



Social Enterprise in Ireland: an enabling environment or an obstacle course?

Presentation to the Dublin Partnerships Learning Network

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18th September 2008



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2. The Irish experience of social enterprise.
3. Emerging and current national and global/international trends:
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4. The Irish response
5. What next?



Some problems of definition

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| Non-profits? | Third sector? | Community businesses? |
| Community enterprises? | Social economy? | Social enterprises? |
| Non-profit entrepreneurs? | Children of necessity? | |

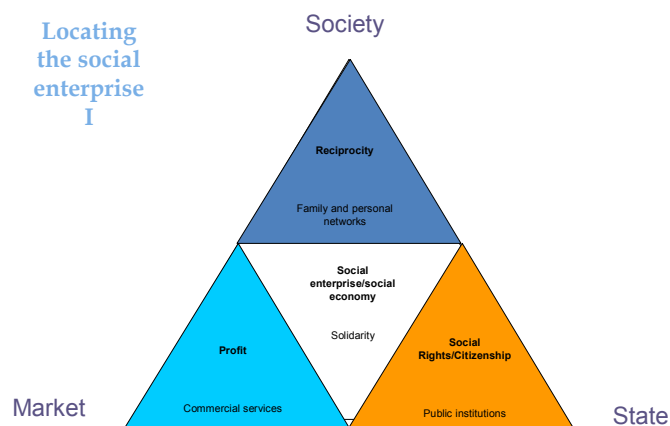
Social enterprise (n.) - An organization or venture that advances its social mission through entrepreneurial, earned income strategies (Social Enterprise Alliance - US).

In Ireland some of the debate has been about what isn't a social enterprise rather than what characteristics we should be trying to encourage and promote .

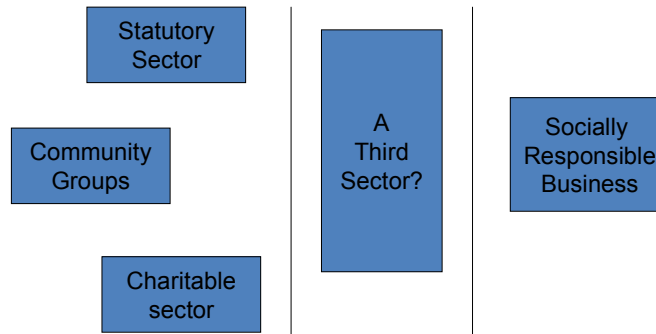
Creators of social and civic value as well as financial value?



Locating the social enterprise I



Locating
the social
enterprise
II



Three common types of social enterprise:

- (a) Enterprises that trade purely to make a financial return but use profits for a social purpose. Businesses that run corporate responsibility programmes, or the bottled water social enterprise *Belu* (www.belu.org), which gives a percentage of its profits to charities providing clean water in developing countries.
- (b) Enterprises whose trading activity has a social impact, but where a balance is struck between increasing social impact and maintaining a financial return, e.g. Cafe Direct and micro-financiers such as the Grameen Bank.
- (c) Enterprises whose financial return increases in parallel with their social return, e.g. farmers markets and wind farms.

Source: Social Enterprise Belfast (www.socialeconomybelfast.org)



But what about empowering communities, isn't that a key aspect of social enterprise?

Isn't social enterprise about the creation of social and civic value as well as financial value?

Social and civic value has to include the processes of empowerment and developing a community's capacity to engage with the wider world on more equal terms.

Social enterprise is an inherently radical concept.



The Irish experience of social enterprise

Ireland has a long and varied history of creating, pioneering, sustaining, and managing the decline of a myriad of social enterprises:

- ICOS (1889)
- Congested Districts Board (1891-1923)
- Catholic Social Action Movement (VdP)
- Catholic political philosophy and concept of subsidiarity
- Muintir na Tire (1937)
- Local Government Act, 1941 (ALCs)
- The Commission on Vocational Organisation, 1939-1944
- Credit Union movement



Emerging and current national and global/international trends

The rise of Philanthrocapitalism:

Harnessing the power of business and the market to the goals of social change, e.g. Bill and Melinda Gates Foundation (and Warren Buffet), Clinton Global Initiative.

Huge amounts of money and a small group of people deciding what social problems are worth fixing?



Emerging and current national and global/international trends

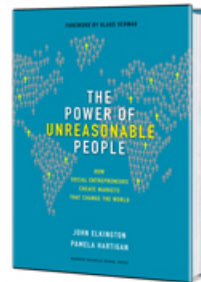
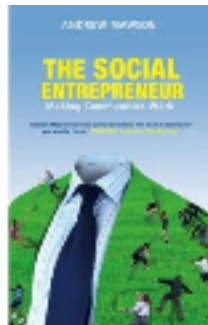
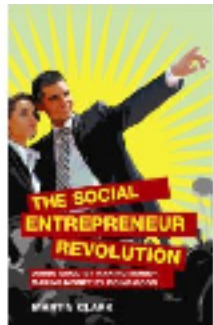
The rise of the social entrepreneur:

A social entrepreneur is a visionary leader with a high-impact social innovation who takes our society forward by helping to create a picture for the future that is stronger than a nostalgia for the past (Source: Social Entrepreneurship Ireland).

How are social entrepreneurs embedded in their communities?

Global actors like Ashoka drive the social entrepreneur agenda in a variety of fora.

Ashoka strives to shape a global, entrepreneurial, competitive citizen sector one that allows social entrepreneurs to thrive and enables the world's citizens to think and act as changemakers (www.ashoka.org).



Emerging and current national and global/international trends

The changing nature of the State:

Many argue that the state is facing four distinct challenges: *globalization, supranational governance, national territorial fragmentation and political apathy, and lifestyle* (King and Kendall, 2004:3).

So, is the state being hollowed out?

Probably not but it is reacting to these and other pressures in a variety of ways, e.g. pooling sovereignty (EU), restructuring its welfare delivery systems (DWS), reconfiguring its FDI and economic regulatory functions.



Ireland's response to these and other trends

The creation and outsourcing of new community- based, quasi-public services, e.g. childcare.

The use of service level agreements to manage the delivery of these new services.

Irish universities are now providing courses for aspiring social entrepreneurs.

The use of CSP and Dormant Accounts funding to finance existing and new quasi-public services.

One of the most important recent Irish public policy documents, NESC's Development Welfare State, prioritises what is terms 'social innovation'→



A characteristic of the **Developmental Welfare State** is that it **recognises and embraces the role of activist measures** in ensuring its own vitality and development. Initiatives in providing local services are fostered and examined. It accords, in particular, greater recognition to the community and voluntary sector for pioneering ways of addressing the marginalized position of individuals, families and communities – and seeks to create the right framework that allows this to happen while also **engaging community and voluntary groups in networks and processes which raise their standards, increase their effectiveness and ensure transparency and accountability** in return for **funding security** in the medium to long-term. It also fosters the willingness and ability of government departments and public agencies to plan and implement pilot projects for experimenting with new approaches and procedures. **This entails pro-actively fostering a radically greater degree of autonomy for local actors and experimenting with new forms of public-voluntary and public-private partnerships** (NESC, 2005: 261).

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Social enterprise vs. social entrepreneurship

The combination of philanthrocapitalism and social entrepreneurs raises many questions for the traditional understanding of social enterprises.

Who are the social entrepreneurs?

Who defines the problem to be fixed/issue to be addressed?

How are they linked to the communities they work in?

What type of social and civic value do they create?

Why have social entrepreneurs tended to dominate the discussions with philanthropic funds like the One Foundation?



What next?

There is huge potential for the establishment of a coherent and embedded social enterprise sector, incorporating credit unions, social finance providers, mutual societies, co-operatives, and other social enterprises but:

- It isn't yet clear how the proposed DWS framework will be implemented.
- Social entrepreneurs have tended to dominate the evolving narrative, e.g. Futures Ireland, but the issues of capacity building and embeddedness have yet to be addressed.
- The larger existing organisations, e.g. credit unions, don't appear to be part of the conversation, why?
- Serious questions remain about the willingness of funding agencies to provide appropriate levels of autonomy to facilitate the social innovation the DWS demands.
- To date the Irish public policy process has yet to decide what to do about social enterprise.



- There is no equivalent to:
- the British Minister for Social Enterprise;
 - the involvement of economic development agencies in social enterprise promotion;
 - Social Enterprise Belfast/Social Enterprise London, Social Enterprise Network.

In June 2005 the status of Community Interest Company (CIC) was created (www.cicregulator.gov.uk).

A growing sector in neighbouring economies

At least 55,000 Social Enterprises in the UK with a combined turnover of £27 billion.

Social Enterprises account for 5% of all UK businesses with employees.

Both political parties have made funding and tax commitments to the social enterprise sector.



Rather than ask where is social enterprise, ask how and where can we develop linkages?

