

Report on the Roundtable on the Development of a Dublin Social Enterprise

By Gerard Doyle

Hosted by Dublin Employment Pact and Clann Credo

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Venue: Central Hotel, Dublin

www.dublinpact.ie

www.clanncredo.ie



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1. Introduction and background

Dublin Employment Pact and Clann Credo hosted a Round Table on the potential of social enterprise in Dublin for creating employment and developing communities, not least during the present economic downturn, which is likely to entail sustained high levels of unemployment.

Dublin Employment Pact and Clann Credo commissioned Smith Everett & Associates Ltd to carry out action research as a basis for a social enterprise initiative in Dublin and the results of this work were presented at the roundtable, along with an input on current economic trends and public policy from Dr John Sweeney of NESC.

Finally, the first steps at implementing the strategy for the development of social enterprise in Dublin were outlined.

2. Why This Initiative?

The roundtable was opened by Philip O'Connor, Director, Dublin Employment Pact who gave an overview of the rationale for undertaking this piece of research. He began by stating that the 'Celtic Tiger' is now history: unemployment is currently in double figures with forecasts that such levels are to persist for the next decade. However, unlike the 1980's, social infrastructure in Ireland is more developed to make a contribution to tackling unemployment.

In particular, the social enterprise sector, if it receives sufficient state supports, has the capacity to make a significant contribution to addressing unemployment. However, a number of challenges need to be addressed for the potential in addressing unemployment to be realised, these include:

- There is a need for a far greater level of coherence than currently exists within the social economy sector.
- Social enterprises need to engage in commercial activity for community benefit.
- Social enterprises often conjure negative connotations and
- Finally, social enterprise is bedevilled by misrepresentations, for example, that it provides cheap labour.

On a positive note, there have been a number of significant developments. These include the existence of social finance providers including Clann Credo who are committed to assisting in the development of social enterprise in Ireland; there is an agenda for social enterprise in Ireland (not sure what is being referred to here?) and there is a growing optimism about social enterprise.

Social enterprise makes an important contribution in minimising the levels of long-term unemployment. The impact that it has can be greatly enhanced if central Government develops a policy framework for state agencies to contract social enterprises in the provision of goods and services.

The succinct report completed by John Everett makes a number of practical recommendations for moving social enterprise forward in the Dublin region.

3. Crisis and Recovery: Economic and Public Policy Context

Dr. John Sweeney (NESC) started his presentation by giving an overview of the global and the Irish economy. The Irish economy is experiencing a sharp contraction; there is deterioration in the labour market with unemployment forecasted to increase to 15.5%. The increase in the rate of unemployment amongst males is far higher than amongst females.

In response to the economic downturn, the following direction in policy is forecasted:

- The targeting of resources at those groups in society who require assistance the most.
- The renegotiation of contracts with third sector organisations.
- A heightened debate on public sector reform.
- An increased demand on public services resulting in a rationing of services that are delivered.

Two contrasting scenarios for public service delivery were presented. The first would see the quality of public services declining due to the failure to meet increased demand and expectation. A more benign scenario would be the radical transformation in how the State delivers services.

The State has commenced the process of changing how it does business; this is leading to the use of more detailed performance monitoring systems. There is greater emphasis on accountability from State employees and stakeholders in relation to outcomes and outputs achieved.

This process of change will have implications for Non Governmental Organisations (NGOs) and it is recommended that these organisations pursue the following tactics:

- Proactively identify the performance indicators that measure their outputs and outcomes.
- Continuously analyse how they can change their practices in order to more effectively meet the needs of their stakeholders.
- Apply organisational practices used in the private sector to reduce costs.
- Negotiate agreements that allow for costs savings in some areas of the organisation's activity (if secured) to be retained. ?? not sure what this point is

4. Developing and Supporting Social Enterprises in Dublin- a Strategy

The next presentation focused on some of the common strategic components of successful social enterprise strategies and was delivered by John Everett, who has recently completed the research.

Before detailing the common strategic components of successful social enterprise strategies, John Everett, outlined: the reasons why social enterprises are formed in urban settings; the characteristics of a social enterprise and the key features of a number of social enterprise strategies.

The research indicates that successful social enterprise strategies are predicated on: securing Government support; ensuring that the social enterprise sector is resourced on an ongoing basis; heightening awareness of the impact social enterprise can play in urban communities amongst a range of stakeholders including the sector itself; and finally, documenting its impact through conducting rigorous research.

In comparison with many of the case studies examined in the research, Dublin is characterised by an unorganised social enterprise sector; a lack of understanding and awareness of social enterprise at Government level; and a limited number of support agencies located in different parts of the Dublin region. However, on the positive side, there are a number of sustainable social enterprises in Dublin; there is growing interest amongst a range of stakeholders including local authority officials; a number of academic institutions are engaged in research in the area of social enterprise; and there are two national organisations promoting social enterprise/social entrepreneurship.

A possible way forward for developing social enterprises would include the following components:

- Initial consultation - Clann Credo and Dublin Employment Pact should disseminate the strategy report and engage in a series of consultations with officials in each of the four local authorities, local economic development agencies and support agencies. These consultations should ascertain, on a preliminary basis, the extent to which each might be able to dedicate resources to the development of social enterprises in the Dublin region.
- Visit to cities - One or more group visits (involving Dublin based individuals with an interest in social enterprise) to engage in dialogue with both local authority officials and social enterprise activists who have been involved in the development of social enterprise strategies in Belfast, Bristol, Glasgow and/or London.
- Establish a task-force - A task force should be established comprising relevant organisations that have an interest and the capacity to commit to initial actions to develop a social enterprise strategy for the Dublin region. The establishment of an inclusive network involving social enterprises should be one of the first actions.
- Agree a formal strategy.

5. Report on the Findings of the Buzz groups

5.1 FEEDBACK FROM BUZZ GROUPS

The attendees were divided into five Buzz groups and were presented with the following three questions:

- Identify three opportunities for developing social enterprise in the Dublin region?
- What is or are the constraint(s) preventing the opportunities being realised?
- Identify solutions that would deal with the constraints?

The feedback from the five groups is categorised under a number of themes.

5.1.1 Raising Awareness about Social Enterprise

Opportunities	Constraints	Solutions
Enhancing the level of awareness at Government level, general public and within the private sector of the role social enterprise can play both within society and the economy.	Due to the experience of the National Social Economy Programme, social enterprise is not favourably perceived within the community and voluntary sector.	A concerted awareness campaign needs to be delivered.

It would be important to invest time and resources into highlighting the current impact that social enterprises make in the Dublin region.¹ This could garner additional resources and support from the State, the private sector and philanthropists. Furthermore, with the growth in ethical consumerism, a growing proportion of the public would be prepared to purchase goods and services from social enterprises. An important component of the awareness campaign would entail targeting not-for-profit organisations that would not consider themselves as social enterprises. If successful, this would lead to the potency of the sector being augmented.

5.1.2 Building the Social Enterprise Sector

Opportunities	Constraints	Solutions
The social enterprise sector could be strengthened.	Not-for-profit organisations not identifying themselves as social enterprises.	It would be important to demonstrate the potential benefits to individual social enterprises of a vibrant sector.

¹ Through the provision of employment for social groups distant from the labour market, enhancing employability, the provision of services and the strengthening of social capital.

Awareness raising is central to building the social enterprise sector in the Dublin region. A stronger social enterprise sector would have a greater capacity to lobby the state for a range of supports to consolidate and develop the sector. Perhaps, the most significant constraint in building the sector is the number of not for profit organisations that do not perceive themselves as being social enterprises. The advantage of strengthening the sector is that it would increase the likelihood of a strong network in the Dublin region being established. (I think this is repeating what is said in 5.1.1 – these two could be merged.)

5.1.3 Establishing a Social Enterprise Network for Dublin

Opportunities	Constraints	Solutions
A social enterprise network should be established for the Dublin region.	People associated the previous attempt at establishing a national network as a network of projects funded under the Community Services Programme.	It would be important to demonstrate the potential benefits to individual social enterprises of a vibrant sector.

Once established, the proposed social enterprise network for the Dublin region should immediately formulate criteria for membership, a realistic work plan and a set of operational procedures. Increasing awareness of what constitutes social enterprise activity should be an objective of the network. High levels of participation would be maintained if the network gives sought after supports and resources to its members such as high quality mentoring support, training and technical expertise. The network would lobby Government on a range of issues including the following:

- That social enterprises receive the same level of supports from existing state enterprise programmes as do private enterprises.
- Public procurement.
- Access to different types of finance most notably seed capital, working capital, grant finance and social finance.

5.1.4 Idea Generation

Opportunities	Constraints	Solutions
A strategy for identifying and supporting community projects and existing social enterprises in identifying new concepts.	There is an apparent lack of awareness of what social enterprises can achieve.	Social enterprises should be encouraged to diversify into a range of activities.

A strategy for identifying and supporting community projects and existing social enterprises in identifying new projects should be established in the Dublin region. However, amongst a number of stakeholders, there is an apparent lack of awareness of the diversity of activities that social enterprises can build into sustainable enterprises.

5.1.5 Championing Community Enterprises

Opportunities	Constraints	Solutions
Mobilising community leaders to develop community enterprise.	The Government has not envisioned (envisaged?) the impact that community enterprise can play in the economic regeneration of disadvantaged communities.	State support for a limited period of time would provide the climate for community enterprises that would provide the bedrock for the economic transformation of disadvantaged communities.

Committed community leaders living in communities could be mobilised and incentivised to champion the development of community enterprises. These community enterprises would provide the bedrock for the economic regeneration of disadvantaged communities throughout Dublin region. The state, as yet, is not aware of the potential impact community enterprises can play in regenerating communities. The relevant Government Departments should be presented with case studies (both domestic and international) where community enterprises have transformed the economies of disadvantaged areas². With limited state support these community enterprises would have the critical mass to:

- Develop sustainable employment.
- Generate an asset base that would generate income streams that would be re-invested in stimulating other community or social enterprises.
- Provide the infrastructure necessary to nurture private enterprise in disadvantaged communities throughout Ireland.³

As an initial intervention a portion of the Community Services Programme could be ring fenced for community enterprises. (Is that not what the CSP already is?)

5.1.6 Local Authorities

Opportunities	Constraints	Solutions
Local authorities are a source of business opportunities for social enterprises.	Social enterprises would need to have the capacity to deliver services and products.	Social enterprises could provide a range of services on a contract basis.

The route for social enterprises to gain contracts from the local authorities is to approach the regional authorities. CCTV surveillance and cleaning up graffiti are two services that social enterprises could deliver on a contract basis, once they have the capacity to deliver these services.

² These presentations to the Government should include a cost/benefit analysis to the state

³ This would include the provision of managed workspace. Research commissioned by the Dublin City Enterprise Board highlights the dearth of enterprise centres in the Dublin City centre.

5.1.7 Public Procurement

Opportunities	Constraints	Solutions
Generate employment.	State agencies may be concerned with social enterprises capacity to deliver services.	Legislation enabling local authorities to ring-fence a proportion of contracts that would be delivered by social enterprises.

Social enterprises would be in a position to generate additional employment, if state agencies were to become more pro-active in contracting to social enterprises, and create the conditions whereby social enterprises could avail of contracting opportunities. One constraint to this could be trade union opposition. Also, state agencies could be reluctant to contract to social enterprises over concerns about inability to deliver a quality service. To address these constraints, legislation could be required enabling local authorities to ring-fence proportion of the contracts that would be delivered by social enterprises.

5.1.8 Green Technology

Many economic commentators forecast that ‘green technology’ could be central to the future revival of the Irish economy. There are a number of nascent social enterprises engaged in this sector of the economy.⁴

There is a potential for social enterprises, provided they secure the necessary expertise and financial capital, to exploit opportunities in the burgeoning green technology sector.

5.1.9 Communities of Interest

Within disadvantaged communities, social enterprises have the potential for meeting the needs of young people and other social groups while at the same time developing leadership skills and enabling these groups to become the next generation of social entrepreneurs.

5.2 PLENARY SESSION

Peter Cassells facilitated the plenary session. The following is a summary of the discussion. Issues are categorised under a number of themes.

5.2.1 Multiplicity of Agencies

To achieve sustainability, many social enterprises in the Dublin region are compelled to secure funding from a number of Government Departments. This places pressure on social enterprises, as they have to report and undertake performance monitoring to a number of funding agencies.

⁴ These are mostly located in rural communities. Economists such as Richard Douthwaite are proposing that urban communities could forge new collective enterprise entities with rural communities to supply energy (www.feasta.org). In an urban context, there are a number of social enterprises engaged in insulating the attics and cavity walls of low income homes either experiencing or at risk of experiencing fuel poverty.

The streamlining of the number of programmes providing funding to social enterprises would reduce the amount of resources spent on reporting.

5.2.2 Supporting the Formation of Community Enterprises

Community enterprises have a proven track record at generating employment. The Government should establish a funding programme solely focusing in enabling community enterprises to attain sustainability.

5.2.3 Access to Working Capital

Social enterprises can experience difficulties with accessing working capital.

5.2.4 State's Understanding of Social Enterprise

The central Government and state agencies need to increase their understanding of the social economy sector. The state needs to adopt a more flexible approach towards social enterprises.

Social enterprises experience difficulties with public procurement. To address this difficulty, a pilot programme could be initiated whereby a limited number of local authorities and state agencies could allocate 5% of its total expenditure on public contracts to social enterprises.

5.2.5 Regeneration

Regeneration programmes should place equal emphasis on social regeneration, including social enterprise development as the physical regeneration of neighbourhoods. The existence of sustainable social enterprises that provide a range of services which greatly contributes to residents having a good quality of life.

5.3 SUMMARY

The Buzz groups and plenary discussion came with the following key points regarding the strengthening of social enterprise in the Dublin region.

- There is a need to enhance the level of awareness at Government level, general public and within the private sector of the role social enterprise can play both within society and the economy.
- Building the strength of the social enterprise sector in the Dublin region and the establishment of a vibrant autonomous network is pivotal to be in a position to influence the state and other stakeholders.
- Developing dialogue with the relevant departments of central government and state agencies with the aim of influencing future policy on social enterprise development is required.
- There is a need to create an environment that is conducive to social enterprises being in a position to maximise impact. This new environment would include: state agencies ring-fencing a proportion of public contracts for social enterprises; supporting the formation of community enterprises; and access to finance.

6. Wrap-up: Next Steps

Paul O'Sullivan wrapped up the discussion. He began by stating that the social enterprise sector has a responsibility for making a contribution to addressing the current economic crisis.

Notwithstanding the absence of a comprehensive policy framework for developing social enterprise, there is a strong social enterprise sector imbued with a belief in tackling inequality and ending poverty. To address these policy shortcomings, it is incumbent on the social enterprise movement to educate the state on social enterprise development. It must also lobby for quality supports from local economic development agencies.

The social enterprise sector must maintain its independence and autonomy while being accountable and in so doing will maximise its impact in addressing unemployment and poverty that blight so many of the communities in Dublin.

Access to finance will be critically important in enabling social enterprises to achieve their mission. In this context, Clann Credo has ample loan finance to meet demand. However, in addition to loan finance, the state needs to establish an equity funding mechanism exclusively for social enterprises.

Clann Credo and Dublin Employment Pact are both committed to the formation of a Task force and its work plan will be informed by a consultation process with the relevant stakeholders. Finally, Paul thanked John Everett in undertaking this piece of research and for developing this comprehensive strategy.

Appendices

LIST OF ATTENDEES AT ROUNDTABLE

Chair: Peter Cassells	NCPP/Clann Credo
Philip O'Connor	DEP
Paul O'Sullivan	Clann Credo
Jennifer Hennessy	Clann Credo
John Everett	Social Enterprise Consultant
Dr. John Sweeney	NESC
Jim Boyle	Clann Credo
Bernie Walsh	Sunflower Recycling
Diane Richmond	Partas
Deirdre Garvey	The Wheel
Fiona Nolan	Northside Partnership
Patrick Lynch	Dublin Enterprise Boards
John Whyte	Fatima Regeneration
Breda Kennedy	Pobal
Aiden Lloyd	Pobal
Tom Ronayne	WRC
Tina Roche	Business in the Community
Jane Foreman	Atlantic Philanthropies
Tom Daly	TSA Consultants
John Murphy	Speedpak
Anne Eustace	Eustace Patterson Ltd
Dr. Denise Crossan	Centre for Not-for-Profit Management TCD
Dr Sennan Cooke	DIT
Aileen O'Donoghue	Clondalkin Partnership
Tracey Hannon	Clann Credo
Brendan Whelan	Social Finance Foundation
Peter Nolan	DICP
Anna Lee	Dodder Valley Partnership
Joe Horan	South Dublin County Council
Eugene Moore	Fingal Co Co
Mick Creedon	Community Sector Employers Forum
Jean Somers	DEP
Gerry Folan	Dublin City Council
Maurice Healy	Healy Group, President of IBEC 2006-08
Ger Doyle	Report writer
Karen Reid	Dublin Employment Pact