12%).

Issues emerging from the 2019 survey (before the Covid-19 pandemic and current cost-of-living crisis) were a need for:

- further clarification on the definition of social enterprises;

- a central directory of social enterprises;

- a Social Value Act, in line with UK legislation;

- increasing income from trade through appropriate training and support programmes; and

- encouragement of young people to engage in social enterprise, through liaison with schools and colleges.

In conversations with social enterprises for this report, the availability of volunteers, especially post-Covid, was raised. Social enterprises rely on volunteers for governance on their boards, and many also need volunteers to assist in the delivery of their goods and services. Since it can be difficult to recruit volunteers with the requisite skills and experience, social enterprises need to think about how they can engage with and support volunteers.

4.4 NI social enterprise policy

In Northern Ireland, social enterprise policy falls within the ambit of the Department for the Economy. The Department for Communities provides financial and other policy supports to social enterprises as part of its remit in relation to urban regeneration and rural development. A cross-departmental Social Economy Policy Group (SEPG) has been established to develop an integrated, cohesive and strategic approach to the social economy sector. SEPG members are expected to identify opportunities within their respective departmental policy areas where support for the social enterprise sector might be strengthened through an agreed action plan within the context of the NI Executive's industrial strategy.

In 2021 the Department for the Economy published its *10X Economy* strategy, which sets out 'an economic vision for a decade of innovation' (Department for the Economy, 2021). Reference to social enterprise is included in a section on showcasing Northern Ireland, where two case studies are included to demonstrate how social enterprises can help people enter the labour market. The first is of Ulster Supported Employment (USEL), based in Belfast, which assists people with disabilities and health conditions into employment using a circular economy model (see <https://www.usel.co.uk/>). The second is of Madlug, based in Craigavon, which sells luggage to raise funds for 'pack-away' bags for children and young people in care on a 'buy one, wear one, help one' model (<https://www.madlug.com/>).

The Department for the Economy social enterprise support programme is delivered by SENI, following an open public tendering process. This programme underpins the provision of a range of business training and skills development activities for social enterprises. SENI also plays a role in raising awareness of the social enterprise sector and building relationships with civil servants, local authorities, politicians and the private sector. Since its establishment ten years ago, SENI has proven itself as the authoritative voice of the sector, and has built strong working relationships with senior policymakers, members of the local assembly (MLAs), and political parties. SENI provides the secretariat to the NI Assembly's All Party Working Group on Social Enterprise.

The all-party working group provides a forum to facilitate cross-party discussion and co-operation on social enterprise issues in a co-ordinated way. The group aims to educate and inform members on issues of relevance to social enterprise and highlight the positive contribution that social enterprises can make. Notably, the group was re-established following the NI Assembly elections in May 2022, although the Assembly itself is not currently operational.

In 2020, following a strong campaign by SENI, the Department for Communities established the Covid-19 Social Enterprise Fund under which £9.2m of additional funding was provided to help social enterprises to stabilise and manage cash flow during the pandemic. This fund was co-designed by the Department for Communities, SENI and Community Finance Ireland (CFI), with CFI responsible for administering the fund. As noted in the previous chapter, CFI is an all-island social provider of finance (through loans) for social enterprises and community and voluntary organisations. The involvement of the social enterprise sector, through SENI and CFI, in the co-design of the fund is

considered by both the Department for the Economy and the Department for Communities to have contributed to its overall effectiveness.

SENI, as the main promoter of social enterprise in NI, has good relationships with the community and voluntary sector – e.g. through NICVA (the Northern Ireland Council for Voluntary Action) – as well as with the public and private sectors. SENI also links with its counterparts in Scotland, Wales and Ireland. Although there has been a gradual evolution of policy support for social enterprises in Northern Ireland, unlike in Scotland and Ireland, NI lacks an overarching national social enterprise policy. A social enterprise framework is being developed but, without a functioning Assembly and Executive, it is difficult to progress it.

4.5 Social value and procurement

As noted in Section 4.2, the UK has had a Public Services (Social Value) Act since 2013, Scotland has a Procurement Reform Act, which came into effect in 2014,²⁹ and Wales has a Wellbeing of Future Generations Act, which came into effect in 2015.³⁰ Yet Northern Ireland, despite cross-party support, does not have a Social Value Act. In 2017 the Finance Minister announced that the Northern Ireland Executive would bring forward social value legislation. Since then, the All Party Working Group on Social Enterprise has prepared the content for a Social Value Bill, but this has not been progressed in the absence of the Assembly and the Executive.

However, there are two public procurement notes approved by the Northern Ireland Executive (NIE) which do take social value into account: PPN 01/21 on Scoring Social Value, and PPN 02/21 on Procurement of Social and Other Specific Services. PPN 01/21 mandates that, from 1 June 2022, public sector tenders must allocate a minimum of 10 per cent of the total award criteria to social value. It is proposed that the minimum weighting will increase to 20 per cent from June 2023, subject to review and approval by the Executive. The PPN 01/21 places social value at the heart of public procurement, and requires government departments and their stakeholders to consider social value when commissioning for goods and services by: increasing secure employment and skills; building ethical and resilient supply chains; delivering zero carbon; and promoting wellbeing. This policy is supported by a website which informs public sector bodies how to incorporate social value into their tenders (see <https://socialvalueni.org/>).

PPN 02/21 on Procurement and Other Specific Services allows commissioners to use grants to the voluntary, community and social enterprise sector for the procurement of goods or services, or to use ‘reserve’ contracts for businesses that provide at least 30 per cent of their services to disadvantaged groups or areas. Few of these have been awarded to date but there is potential to award more.

In 2020 the Finance Minister restructured the Procurement Board in his department so that contribution to the social good must be taken into account when assessing tenders. The CEO of SENI has been appointed to this board. SENI is currently working with the University of Ulster to develop the concept of a Public Sector Transformation Academy (PSTA) for Northern Ireland. A PSTA could become a regional hub for the development of knowledge and skillsets to put social value at the heart of the commissioning process. The initiative looks more broadly than at procurement in commissioning; for example, through the use of grants, which would be better value for money in securing some services. The report of the work is due to be submitted to the Procurement Board and SOLACE, the society of local authority chief executives.

The Strategic Investment Board (SIB) in Northern Ireland helps government to plan infrastructure, deliver projects and manage assets. In 2014 it established a social value unit and, since the introduction of PPN 01/21 and PPN 02/21, it runs the NI social value website. The social value unit assists public bodies to design, implement and monitor social value in public contracts. It has been gathering data on the impact of PPN 01/21 and PPN 02/21, and feedback to date indicates that only a small proportion of contracts have been awarded based on social value. Price still remains the main criterion

²⁹ The Scottish Procurement Reform (Scotland) Act 2014, like the UK Public Services (Social Value) Act, places an obligation on public sector bodies to systematically deliver and report social value in the Scottish public sector. However, in Scotland, while procurement is seen as a driver for economic growth, the Scottish government wants this to be delivered by placing sustainable and socially responsible purchasing at the heart of the process.

³⁰ The Welsh Wellbeing of Future Generations Act (2015) requires public bodies in Wales to consider the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

for the award of contracts, but the social value criterion is raising awareness of social value and opportunities for social enterprises to be part of procurement supply chains.

One of the challenges is the capacity of social enterprises to bid for contracts. Thus, there is a need to upskill the social enterprise sector to bid for public procurement contracts and for contracts to be awarded in lots or through partnerships whereby social enterprises can work collaboratively with others to bid for tenders. There is potential here for developing social partnerships based on the Scottish policy of strategic public social partnerships (PSPs).³¹ Such a scheme would see the public, private and social sectors working together to achieve desired outcomes.

Thus, Northern Ireland has been progressing a number of social procurement initiatives, but the progress has not led to legislation, without which social value is still not guaranteed in the awarding of contracts. In addition, there is the need to build capacity within social enterprises to bid for public sector contracts, and to put in place arrangements for social enterprises to bid through social partnerships or in lots.

4.6 Community wealth-building

Northern Ireland has recently published a report with recommendations to advance community wealth-building (Department for Communities, 2022). The report was prepared by an independent advisory panel convened by the Minister for Communities to advise her on the most effective and sustainable approach to embedding the principles of community wealth-building into all relevant departmental investment, policy and practice. The report emphasises that the real work of community wealth-building must occur in and by communities for their own development, with government support for the advancement and further growth of such activities. Creggan Enterprises and the Resurgam Trust are examples of social enterprises that are contributing to their local communities from the bottom up (see Box 9).

The independent advisory panel on community wealth-building has stated that the overarching objective of community wealth-building is ‘a transformation of the Northern Ireland economy on the basis of democratic ownership and control to deliver real and lasting change for all its people’ (Department for Communities, 2022: 7). It has made 26 recommendations to the Minister for Communities. Many of these align with the proposed developments for social enterprise and social value in Northern Ireland. Of note are recommendations to:

- adopt, deliver and resource a social economy strategy for Northern Ireland;

- establish a community wealth building/social enterprise fund;

- realign financial levers to support the social economy;

- explore the potential for co-operatives;

- explore the potential for a public investment bank as an intermediary for social and green lending;

- strengthen the role of community finance;

- develop a Public Sector Transformation Academy for Northern Ireland; and

- introduce a Social Value Act.

These recommendations on community wealth-building, if progressed on the re-establishment of the Assembly and Executive, could also assist in furthering the development of social enterprises. However, co-operation between the stakeholders involved in delivering the various initiatives will be required to ensure that they complement each other.

³¹ For more information, see <https://www.gov.scot/policies/third-sector/public-social-partnerships/>

Box 9: Social enterprises contributing to community wealth-building

Creggan Enterprises

Creggan Enterprises is a social enterprise in Derry, established in 1986 as the Creggan Community Initiative, which secured funding to acquire a piece of land and a redundant factory site in Creggan which was unused due to a lack of investment. The Creggan Community Initiative was incorporated to become Creggan Enterprises Ltd in 1991 – essentially the first social enterprise structure in Northern Ireland. The Creggan community partnered with the International Fund for Ireland in 1993 to develop a community-owned enterprise and retail park, Ráth Mór. The Department of the Environment contributed funding support.

Ráth Mór opened to the public in 1995, providing access to a wide range of essential community and retail services to disadvantaged Creggan residents for the first time. It was seen as a flagship project for all those involved and as an exemplar of urban investment and socio-economic regeneration.

Today, Creggan Enterprises maintains a healthy balanced ecosystem within the centre, consisting of indigenous commercial and third-sector tenants alongside some publicly funded entities. As a result, the local community has transformed a redundant factory space into a dynamic centre for business development and community support (Creggan Enterprises, 2022).

The Resurgam Trust

The Resurgam Trust is a social enterprise in Lisburn, initiated in 1996 as the Lisburn Prisoners' Support Project, which became the Lisburn People's Support Project (LPSP) in 2011. The Resurgam Community Development Trust was also established in 2011, of which LPSP was part. The Latin *resurgam* means 'I shall rise again'.

From 2000 on, a number of community enterprises were set up, including auto maintenance and repair, a community self-build project, a credit union and a bar as a community hub. The key community wealth-building part came with the establishment of Laganview Enterprise Centre Ltd in 2004. It managed to put together a 'cocktail of funding' to secure land and build the Laganview Enterprise Centre, officially opened in 2008. The centre now houses an extensive range of services, programmes, activities and businesses which are available to the local community. A wide range of activities also operate from the centre.

The Laganview Enterprise Centre is contributing substantially to community wealth-building by providing jobs, services and activities for the local community (The Resurgam Trust, 2020).

4.7 Summary of current issues

Based on an overview of the various initiatives to progress social enterprise in Northern Ireland, this section summarises the main issues raised. These are as follows.

4.7.1 The need for a social enterprise policy

Unlike Ireland and Scotland, Northern Ireland does not yet have a social enterprise policy. There have been calls for such a policy to be developed, and much progress has been made in preparatory work.³²

³² It is noted that there has not yet been a policy decision to have a social enterprise strategy.

4.7.2 A Social Value Act

As outlined above, the UK's Public Sector (Social Value) Act has not been transposed to Northern Ireland. A number of stakeholders have called for a Social Value Act for Northern Ireland which would require all public sector organisations and their suppliers to look beyond the financial cost of a contract to consider how the services they commission and procure can improve the economic, social and environmental wellbeing of an area.

4.7.3 Supporting social procurement

A related area is that of supporting social procurement. PPN 01/21 requires public bodies procuring goods and services to take social value into account. PPN 02/21 provides for public bodies to consider the use of grants to the voluntary, community and social enterprise sector for provision of goods or services or to use 'reserve' contracts for businesses that provide at least 30 per cent of their services to disadvantaged groups or areas. To maximise potential in this area, there is a need to build the capacity of social enterprises to avail of these opportunities, through education and training programmes. Other initiatives include the development of social partnerships with the public, private and social sectors working together, and consideration of a Public Sector Transformation Academy.

4.7.4 Addressing funding shortfalls

Financial support for start-up and expanding social enterprises is an ongoing requirement. However, a particularly critical issue is the ending of European Social Funding (ESF) at the end of March 2023, which had been providing support for many social enterprises. The UK Shared Prosperity Fund (UKSPF) is seen as the main replacement for the loss of ESF funding but it is still unclear as to how social enterprises will benefit from this fund. An Investment Plan for Northern Ireland, published in December 2022, has set out how this fund will be administered (see <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-northern-ireland-investment-plan>). Calls for applications are likely to start in 2023, with funding running to March 2025. Peace Plus funding (see Chapter 5) may also be able to support some social enterprise initiatives.

4.7.5 Supporting data collection

The survey of social enterprises in Northern Ireland was undertaken in 2019. It would be timely to update this information now, especially post-Covid. However, to undertake such a survey requires resources. It would be especially useful if further data collection exercises could coincide with Irish surveys of social enterprises (see Chapter 5). As a complementary measure, it would be useful to compile a central directory of social enterprises.

4.7.6 Encouraging young people

A recurring issue is the need to engage young people, and support their interest in supporting community, social and environmental initiatives. There are a number of ways this could be taken forward; for example, through initiatives such as Young Social Innovators, by engaging with young people in schools and colleges, promoting social enterprise through educational curricula, and the appointment of young people as social enterprise ambassadors.

4.7.7 Engaging volunteers

Social enterprises are reliant on volunteers, both from a governance point of view on their boards and, in some cases, to undertake activities. Some social enterprises have been finding it difficult to source and retain volunteers with the requisite skills, especially since Covid. It would be useful to consider how volunteers can be recruited and supported, as a vital resource within the social enterprise ecosystem.

4.7.8 Alignment with community wealth-building

As outlined in Section 4.6, recommendations have been made to advance community wealth-building, and they align well with proposals to promote social enterprise. This can be a mutually reinforcing relationship for the benefit of all, but care needs to be taken to ensure that the supports are complementary.

4.7.9 Raising awareness

Even though the development of social enterprise has seen expansion and growth in recent years, there is a continuous need to raise awareness of the nature of social enterprise, its contribution to local communities and disadvantaged groups, its potential in the new green and digital economy, and its overall contribution to the economy. Awareness-raising initiatives undertaken with various audiences to promote and understand the potential of social enterprise would be beneficial.

Chapter 5

Shared Island Co-operation

5.1 Introduction

NESC has been undertaking work on a shared island, for consideration by the Shared Island Unit in the Department of the Taoiseach (<https://www.nesc.ie/work-programme/shared-island/>). This chapter sets out work on social enterprise that is taking place in an all-island context, outlines the role of social enterprise in peace-building, and identifies areas where there is potential for development.

5.2 Shared island co-operation on social enterprise

Co-operation on social enterprise across the island of Ireland has been examined by NESC as part of its shared island work. The research to date has noted the Irish *National Social Enterprise Policy 2019-2022* and the work of the All Party Group on Social Enterprise in Northern Ireland. It is acknowledged that there has been a good level of co-operation on social enterprises between policy actors and stakeholders, north and south. This close working relationship helped in the development of the *National Social Enterprise Policy 2019-2022*. In a similar vein, officials from the Department of Rural and Community Development were invited to address the Northern Ireland Assembly's All Party Working Group on Social Enterprises.

In NESC's 'digging deeper' work in the north-west of the island, the role of social enterprises in creating good sustainable jobs was noted. As an example of a model of good practice, Creggan Enterprises in Derry was cited. As noted in the previous chapter, Creggan Enterprises supports 60 businesses on site, and has levered additional opportunities through various enabling schemes (Mullan, 2022). During the Covid-19 pandemic, social enterprises such as Creggan Enterprises supported local communities and sustained jobs in their areas, despite working under the constraints necessitated by the pandemic.

In particular, NESC's shared island work has noted the need to support social enterprises in the area of green transformation. The business models required by funders are often incompatible with the complexity of the objectives of environmentally focused enterprises. Thus, there is a need to consider and create a role for social enterprise in relation to its potential contribution to green transformation.

The Shared Island Unit in the Department of the Taoiseach has undertaken a social dialogue on enabling rural and community development on a shared island, which has included co-operation on social enterprise (<https://www.gov.ie/en/publication/3eb3c-shared-island-dialogues/#enabling-rural-and-community-development-on-a-shared-island>). For a summary of the key messages relevant to social enterprise from this social dialogue, see Box 10.

The Wheel and the Northern Ireland Council for Voluntary Action (NICVA) have established the iCommunity shared-practice hub where social enterprises in Ireland and Northern Ireland can come together to collaborate and share practice and experience, and learn from each other to address shared challenges (<https://www.icommunityhub.org/>). The hub is supported by the Northern Ireland Department for Communities, the Shared Island Unit and the Department of Foreign Affairs Reconciliation Fund. The social economy is one of five themes being considered by the iCommunity hub. The others are digital inclusion, rural sustainability, addressing inequalities highlighted by the pandemic, and climate and biodiversity, with obvious overlap between these.

The work includes a number of podcasts; two of these have an explicit social enterprise theme: one explaining the meaning of social enterprise as a business for social good, including the role of social enterprise in developing an all-island economy; the other showcasing how social enterprise can act as a bridge across barriers for people at a distance from the labour market, with a focus on people with disabilities, people from the Direct Provision system, and the Traveller community.

Box 10: Summary of key messages on social enterprise from the social dialogue, *Enabling Rural and Community Development on a Shared Island*

This hybrid dialogue took place on 20 May 2022 in Drumhowen Connected Hub, Co. Monaghan. Over 70 people attended in person, with a further 130 people online. The participants represented civic society, social entrepreneurs and community groups from across the island to consider how social enterprise can be a driver for rural community development.

The Minister for Rural and Community Development, Heather Humphries TD, gave an opening address on behalf of the Government. She stressed that social enterprises have significant potential to contribute to local economies through job creation and trading, and can have a huge impact on communities, socially and environmentally. She highlighted the work the Government is doing to progress social enterprise development on a cross-border basis.

AwakenHub co-founder Mary McKenna provided a guest address, emphasising opportunities for social enterprises to collaborate with state agencies (<https://www.awakenhub.com/>). The AwakenHub is a social enterprise for women founders, based in Co. Donegal. Its aim is to remove barriers to investment, promote the ability to scale up across the island of Ireland, and help women achieve success as entrepreneurs.

A panel speaking to the theme ‘Social Enterprise for Thriving Rural Communities’ included:

- Jenny Irvine from ARC Healthy Living, Irvinestown, Co. Fermanagh, a social enterprise which aims to improve the wellbeing of local people by bringing together a partnership of community health actors and services (<https://www.archlc.com/>).

- Carla McSorley, Head of Partnerships at FoodCloud, based in Tallaght, Dublin, who spoke about their work in preventing food waste by distributing surplus food to those that need it (<https://food.cloud/>). They work across multiple jurisdictions and support communities on an all-island basis.

- Ciaran Reid, Chief Executive of Louth Leader Partnership, who gave an overview of the County Louth Social Enterprise Strategy 2019-2022 (<https://louthleaderpartnership.ie/3d-flip-book/county-louth-social-enterprise-strategy-2019-2022/>).

- Janet Schofield, CEO at Compass Advocacy Network, a social enterprise based in Ballymoney, Co. Antrim, which works with people with learning disabilities, autism and mental health issues to enhance their lives. Janet emphasised the importance of sharing experiences and lessons learned (<https://compasspeople.org/>).

Key messages from the dialogue were:

- the important and growing role of social enterprise across the island, with a focus on the distinct social, economic and environmental advantages that social enterprises can provide, including their contribution to rural development, and to equality and inclusion;

- the relevance and value of North/South co-operation and interaction on social enterprise, building on existing networks and relationships;

- the critical role of government in both jurisdictions to facilitate a thriving social enterprise ecosystem and to learn from each other’s experience and approaches;

- the scope for shared social enterprise solutions on issues such as food waste, climate change and fuel poverty to be delivered on a more collaborative all-island basis; and

- the importance of working in a sustained way to build a vibrant entrepreneurial ecosystem on the island of Ireland.

In progressing social enterprise on the island of Ireland, the iCommunity work suggests the need for public sector interventions that reduce the burden of bureaucracy to support the growth of the sector. The risks associated with groups of people working together across borders and across two jurisdictions need to be mitigated. For instance, charities that want to work on an all-island basis need to set up separate entities in each jurisdiction due to the misalignment of legal forms and charities regulation. There is also a call for specific support for more all-island and international networking within the sector so that new social enterprise innovations can learn from the experience of existing projects.

There are a number of social enterprise networks co-operating with each other across the island. In particular, Social Enterprise NI (SENI) and Social Enterprise Republic of Ireland (SERI) have a very positive relationship. They exchange information and hold meetings, and see themselves effectively as sister organisations.

In pursuing greater co-operation across the island, in February 2023, SERI and SENI held a meeting with InterTradelreland³³ to explore opportunities for cross-border collaboration and for growing the social enterprise sector in both Ireland and Northern Ireland. Participants acknowledged the role of social enterprises in delivering jobs and skills while contributing to the social inclusion and climate change objectives of both jurisdictions. There are also opportunities to share learning and research.

While InterTradelreland has almost 25 years of experience in supporting thousands of SMEs across the island, the uptake of support by social enterprises has been limited to date. Typically, manufacturing and tradeable services sectors are the key benefactors of the InterTradelreland supports. These sectors can typically demonstrate success in their home market and are therefore in a place of readiness to export. Despite InterTradelreland's programmes being available to social enterprises, uptake by the sector is low. This is something that the body is aiming to address through closer working with SENI and SERI. The potential availability of Shared Island business funding would create opportunities for social enterprises, especially those operating at national and international level, to work on a cross-border or all-island basis. Through the requirement for social value in public procurement and a focus on inclusive growth and community wealth building, there may be opportunities for social enterprises. However, capacity-building would be required to enable social enterprises to avail of such cross-border and all-island opportunities.

There are few examples of social enterprises that operate on an all island basis. One such example is the NOW Group, a social enterprise set up in Belfast in 2001 to support people with learning difficulties and autism into jobs with a future (<https://www.nowgroup.org/>). The organisation took an entrepreneurial and sustainable approach to operating as a business with social impact. The NOW Group is registered in both Northern Ireland and Ireland. It runs four cafés (three in NI and one in Ireland), and has a catering company and pottery business in Northern Ireland, see <https://www.loafcatering.com/>. It has 100 training places per year and runs academies for training in catering, hospitality, cleaning, retailing, and so on. The NOW Group has a range of businesses that provide jobs for their trainees, which is important to the businesses from an environmental, social and governance (ESG) perspective.

The NOW Group has developed and promoted the Just a Minute (JAM) card and app which allows people with a hidden disability or communication difficulties to take extra time to pay, etc when using a service, in a discreet way. There are currently 130,000 JAM card users in Ireland; 3,000 businesses pay to be part of the scheme, and their employees can receive training in dealing with JAM card users.

The NOW Group wants to expand its social enterprise model in Ireland but is finding it difficult to get funding for the working capital to make this sustainable. It also finds cultural differences in the social enterprise environment in Ireland compared to Northern Ireland, with less of a business focus in Ireland. This is worthy of further exploration.

As highlighted by the experience of the NOW Group, financial support is important for the development of social enterprises, especially those that wish to operate on a cross-border or all-island basis. The NOW Group and Community Finance Ireland (CFI, see <https://communityfinanceireland.com/>) are two of the few social enterprises that operate in both jurisdictions, but cross-border activity is limited; most social enterprises operate in one jurisdiction or the other.

³³ InterTradelreland is one of the North-South Implementation Bodies established under the North South Ministerial Council (NSMC). A trade and business development body, it promotes trade and business on an all-island and cross-border basis and works to enhance the global competitiveness of the all-island economy.

There is potential to expand cross-border and all-island social enterprises, and for local authorities, especially in the border counties, to support social enterprises that

A further all-island social enterprise venture is the work of the British-Irish Council (BIC).³⁴ The BIC has been exploring different approaches to supporting social enterprises across the eight administrations, and the benefits which have been gained from sharing expertise in this policy area. There has been a focus on youth social entrepreneurship, social value and building linkages within social enterprise sectors, as well as the importance of raising awareness of the social enterprise sector and its activities. The BIC has noted that social enterprises are a key part of generating social value in local communities, and that the benefits of including social value in public procurement processes can result in increased social, environmental, cultural and economic impact. Further work will consider the role of social enterprises in building sustainable communities and resilient local economies, explore the contribution of social enterprises to the climate-change agenda, and reflect on how to raise awareness of the importance and potential of social enterprises to contribute to more inclusive and sustainable societies.

Finally, as part of the People's Transition initiative (described in Box 7 in Section 3.9 on community wealth-building), a Border Transition project is tackling climate change in the border area of Lough MacNea. Supported by the Department of Foreign Affairs, this project identifies climate solutions to address the main development priorities of the community (see Box 11).

Box 11: Border Transition – building peace through community-led climate action

The Border Transition project, underpinned by the People's Transition, began in January 2022 and was delivered by the Irish Central Border Area Network (ICBAN) and TASC, working with the communities of the Lough MacNea area traversing Cavan, Fermanagh and Leitrim. As with the other people's transition projects, there were three phases: mapping, engagement and proposed solutions.

A key issue was the need to address the out-migration of young people and thus the need for sustainable local employment to keep young people from having to leave to find work. There was a strong appetite for increased cross-border and cross-community collaboration to tackle shared challenges in the areas of sustainable tourism and local development. The community also spoke of the need for better connectivity and the lack of sufficient housing provision.

Proposed solutions included ideas on a community energy project focused on geothermal energy, sustainable tourism, an anaerobic digestion co-operative, and the concept of social farming, with the idea of a geothermal energy solution being considered in more depth.

See <https://www.peopletransition.ie/peoples-transition-projects/the-peoples-transition-border-transition>.

5.3 Social enterprise's role in peace-building

Social enterprises have played an important role in peace-building, and especially social enterprises in Northern Ireland. For example, Creggan Enterprises in Derry has undertaken peace-building work through a 'quietly diplomatic' community peace-building model. This work has involved intensive engagement processes, on both sides of the border, to resolve community disputes. Creggan Enterprises supports the empowerment of communities and civic society in conflict transformation; their experience shows that quiet diplomacy relies heavily on trust and confidence-building (Creggan Enterprises, 2022).

³⁴ The British-Irish Council (BIC) was established under the Good Friday Agreement 1998 and comprises eight member administrations (Ireland, UK, Northern Ireland, Scotland, Wales, Isle of Man, Jersey, Guernsey). It is a forum to exchange information, discuss, consult, and use best endeavours to reach agreement on co-operation on policy areas of mutual interest.

Likewise, Resurgam Trust in Lisburn has been instrumental in transforming its community in its journey from conflict to peace. It has drawn on the resources of the Peace Programmes, among a wide range of other resources, to support its peace-building work in the working-class loyalist estates in Lisburn, where it has sought to build a strong, empowered, safe, stable and peaceful community with a well-maintained community infrastructure (The Resurgam Trust, 2020).

The forthcoming Peace Plus programme provides an opportunity for social enterprises to further contribute to social, economic and environmental development of Northern Ireland and the border counties of Ireland (Cavan, Donegal, Leitrim, Louth, Monaghan and Sligo), designated as the core programme area. In addition, the wider functional area of the programme allows for organisations and institutions not based in the core programme area to get involved in projects by linking with partners in the core programme area. Overall, the Peace Plus programme has a €1bn investment budget for the period 2021 to 2027.

Specific investment areas for social enterprises include:

- Building Peaceful and Thriving Communities (theme 1) through co-designed Local Community Peace Action Plans (1.1) and Re-Imagining Communities (1.4). This involves the development of re-imagined and new facilities to accommodate social enterprise and social innovation projects that will benefit the entire community through cross-community usage.

- Delivering Socio-Economic Regeneration and Transformation (theme 2) through the Smart Towns and Villages programme (2.4). Actions here include the development of social enterprise and social innovation-led projects designed to apply advanced ICT to create new models of social services and economic development.

- Empowering and Investing in our Young People (theme 3) through the Peace Plus Youth Programme which is targeted at capacity-building for young people aged 14 to 24 years and who are disadvantaged, marginalised or excluded, have deep social and emotional needs, and are at risk of becoming involved in anti-social behaviour, violence or paramilitary activity. Here, specific emphasis is placed on enhancing the employability of participants, alongside the incorporation of activities to develop their entrepreneurial and/or social enterprise potential.

- Healthy and Inclusive Communities (theme 4) through Collaborative Health and Social Care (4.1) and Rural Regeneration and Social Inclusion (4.2). The collaborative health and social care investment area will build on cross-border collaborative approaches to health and social care delivery models, and support the development of innovative community-based health care interventions, which complement statutory provision, including social enterprise models. The rural regeneration and social inclusion investment area will support social, economic and environmental projects which contribute to the creation of healthy communities in rural areas. This includes the development and delivery of rural-specific social enterprise support programmes that incorporate support for: volunteer recruitment and development; product and/or service development; awareness, promotion and sectoral marketing; funding mechanisms; and capital assets required for service delivery and expansion. Also of interest is the support of 'social farming', with the deployment of resources to support diversification in the agriculture sector and the development of social farms (Special EU Programmes Body, 2021).

The investment area of rural regeneration and social inclusion under the theme of healthy and inclusive communities seems particularly appropriate for a social enterprise such as Compass Advocacy Network (CAN) in Ballymoney, Co. Antrim. CAN supports people with learning disabilities, autism and mental health issues to realise their potential in work, social and community activities. It bought Lislagan Farm in 2021 and is gradually moving all its activities to the farm as the facilities are developed. CAN plans to expand its social enterprise activities into horticulture, tourism and catering, plus a respite village. It is currently addressing issues of volunteer recruitment and development. There is also potential to increase exchanges and learning with social enterprises in Ireland and Scotland.

While the availability of Peace Plus funding for the support of social enterprises, among a wide range of other initiatives, is welcome, there is also a view that the funding needs more of an economic focus, especially as it relates to social enterprise, to build economically viable social enterprises with an appropriate skillset for the 21st century.

5.4 The potential for future shared island co-operation on social enterprise

It is clear that there is an opportunity to build on current levels of co-operation to further promote social enterprise on a shared island basis. In its *Shared Island Shared Opportunity: NESC Comprehensive Report* (NESC, 2022: 118), NESC recommended that both administrations, building on the platforms already put in place, could explore the potential for greater recognition, support and development of the role of social enterprise on a cross-border and all-island basis. The work for this report has explored these possibilities in more detail and considers that there is potential for future shared island co-operation on a number of aspects of social enterprise.

Public servants already have a good level of co-operation across the island in relation to social enterprise. This could be built upon. Public servants from Northern Ireland have engaged in processes undertaken to develop Ireland's *National Social Enterprise Policy* and public servants from Ireland have engaged with social enterprise committees in Northern Ireland. As this work evolves, such engagement can help to share good practice and align supports where this is helpful to the overall growth and development of social enterprise on the island.

For example, in the area of procurement there would be merit in exploring further the application of social value criteria in public (and corporate) procurement processes, both in relation to information exchange and learning, but also how it might be applied for social enterprises wanting to trade on an all-island basis. There would be learning here too across the islands, east-west, for example, through the British-Irish Council. In addition, while social enterprise is not specifically within the remit of the North South Ministerial Council, it could be considered both in the context of its work on enterprise and in relation to rural development.

A related area is the need for capacity-building for social enterprises to participate in procurement processes, but also more broadly to get ideas off the ground and to scale up successful social enterprises, especially if expanding into the other jurisdiction. Available and accessible funding is critical here, as well as training, and the possibility of shared services, e.g. for payroll, human resources, marketing, recruitment of volunteers, etc. There may be merit in considering elements of these supports which could be shared on an all-island basis, and especially in the border counties. Barriers to this approach, including unwieldy bureaucracy, would need to be identified and resolved where necessary, possibly through piloting initiatives.

The current remit of InterTradeIreland (ITI) is broad and relevant in the areas of cross-border trade development, and does not preclude the body supporting social enterprises. It has a successful track record of supporting SMEs on a cross-border basis. When new supports are being designed and assessed through economic appraisal, more consideration could be given to how support can be made more accessible to suitable social enterprises. Such interventions, agreed by the relevant government departments, north and south, could contribute to capacity-building for social enterprises and deliver on inclusive growth and community wealth-building policies.

Particular areas identified for the development of social enterprises on an all-island basis include climate change and the green transformation, renewable energy, food poverty and food waste, health and social care, and supporting young entrepreneurs. Consideration could also be given to the further development of social farming.

Local authorities, especially in the border counties, can help to support social enterprises that operate on a cross-border basis. As outlined above, the Peace Plus programme can also support social enterprises across a number of its themes and investment areas; for example, in providing facilities, supporting disadvantaged young people, ICT innovations for social service provision and economic development, and support for community health interventions, especially in rural areas.

One area where there is prodigious potential to build on existing collaboration is through the social enterprise networks of SERI, SENI and ISEN, and that between NICVA and The Wheel. There are three aspects of this, in particular, which seem worthy of further development. First, some funding support specifically for cross-border activity would help to consolidate current collaboration and provide opportunities for additional activities and supports to social enterprises operating on an all-island basis.

Second is the collection of data on social enterprises. The last survey in Northern Ireland was undertaken in 2018 (and reported in 2019), while the first national baseline data collection exercise of social enterprises in Ireland was undertaken in 2022 and is due to report in the first half of 2023. In future, it would be useful for these two exercises to coincide and to collect comparable data to inform an all-island picture of the extent and nature of social enterprises across the island.

Thirdly, the hosting of shared events on social enterprise is a good way to share experiences and learning, as well as getting to know each other. For example, what are the cultural differences in the social enterprise environment between Ireland and Northern Ireland? This would be useful information for those social enterprises wishing to work across the island or to operate in both jurisdictions. Consideration could be given to hosting an all-island annual conference on social enterprise.

5.5 Summary

This chapter has outlined the potential for supporting social enterprise on a shared island basis. It opened by describing current shared island co-operation on social enterprise, noting the interaction between public servants from Ireland and Northern Ireland on social enterprise issues, especially in relation to Ireland's first *National Social Enterprise Policy 2019-2022*.

The chapter highlighted the Shared Island Unit's social dialogue on enabling rural and community development, where social enterprise representatives from Ireland and Northern Ireland exchanged perspectives. The Shared Island Unit, with others, has also supported work between The Wheel and NICVA through the iCommunity shared practice hub, which includes social enterprise.

A number of social enterprise networks co-operate with each other across the island, namely, ISEN, SERI and SENI.

The North-South Implementation Body, InterTradeIreland, which promotes trade and business on an all-island basis, has had limited uptake of its supports by social enterprise to date. However, there is potential to develop a more supportive role in future, particularly for social enterprises operating at national and international levels, and for those tendering for public or corporate procurement contracts and those focusing on community wealth-building.

An example of a social enterprise operating in both jurisdictions is the NOW Group which runs cafés in Northern Ireland and Ireland and supports people with learning difficulties and autism into jobs with a future. Of note is the Just a Minute (JAM) card and app developed and promoted by the NOW Group, which allows people extra time to pay, etc, when using a service, in a discreet way.

Financial support is important in the development of social enterprise. Community Finance Ireland, itself a social enterprise, is the only social lender that provides support for social enterprises throughout the island of Ireland.

The British-Irish Council has also been exploring the different approaches to supporting social enterprises across the eight administrations, and the benefits which can be gained from sharing experience in this policy area.

The chapter also explored social enterprise's role in peace-building. The work of social enterprises such as Creggan Enterprises and the Resurgam Trust in peace-building in disadvantaged communities was noted. Also outlined were the investment areas in the forthcoming Peace Plus programme where support for social enterprises is available, i.e. in the provision of facilities, in supporting disadvantaged young people, ICT innovations for social service provision and economic development, and support for community health interventions, especially in rural areas.

The last section in the chapter set out the potential for shared island co-operation on social enterprise, noting that there is the opportunity to build on the current co-operation. Areas which could be developed include:

- continuing to increase awareness of the role of social enterprise across the island;

- making support programmes available through existing agencies more readily accessible to social enterprises; for example, by giving more consideration to social enterprise-friendly criteria at appraisal stage;

- availing of opportunities from the Peace Plus programme;

- supporting cross-border community wealth-building in the border region;

- promoting the social value of social enterprises and increasing their role in public procurement;

- capacity-building for social enterprises, especially in the area of business development;

- supporting an all-island dimension to the current social enterprise networks;

- gathering up-to-date, comprehensive, comparable data on social enterprises across the island;

- hosting an all-island annual conference on social enterprise; and

- minimising barriers to collaborative working.

Chapter 6



6.1 Concluding comments

This report has set out why NESC considers that social enterprise can play a major role in Ireland, in Northern Ireland and on a shared island basis.

The role of social enterprises is growing, both on the island of Ireland and internationally. NESC is interested in these developments as they sit within its mission of advising the Government on strategic policy issues relating to sustainable economic, social and environmental development in Ireland. It is particularly relevant to consider how social enterprise bestrides these areas in an integrated way.

Social enterprise straddles the space between the national economy and local community, and plays an important role in providing services to marginalised groups and in disadvantaged areas, as well as creating and providing jobs, and contributing to innovative social and environmental initiatives. While much of the activity is at local level, social enterprises also contribute to the national economy.

There is an opportunity to have greater ambition for social enterprises. It is clear that development of the social enterprise sector in Ireland could contribute substantially to the economy and society. Social enterprises can play an important role in addressing current challenges facing our societies. Information on the scale and nature of social enterprises in Ireland is due to be published in 2023 and the second national social enterprise policy is in development. This policy will be informed by an OECD review and an extensive consultation process. NESC's work can also inform this policy. To progress these initiatives will require a whole-of-government approach.

Based on the analysis of social enterprise in this report, the following issues are presented for consideration.

6.2 Issues for consideration

Issues for consideration were presented at the end of Chapters 3, 4, and 5 on Ireland, Northern Ireland and Shared Island Co-operation. These are now collated here as they pertain to Ireland and the Shared Island Initiative within four overarching themes.

6.2.1 Developing a co-ordinating framework for greater cohesion

Many people talk about the social enterprise ecosystem and the importance of a bottom-up perspective, but also about the need for greater cohesion within the diverse social enterprise sector, with greater clarity on connectedness, gaps and overlaps. This would assist in bringing greater awareness and understanding to the role and potential of social enterprise. The development of a co-ordinating framework would bring a cross-government perspective and would set out the main stakeholders and supports for social enterprise, yet allow some self-definition within the framework to encapsulate the diversity of social enterprises.

Such a co-ordinating framework for greater cohesion could capture the following issues raised in this report:

- **Clarity on the definition of social enterprise** – there were varying views on the current definition, but overall most were content with it (as set out in the *National Social Enterprise Policy*). The most productive way forward may be to retain this definition, but to set out clearly how it will be interpreted in practice, and how social enterprise sits within the broader social economy.
- **A catalogue of finance and funding** – funding and financial support are critical to social enterprises for start-up, scaling, sustainability, and in some cases for viability. As outlined, various sources of funding are available, from grants and loans, from the Irish Government, from social enterprise funders, from the European Union, and from philanthropists and trusts. A catalogue setting out the roles of the various funders and what is available would be helpful.

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- **Available legal forms and their implications** – a co-ordinating framework could usefully set out the various legal options available to social enterprises, what is involved in the different legal forms, and the benefits and limitations associated with them.
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- **A collaborative social enterprise forum** – to encourage greater cohesion, it would seem prudent to have one national representative forum with a common voice, building on the strengths of the current networks.
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- **Using data** – the results of the current social enterprise national baseline data collection exercise will provide an important resource for understanding the scale and nature of social enterprise in Ireland. Along with complementary qualitative information, this data can be used to inform, create awareness, and develop the social enterprise sector. It would be useful if a regular (biennial) survey could be undertaken, in line with practice in other countries.
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- **Identifying roles for young people** – a case has been made for actively informing young people about social enterprise and encouraging them to get involved. Initiatives such as Young Social Innovators, engagement with Foróige, and with young people in schools and colleges, the inclusion of social enterprise in educational curricula, and the appointment of young people as social enterprise ambassadors would inform and involve young people in social enterprise initiatives.
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- **Supporting volunteers** – volunteers are an integral part of social enterprises, both for governance and for activities within enterprises. Attention needs to be given to recruiting, supporting and retaining volunteers to enable social enterprises to function effectively.
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- **Social enterprise and community wealth-building** – community wealth-building as a community-based approach to local development can align well with social enterprise. This can be a mutually reinforcing relationship for the benefit of all, but care needs to be taken to ensure that supports are complementary.

6.2.2 Embedding social enterprise

There is now an opportunity to have greater ambition for social enterprises. They can make an important contribution in addressing current and future challenges facing our societies. However, various measures need to be taken to build on current initiatives and to progress new areas ripe for development. The support of public organisations, the private sector and the third sector, including social enterprises themselves, will be required to achieve this. The areas suggested for embedding social enterprise are as follows:

- **A stronger focus on enterprise** – there is a general sense that the enterprise side of social enterprise could be further developed. The *White Paper on Enterprise* recognises social enterprise as an integral part of Ireland’s broad enterprise landscape. Additional mechanisms and approaches are required from the enterprise sector to support social enterprises, through organisations such as Enterprise Ireland and the LEOs, where there is a need for greater consistency across the country.
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- **Adding social value in procurement** – reforms are taking place within the public sector to take greater account of social and environmental considerations in public procurement. This is an important step but requirements could be strengthened to facilitate a greater contribution by social enterprises. A central register of social enterprises interested in tendering for supply contracts would be useful, along with the establishment of consortia of social enterprises that wish to tender for larger projects. There is also the potential to incorporate social enterprises into the supply chains of corporate businesses, and to promote ‘buy-social’ (which aims to boost trade with social enterprises). Consideration could also be given to the introduction of social value legislation.
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- **Building capacity** – there are a number of areas where there are calls for greater capacity-building for social enterprises. This can involve skills training on how to run a business, marketing (especially digital marketing), how to access supports, and how to become sustainable. The need for leadership skills has also been identified, along with the provision of business supports such as shared services (e.g. in relation to HR,

payroll, marketing and social media). The relevant public agencies along with the private and third sectors have roles to play here.

- **Additional funding and financial options** – despite the range of funding and finance available, there is a need for further funding and financial options if the ambition for social enterprises is to be realised. Areas identified include the need for multi-annual funding, funding for start-ups and for scaling up, access to business supports through the National Training Fund, investment, match funding for EU funding applications, and philanthropy. There is also a call for reducing bureaucracy and speeding up decision-making, where appropriate.
- **Impact assessment** – many commentators note the contribution that social enterprises make to their local communities and to the economy, yet there is less emphasis on assessing and recording that impact. Various methods and models of impact assessment could be explored that would inform both social enterprises themselves and the wider community about the contribution of social enterprises.

6.2.3 Supporting areas of growth for social enterprise

A number of areas have emerged in which social enterprises could play an important role in future, for the benefit of Irish society, the economy and local communities. These areas cut across economic, social and environmental issues, and seem particularly well suited to assist Ireland in meeting its sustainable development goals (SDGs) and other cross-cutting national and international commitments. They are:

- **The labour market** – throughout the report, the importance of social enterprises in providing employment opportunities for people distant from the labour market has been highlighted. Such initiatives should continue to be supported and developed.
- **The environment** – building on existing initiatives and helping Ireland to meet its climate and carbon reduction targets. Areas particularly ripe for such initiatives include renewable energy regeneration, the circular economy, and restoration of biodiversity.
- **Digital** – particularly in the social entrepreneur space where digital innovations can bring benefits to disadvantaged communities, and in digitally upskilling people who are less familiar with digital technology or have less access to it.
- **Caring** – for children, people with disabilities, and especially older people, whose numbers will continue to increase in the years ahead. The evidence shows that people prefer to be supported in their own homes and/or communities. The social enterprise sector is well placed to support the State in meeting these needs.
- **New communities** – as Ireland becomes more diverse and welcomes people from many countries, social enterprises can work with new communities to provide language and translation services and support new arrivals to Ireland to access the services they require.
- **Social farming** – offering people who are socially, physically, mentally or intellectually disadvantaged the opportunity to spend time on a family farm in a healthy, supportive and inclusive environment. There are opportunities to support social farming through social enterprises.

6.2.4 Building a shared island dimension

NESC has been undertaking work on a shared island, for consideration by the Shared Island Unit in the Department of the Taoiseach. Social enterprise was one of a number of areas considered in its report *Shared Island Shared Opportunity: NESC Comprehensive Report*. The present report on social enterprise, which has considered the issues in more detail, suggests a number of areas for building a shared island dimension for social enterprise.

- **Availing of opportunities from the Peace Plus programme** – it provides scope for social enterprises to work on a cross-border basis in a number of investment areas, such as the provision of facilities, supporting

disadvantaged young people, ICT innovations for social service provision and economic development, and support for community health interventions, especially in rural areas.

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- **Support for cross-border community wealth-building in the border region** – current initiatives in meeting community needs through local development and projects to tackle the climate crisis can be built on.
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- **InterTradeIreland** – it can play a role in developing more cross-border social enterprise collaboration and trade in the future, particularly for social enterprises operating at national and international levels, and for those tendering for public or corporate procurement contracts.
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- **An all-island social enterprise forum** – the national social enterprise networks Social Enterprise Republic of Ireland (SERI), Irish Social Enterprise Network (ISEN), Social Enterprise NI (SENI), The Wheel and the Northern Ireland Council for Voluntary Action (NICVA) already have a good working and collaborative relationship, but this collaboration could be further developed by establishing an all-island social enterprise forum, which could also include others bodies such as the LDCs. Resourcing would be required to support such a development. An all-island forum would help to consolidate collaboration and provide opportunities for additional activities and supports to social enterprises operating on an all-island basis.
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- **An all-island annual social enterprise conference** – this would be a good way to share experiences and learning, as well as getting to know each other. For example, what are the barriers to operating a social enterprise on an all-island basis and what are the cultural differences in the social enterprise environment between Ireland and Northern Ireland? This would be useful information for those social enterprises wishing to work across the island or to operate in both jurisdictions.
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- **Alignment of data collection exercises** – the last survey of social enterprises in Northern Ireland took place in 2018 (and reported in 2019) and the only national survey of social enterprises in Ireland took place in 2022 (due to be reported in 2023). In future, it would be useful for these two exercises to coincide and to collect comparable data to inform an all-island picture of the scale and nature of social enterprises across the island.
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- **International perspective** – it will be useful, in future, to continue to keep up to date with developments in Northern Ireland, the UK, Europe and further afield. The North South Ministerial Council, the British-Irish Council and European and international consortia, such as the Social Enterprise World Forum, provide opportunities to keep abreast of international advances on social enterprise, and the wider social economy.

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147	Climate-Change Policy: Getting the Process Right	2019	
148	Transport-Orientated Development: Assessing the Opportunity in Ireland	2019	
149	Addressing Employment Vulnerability as Part of a Just Transition in Ireland	2020	
150	Housing Policy Actions to Deliver Change	2020	
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152	Grounding the Recovery in Sustainable Development: A Statement from the Council	2021	
153	Shared Island: Projects, Progress and Policy Scoping Paper	2021	
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155	Ireland's Well-Being Framework: Consultation Report	2021	
156	Collaboration on Climate and Biodiversity: Shared Island as a Catalyst for Renewed Ambition & Action	2021	
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159	Private Rental in Ireland	2023	
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161	Social Enterprise on the Island of Ireland	2023	

Secretariat Reports					
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1	Ireland's Economic Recovery: An Analysis and Exploration	2011	15	Cost-Benefit Analysis, Environment and Climate Change	2018
2	Understanding PISA and What it Tells us About Educational Standards in Ireland	2012	16	Multistakeholder Agreements in Climate Governance and Energy Transition: The Dutch Energy Agreement	2018
3	Towards a New Climate Change Policy	2012	17	The Framing of Climate Action in Ireland: Strategic Considerations	2019
4	Ireland and the Climate Change Challenge: Connecting 'How Much' with 'How To'. Final Report of the NESC Secretariat	2012	18	Urban Structure, Spatial Planning and Climate Emissions	2019
5	Review of Developments in Banking and Finance	2013	19	The Transition to a Low-Carbon and More Digital Future: Supporting the Needs of Vulnerable Workers and Enterprises	2020
6	Employment and Enterprise Policy	2013	20	Approaches to Transition	2020
7	Greening the Economy: Challenges and Possibilities for Integrating Sustainability into Core Government Policy	2013	21	Shared Island Consultation: Climate and Biodiversity Challenges and Opportunities	2021
8	Activation Policy	2012	22	Community Call: Learning for the Future	2021
9	Consumer Prices	2012	23	Shared Island: Projects, Progress & Policy The Good Jobs Agenda	2021
10	Review of Irish Social and Affordable Housing	2014	24	Housing and Urban Development Policy Priorities	2021
11	Financing of Social Housing in Selected European Countries	2014	25	Shared Island: Projects, Progress & Policy The Island Economy	2021
12	Reflections on Infrastructure Policy and Institutional Developments in the UK	2017	26	Building a New Relationship between Voluntary Organisations and the State in the Health and Social Care Sectors	2021
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29	Shared Island: Projects, Progress & Policy, A Shared Island Perspective on Mental Health	2022	31	An Opportunity to Review and Reframe Collective Bargaining and the Industrial Relations Regime	2023
30	Towards Transformative Outcomes: Examples of how Well-being Frameworks have been Embedded into Policy Making	2022			

Research Reports					
No.	Title	Year	No.	Title	Year
1	Cluster in Ireland: The Irish Dairy Processing Industry: An Application of Porter's Cluster Analysis	1997	12	Low Work Intensity Households and the Quality of Supportive Services: Detailed Research Report	2018
2	Cluster in Ireland; The Irish Popular Music Industry: An Application of Porter's Cluster Analysis	1997	13	Advancing the Low-Carbon Transition in Irish Transport	2019
3	Cluster in Ireland: The Irish Indigenous Software Industry: An Application of Porter's Cluster Analysis	1997	14	Transport-Orientated Development: Assessing Opportunity for Ireland Background Case Studies	2019
4	Profit Sharing Employee Share, Ownership and Gainsharing: What can they Achieve?	2000	15	Four Case Studies on Just Transition: Issues for Ireland	2020
5	Sustaining Competitiveness Advantage: Proceedings of NESC Seminar	1998	16	Modelling the Zero-Carbon Transition: International Approaches and Lessons for Ireland	2020
6	Ireland's Child Income Supports: The Case for a New Form of Targeting	2007	17	Energy Transition Pathways and the COVID-19 Pandemic; An analysis of the 'green recovery' responses in Denmark and Ireland	2020
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9	The Burren Life Programme; An Overview	2016	20	Challenges and Opportunities for Rural Ireland and the Agricultural Sector	2021
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23	Perspectives on Micro-Generation: Public Participation in the Low-Carbon Transition in Ireland (MISTRAL)	2021	25	Exploring Shared Opportunities in the North West: Findings from Focus Groups	2023
24	Exploring Place-based Opportunities for Policy and Practice in Transition	2022			



An Chomhairle Náisiúnta Eacnamaíoch agus Shóisialta
National Economic & Social Council

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Parnell Square +353.1.814.6300
Dublin 1 info@nesc.ie
D01 E7C1 nesc.ie