



Social Enterprise and
Entrepreneurship Taskforce

Annual Report

2012

Preface

The Social Enterprise and Entrepreneurship Task Force (SEETF) – composed of representatives of all interests in the sector - has been working for several years to create an environment in Ireland to realise the significant potential of this sector both for local economic development and as a source of employment. In particular it has sought reforms in public policy that would help bring this about, notably through inclusion of the sector in the Government's enterprise strategy and policy changes such as introducing a social clause in public procurement processes.

In this first formal Annual Report, we set out the progress we have achieved in meeting these aims over the last year.

The commitment in the *Programme for Government* to support the development of the sector, specifically through the resources of the Department of Jobs, Enterprise and Innovation, represented a positive step forward. There have also been significant developments at EU level in the same direction, and the sector can expect to feature positively in the upcoming programme of EU structural funding.

The social enterprise and entrepreneurship sector has great potential to contribute to overcoming two of the major aspects of the current economic crisis – the stalling of local economic development and the continued high level of unemployment. This report sets out in detail the recommendations of the SEETF submission to Forfás on the potential of the sector to help meeting these challenges.

In presenting this Annual Report I would like to thank all members of the Task Force for their continued commitment to our valuable work, and in particular Maurice Healy who, as our first chair, oversaw its founding and consolidation.

Philip O'Connor

Chair, SEETF





A Busy Year

2012 was a significant and busy year for the Social Enterprise and Entrepreneurship Task Force (SEETF).

Among the principle areas of work were:

- developing and refining policy on the general area of social enterprise and social entrepreneurship,
- developing closer contacts with government on relevant policy issues,
- making a detailed submission to the Forfás Report to government on the sector,
- carrying out an internal review of aims, objectives and strategy.

The Task Force (SEETF) was first established in 2009 to promote social enterprise and social entrepreneurship as a viable and vibrant part of the Irish economy.

Following initial success in putting social enterprise on the political and government agenda for the first time, through the publication of a first report, *Adding Value – Delivering Change : The Role of Social Enterprise in National Recovery* (June 2010) and the launch of the Report by Minister for Enterprise, Trade and Innovation, Batt O’Keeffe TD, the Task Force has more recently concentrated on further advancing policy issues in co-operation with the new Fine Gael and Labour government.

This has involved a range of initiatives, including

- providing data and information during the drafting of the Programme for Government,
- subsequent briefing of relevant Government Ministers,
- making submissions on the preparation of the Government’s new national jobs strategy,
- highlighting the potential for jobs from the sector,
- clarifying details around social enterprise and social entrepreneurship policy,
- seeking to correct any misunderstandings among policymakers and others key decision makers.

“The Task Force (SEETF) was first established in 2009 to promote social enterprise and social entrepreneurship as a viable and vibrant part of the Irish economy.”



Working to Inform Government Policy

The SEETF has always believed that social enterprise and social entrepreneurship should be developed and dealt with most appropriately within the remit of the Department of Jobs, Enterprise and Innovation.

A vital step in achieving formal recognition for this approach was contained in the Fine Gael-Labour Programme for Government *Towards Recovery*, page 13, which states:

“The Government will promote the development of a vibrant and effective social enterprise sector. We will instruct agencies to view social enterprises as important stakeholders in rejuvenating local economies.”

Perhaps the most significant outcome to date in this regard was the decision of the government in its 2012 National Jobs Strategy to commission a special Report from Forfás on the entire area of social enterprise and social entrepreneurship. SEETF responded to this initiative by producing a detailed set of recommendations, which is dealt with later in this document.

Further evidence of the government’s intent to see social enterprise and social entrepreneurship developed as a real and successful contributor to, and driver of, job creation in the economy is evidenced by the fact that specific responsibility for work on this area at government level rests with Research and Innovation Minister, Seán Sherlock, TD, within the Department of Jobs, Enterprise and Innovation.

SEETF is maintaining ongoing contact with Minister Sherlock to ensure that Government remains up-to-date with the latest developments and trends in the sector.

Contact is also being maintained with Dominic Hannigan TD, Chairperson of the Oireachtas European Affairs Committee in relation to the European Social Business Initiative and likely future developments in this area.

Individual members of SEETF have also introduced important initiatives over the past year, including:

- Following a Conference on the issue of Procurement in Kilkenny earlier this year, the Minister for Small Business, John Perry TD, requested a meeting with the Dunhill Rural Enterprises in relation to the development of social enterprise, as he has a particular interest in rural social enterprises. Dunhill, as a member of SEETF, highlighted its policies to the Minister at this meeting.
- Tánaiste, Eamon Gilmore TD, addressed the Annual Conference of Clann Credo - the Social Investment Fund, and committed support to social enterprise.
- Minister Seán Sherlock TD addressed a Conference dealing with social entrepreneurship, organised by WINSENT in Tallaght (May 2012).



Attaining European Norms the Target

Social enterprise is a significant sector yet it is also a significantly underdeveloped sector in Ireland at present.

A 2009 study, referenced in the 2nd SEETF Report, used the findings from a survey of nine partnership areas of the Republic of Ireland, to make an estimate that social enterprises in Ireland generate some €240 million in revenue, spend €230 million in Ireland and employ over 9,300 people directly and support a further 5,100 indirectly.

The same report estimated that at least 12,500 people are involved with social enterprises in a voluntary capacity, thereby making a significant contribution to national policies on active citizenship.

In addition, research by DKM Economic Consultants (2011) suggested an economic multiplier of 1.32 for social enterprises. In other words, for every €1 injected into the Irish economy, the Irish economy benefited by an additional 32 cent.

Ireland, however, lags quite far behind European levels of social enterprise and social entrepreneurship activity. To attain the average European levels of employment in this area, an average of 5,000 jobs per year would be created in Ireland over the next five years.

SEETF believes that Government policy should seek to reach the European average on a graduated basis.

This can be achieved by treating social enterprise and social entrepreneurship initiatives similarly to conventional sources of employment, while acknowledging the specific community motivation that drives job creation in this area.



SEETF Report 2012: Unlocking the Potential of Social Enterprise

In Spring 2012 the SEETF committed to produce a second Report on social enterprise and social entrepreneurship. The decision arose from the significant progress in overall government policy and understanding on the issue, the commissioning of a special report from Forfás on the sector by the government and the identification by the SEETF itself of areas in need of further expansion and clarification in its own information and policy.

This second report, *Unlocking the Potential of Social Enterprise & Entrepreneurship - A Submission to Forfás* (July 2012), authored by Ann Clarke, set out to build on the content of Report 1 and to provide a series of specific proposals to government to facilitate development of social enterprise and social entrepreneurship. It was commissioned with an added purpose of being submitted to Forfás to assist in their compilation of data in their own Report to government to the topic.

The second SEETF report, significantly more detailed than the first, concentrated on five areas of specific proposals:

1. Job Creation:

- Given that social enterprise in Ireland is under developed and the enabling environment is embryonic, an achievable job creation target should be set for the social enterprise sector for the next 3 years as follows: 200 new jobs in Year 1; 450 in Year 2; 850 in Year 3; Total: 1,500 jobs.
- Select nine County/City Enterprise Board and Local Development Company areas to pilot the stimulation and development of social enterprise.
- Within each area, a member of staff should be given the role of Social Enterprise Development Officer to raise awareness of social enterprise, to meet with community groups and entrepreneurs interested in social enterprise, to support them in testing the feasibility of social enterprise ideas, to develop business plans and to access relevant training, funding and other supports available.

2. Creating an Enabling Environment:

- The Irish government should adopt the definition of social enterprise as set by the EU Commission.
- Assign a Minister for State with responsibility for social enterprise within the Department of Jobs, Enterprise and Innovation.
- The Department of Jobs, Enterprise & Innovation, with the assistance of Forfás, should have primary responsibility for developing a national strategy for social enterprise in consultation with the sector, including the SEETF.
- Establish a Social Enterprise Development Unit to implement this strategy within the Department of Jobs, Enterprise & Innovation.
- Incorporate social enterprise into the service-provision brief of County Enterprise Boards/Local Development Companies/Integrated Local Enterprise Offices to ensure that these and related bodies provide both existing enterprise support services, and any additional support services identified in the national strategy for social enterprise, to social enterprises.
- The potential of social enterprise should be built into sectoral and job creation strategies and, in particular, into the plans of each County Enterprise/County Development Board/Integrated Local Enterprise Office.
- Each County Enterprise Board/Integrated Development Company/Integrated Local Enterprise Office should be asked to submit a plan incorporating proposed outcomes as to how they will support social enterprise and social entrepreneurs within their area. Within this plan they should identify the resources they will make available to support social enterprises and social entrepreneurs (e.g. either through in-house resources, contracted specialist expertise or panels of mentors with experience of working with social enterprises and social entrepreneurs).
- Existing good practice in social enterprise support, such as Co. Waterford and Co. Offaly, should be promoted nationally to County Enterprise Boards/Local Development Companies/Integrated Local Enterprise Offices.
- Raise the profile of social enterprise and present it as a realistic and attractive option to promote entrepreneurial energy and apply talent for social change.
- Establish a strengthened focus on social entrepreneurship, supporting the development of tools, information and funds available to aspiring social entrepreneurs on a similar basis and terms as supports already in place in respect of conventional SME businesses (e.g. R&D, Credit Guarantee, export promotion, etc).

- Support the introduction of high profile social business awards with the aim of increasing awareness of the social enterprise business model.
- Promote social enterprise in schools, further education and higher education to build awareness and establish social enterprise as a career option.
- Establish strong Irish representation as part of the Social Enterprise World Forum, an annual gathering of social enterprise leaders from across the globe.
- Attract an annual meeting of the Forum to Ireland (600+ delegates normally),
- Adopt a 'kite mark' or other form of identifier to promote social enterprise as a unique business model.
- Provide access to existing enterprise training supports, in particular those provided by the County/ City Enterprise Boards to social enterprises and raise awareness of the availability of such support amongst the social enterprise community. Key challenges identified by social enterprises were management development, financial management and planning and human resource management.

3. Funding:

- The Irish government engages fully with the Commission so that Ireland will be positioned to avail of the opportunities that may flow from this major initiative.
- Explore the potential to attract cross-border EuSEF funds to locate and operate out of Ireland.
- Support the development of the social finance sector to provide a range of flexible finance options such as underwriting, equity-type instruments, loans, etc.

- Change the regulatory framework for credit unions to end the anomaly whereby they are largely precluded from lending to social enterprises.
- Initiate a programme of support to raise awareness among aspiring social enterprises and entrepreneurs of available financial products and build 'investment readiness'.
- Ensure parity of access for social enterprises to the new Irish micro-finance fund and credit guarantee schemes.
- Utilise the EU Social Business Initiative and EU Commission funding and policy developments to enable Ireland attain the EU average level of social enterprise.

4. Procurement:

- Promote the use of community benefit/social clauses for all public and local authority tendering procedures in Ireland, with the medium-term aim of making their inclusion mandatory.
- Provide full technical guidance that offers a clear route for public bodies to include such clauses in contracts.
- Initiate a programme of awareness raising and training for public procurement officers and service managers relating to effective commissioning from the social enterprise sector.
- Pilot the use of community benefit/social clauses in a small number of high profile procurement projects being taken forward by the Irish government.
- Prepare guidance and deliver associated training workshops to the social enterprise sector on 'Preparing for Tendering'.

- Promote etenders.ie and other public service commissioning portals to prospective social enterprise suppliers.
- Encourage the use of local 'Meet the Buyer' events that bring together public service and local authority commissioners and social enterprises to build business relationships.
- Introduce measures to promote the use of social enterprises in the supply chain for delivery of the next phase of Irish infrastructure investment. For example, piloting a set of Public Social Partnership projects, through which public service managers and social enterprises can co-design and test new service models.
- Promote the development of community-led renewable energy projects and energy co-operatives to contribute to the national renewables targets, in consultation with the Department of Communications, Energy and Natural Resources.

5. Measuring Impact:

- Support the inclusion of social enterprise as a distinct category in CSO surveys of business in order to establish reliable baseline data on the sector.
- Develop one or more national indicators that are capable of measuring the growth of social enterprise in Ireland and the investment and support by the public sector in it.
- Ensure Ireland participates in the mapping exercise of social enterprise being conducted by the European Union as part of the Social Business Initiative.
- Pilot and roll out an appropriate measurement system as a tool that can be used to measure the social impact and return on investment in social enterprise.

SocialEnterprise.ie

SocialEnterprise.ie was established by the SEETF to develop a network of social enterprises, and was sponsored by WINSENT until May 2012.

The SEETF's original goal in supporting the establishment of the website SocialEnterprise.ie, and the subsequent involvement of WINSENT to develop the network, was that it should become a forum for those active in social enterprise to:

- Meet and exchange ideas,
- Learn of successes by other social enterprises,
- Identify and assess the problems faced by those involved in social enterprise,
- Forward opinions and suggestions to the SEETF based on the practical experience of those on the ground,
- Highlight, at local level, the value of and need for social enterprise to politicians, local authorities, local media, etc,
- Build an expanding virtual community of social enterprise practitioners.



Sean Sherlock TD, Minister of State, Department of Enterprise, Jobs & Innovation and Department of Education & Skills with responsibility for Research & Innovation (centre) at the WINSENT Social Entrepreneurship Seminar in Wood Quay Dublin. With him are two members of SEETF: John Kearns, Chief Executive of Partas (left) and Ivan Cooper, Director of Advocacy at The Wheel.

The approach is that it should operate largely as a network of social enterprise practitioners, without undue influence from the SEETF.

Social Enterprise.ie held a number of public discussion meetings in late 2011 and early 2012, attended by a large number of individual social enterprise and social entrepreneurship organisations and individuals.

These meetings also acted as a major forum for exchange of ideas, experience and information on developments throughout the sector.

As part of a review of the overall work of the SEETF, in order to ensure a coherent relationship between SEETF and SocialEnterprise.ie it was agreed that:

- two members of the SocialEnterprise.ie network would serve as members of the SEETF and there should be an update slot in every SEETF meeting about the network's development
- every meeting of the SocialEnterprise.ie network will include a brief input from and about the work of the SEETF.

Highlighting the EU Dimension

SEETF sees significant potential for policy and funding initiatives from EU level, to both assist and drive Irish Government policy on the sector in the years ahead. SEETF has been following two initiatives in particular in this regard.

1. The Social Business Initiative:

- The Social Business Initiative was announced by the European Commission in November 2011, to support “companies that have a positive social impact and address social objectives as their corporate aim rather than only maximising profit.”
- The Commission is providing 90 million to improve access to funding for social purpose organisations.
- For the period 2014-2020 the European Regional Development Fund and European Social Fund will provide potentially far greater levels of funding.
- The Commission also proposes a new regulatory regime to facilitate the development of private investment funds, specifically targeting social businesses.

- Public procurement procedures will be revised to ensure greater consideration for ‘social and environmental criteria and the integration of vulnerable and disadvantaged persons’.
- Measures to improve visibility and a simplified regulatory environment, including a proposed European Foundation Statute, revision of public procurement rules and state aid measures for social and local services are also planned.
- The initiative is one of 12 measures adopted in 2011 to give new momentum to the Single Market, the core economic driving force of the European Union. Social enterprise will play a key role in future EU policy on job creation and service delivery.
- The Commission defines a social enterprise as one where the “social or societal objective is the primary reason for the commercial activity” and where “profits are reinvested with a view to achieving this social objective”.

2. EU Expert Group Single Market 2:

Paul O’Sullivan, CEO of Clann Credo, was appointed earlier this year as a member of an Expert Group within the EU Commission (Financial Services Section) dealing with Single Market 2) and has attended its first meeting. As a member of the SEETF, he also represents the interests of the SEETF at the Expert Group.

There is a high level of EU political capital invested in the process in the form of two Commissioners. The process was being driven by the Single Market Act which had led to the Social Business initiative and the European Social Investment Fund. The Commission is willing to provide support for any country willing to develop social enterprise. During the period 2014-2020 the Structural Funds will be one of the routes that governments can take to promote and support social enterprise.

Eamon Gilmore TD, Tánaiste and Minister for Foreign Affairs & Trade with Paul O’Sullivan, member of the SEETF and Chief Executive of Clann Credo – the Social Investment Fund.





Review of SEETF Aims and Effectiveness

An overall review of the work and effectiveness of the SEETF was carried out in February 2012. A review sub-group, comprised of Ivan Cooper (The Wheel), John Kearns (Partas), Paul O'Sullivan (Clann Credo) and John Gallagher, (Advisor to SEETF) proposed a number of initiatives necessary to advance the SEETF aims in the *Secretariat Role Outline Paper for SEETF review*.

A number of administrative changes occurred around this time also.


Maurice Healy, the initial Chairperson of the Task Force, had resigned in early 2012 and Philip O'Connor, CEO of Dublin Employment Pact became the new Chairperson.

WINSSENT which had acted as Secretariat to SEETF, concluded in May 2012 and The Wheel agreed to act as Secretariat for a 12 month period to June 2013.

Clann Credo - the Social Investment Fund continued to retain the domain for the SocialEnterprise.ie website and email.

The review identified a wide range of 'assets' within the SEETF:

- The SEETF includes almost all the organisations with a meaningful stake in the achievement of the goal. This is a significant achievement and needs to continue in whatever guise the SEETF takes in the future.
- The network, SocialEnterprise.ie recently established has a burgeoning sense of purpose; an elected committee; an expressed intent to grow its network of social enterprises and to create a coherent connection to the SEETF.
- The WINSSENT programme of support for the SEETF and the SocialEnterprise.ie network (which ends in May 2012).
- The SEETF report *Adding Value Delivering Change* hosted on www.socialenterprise.ie which sets out a coherent policy platform for social enterprise in Ireland. (Appendix 1 to this document sets out an extract of the SEETF recommendations associated with building a coherent social enterprise sector).
- The website www.socialenterprise.ie (set up by Clann Credo, and updated/managed by WINSSENT) which is a source of information for and about social enterprises in Ireland.
- The Programme for Government which sets out a commitment to Social Enterprise and to developing it further in Ireland.
- The decision in the Jobs Strategy to ask Forfás to develop a report on the potential of social enterprise for the creation of Irish jobs.
- The favourable EU policy environment where Social Enterprise is referenced in key strategy documents agreed by EU Council e.g. Europe 2020.
- All of this work (i.e. these 'assets') have also benefited from the WINSSENT programme of support over the last two years, thus that investment of resources can also be considered an asset.
- In agreeing to take on the role of secretariat, for a 12 month period for the SEETF, The Wheel can also be considered an asset.



The review also identified a number of issues to be addressed:

The analysis also showed that at that point the organisation had an excessively open agenda which impacted on effectiveness. It also had an unwieldy membership with only regular participation from approximately half the original membership. Members largely lacked specific functions and focus in their role on the (then named) SETF and an unclear relationship existed with the new network SocialEnterprise.ie

As of February 2012, the SEETF agreed the analysis and positioning outlined in this paper.

It also agreed that the work plan for 2012 for the SEETF should include:

- Influencing government policy to securing a “home” for social enterprise. in an economic portfolio.
- Influencing the development of the paper being prepared by Forfás on the potential of social enterprise for policy development.
- Influencing government policy to insert a ‘social clause’ in procurement contracts.
- Assess European models for funding and entrepreneurial community development and bring them to the awareness of Irish stakeholders, including social enterprises.
- Examination of how existing models (at local authority and local development levels) can be developed.
- Support of the network SocialEnterprise.ie

In addition a written report on developments/outcomes should be published before the end of 2012.

To ensure viability, member organisations of the SEETF will be invited to contribute financially *and* organisationally so that it can work effectively (although financial contribution will not be a condition of SEETF membership). For example, a contribution of €2,000 from five members should be sufficient in the first instance.

Members of SEETF will be expected to use their organisational as well as personal time and capacity to advance the objectives of the SEETF.

It was agreed that the format, scope and content of the Task Force would be reviewed after 12 months, as will the status of the Secretariat and other supports needed.



Appendix 1: Membership of the Social Enterprise & Entrepreneurship Task Force

- **Ann Clarke**, Social and Economic Consultant
- **Dr. Senan Cooke**, Lecturer, School of Education Studies, Dublin City University
- **Ivan Cooper**, Director of Advocacy, The Wheel
- **Sean Coughlan**, CEO, Social Entrepreneurs Ireland
- **Denise Crossan**, Assistant Professor in Social Entrepreneurship, School of Business Trinity College Dublin
- **Fiona Descoteaux**, Economic Development Manager, Ballymun Whitehall Area Partnership
- **Niamh Dowler**, Community, Enterprise & Economic Development, Offaly County Council
- **John Gallagher**, Communications Consultant
- **Deirdre Garvey**, CEO, The Wheel
- **Chris Gordon**, SocialEnterprise.ie
- **Gavin Harte**, Corporate Responsibility Consultant, Business in the Community Ireland
- **Maurice Healy**, CEO, The Healy Group
- **Helen Kavanagh**, Project Development Officer, Dunhill Rural Enterprises
- **John Kearns**, CEO, Partas
- **John Murphy**, CEO, Speedpak
- **Phillip O'Connor**, Chairperson, SEETF
- **Rhona O'Connor**, SocialEnterprise.ie
- **Aileen O'Donoghue**, CEO, Archways
- **Paul O'Sullivan**, CEO, Clann Credo – the Social Investment Fund
- **Kathleen Prendergast**, Economic Development Officer, South Tipperary County Council
- **Bernie Walsh**, CEO, Sunflower Recycling
- **Brendan Walsh**, CEO, Social Finance Foundation



Appendix 2:

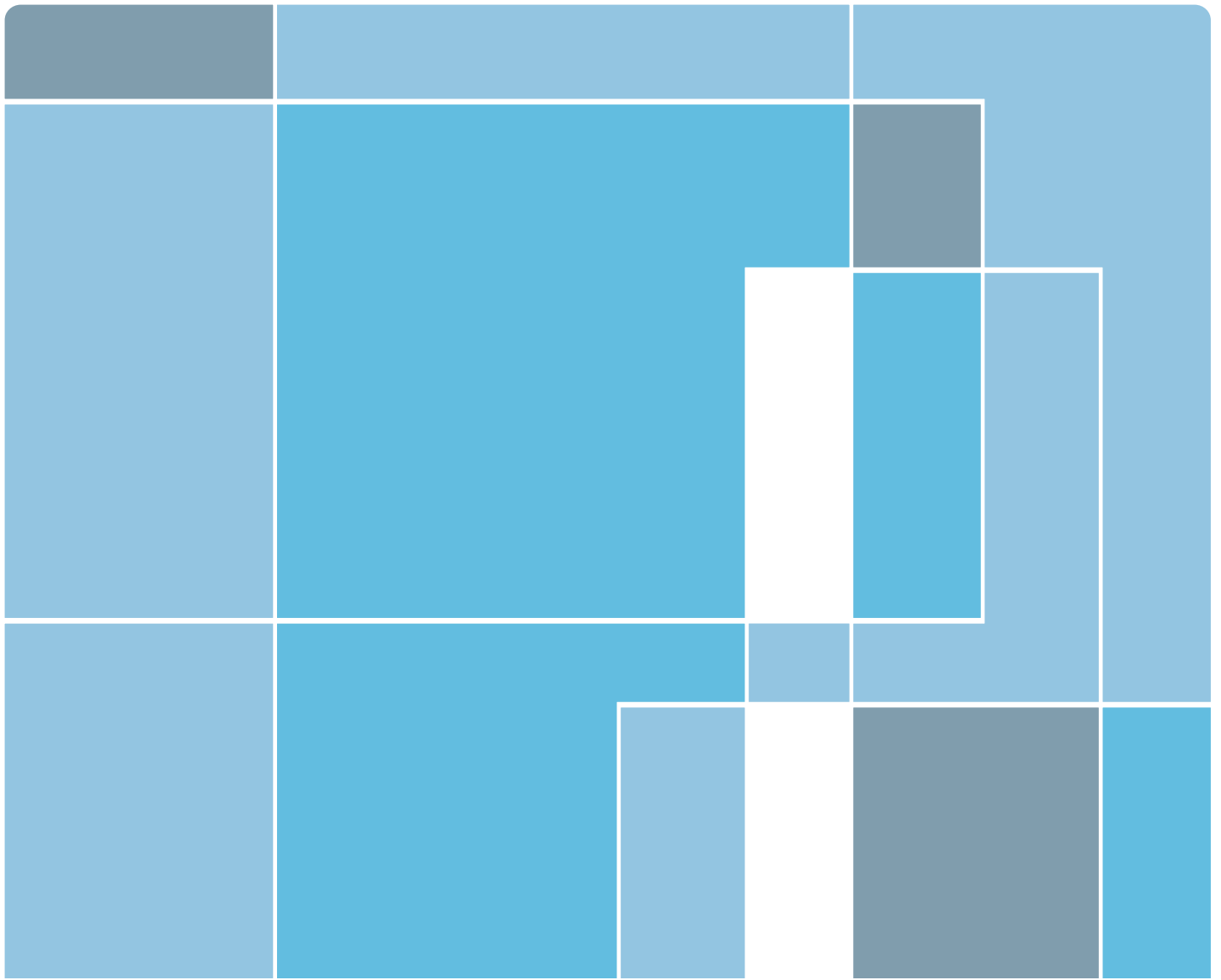
The Origins of SEETF

The following extract is taken from Report 1st of the SEETF, Adding Value Delivering Change (June 2010). This extract identifies the original purpose in establishment of the Task Force:

Recommendation Number 4: A Coherent Social Enterprise Sector

- Begin to build a constituency of social enterprises and those interested in the sector. The establishment of this Social Enterprise Task Force as well as SocialEnterprise.ie, are the first steps towards co-ordinated self-help by the sector.
- Develop the self-awareness of the sector. There is no agreed definition of what constitutes a social enterprise and many organisations that have the attributes of a social enterprise do not consider themselves as such. Consequently, the sector does not have a clear identity and focus.
- Identify political champions who recognise and value the sector and understand the hidden contribution it makes to Irish economic and social life and its potential for significant growth and development.
- Develop pride in the ethos of the sector, which continues to thrive worldwide at a time of unprecedented crisis which has seen the corporate and financial worlds lose public standing and moral credibility.





Social Enterprise and
Entrepreneurship Taskforce

The SEETF is a coalition of interests promoting the cause of Social Enterprise and Social Entrepreneurship in Ireland. SocialEnterprise.ie is a network of social enterprises working with SEETF and The Wheel provides a secretariat supporting these initiatives.

SEETF Members: Clann Credo, Dublin Employment Pact, Social Finance Foundation, Social Entrepreneurs Ireland, The Wheel, Partas, CLPN, ILDN, DCC, Dunhill Rural Enterprises Ltd and SocialEnterprise.ie

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