

**Study Of The
Social Economy
In
Dublin**



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1. INTRODUCTION

1.1 BACKGROUND

The Dublin Employment Pact brings together all the key stakeholders in employment creation in the Greater Dublin area. Since its establishment in 1995 the Pact has sought to explore innovative approaches to employment creation. In 1998 as part of its overall Action Plan the Pact set up a Social Economy Focus Group which was charged with:

- An exploration of the potential of the social economy;
- The encouragement of public authorities and other bodies to resource community organisations in piloting social economy initiatives;
- Developing actions to support the conclusions of the Partnership 2000 Social Economy Working Group as well as new approaches and projects emerging from local initiatives engaged in this sector.

1.2 TERMS OF REFERENCE FOR THIS STUDY

The Pact identified and supported several projects as pilot social economy initiatives and then decided to organise a seminar on the Potential of the Social Economy in Dublin. 100 people attended the event in May 1999. As a result of the seminar and following publication of the new FAS Social Economy Programme, the Pact decided to commission an independent study of the Social Economy in Dublin. A copy of the Terms of Reference is enclosed as Appendix A but essentially the appointed consultants, Mentor Economic Developments Ltd and Fitzpatrick Associates, were asked to:

- Provide a definition of the Social Economy;
- Map the current level of the Social Economy in Dublin;
- Compare the Social Economy in Dublin with practice elsewhere;
- Look at the external environment in which the social economy operates;

- Suggest how the Pact might contribute most effectively to the development of the Social Economy;
- Suggest measures which might ensure maximum resources are accessed to support the development of the Social Economy;
- Identify any opportunities for experimental models and especially consider workable solutions for industrial relations issues which might exist in the Social Economy.

1.3 METHODOLOGY

In pursuit of these objectives the consultants undertook the following tasks:

- Individual interviews with members of the Pact's Working Group and other key players;
- Collection and perusal of a number of reports on the Social Economy;
- Contact with over 40 organisations to gather data on the Social Economy in Dublin;
- A postal survey of 150 community groups;
- A series of in-depth interviews with a selected number of case study projects;
- A study of the current economic, political and social climate and of EU policy;
- A search for examples of good practice;
- A visualisation of a role for the Pact.

1.4 ACKNOWLEDGEMENTS

Mentor and Fitzpatrick Associates wish to acknowledge all those individuals and organisations who co-operated so readily with us in the completion of the study. Particular thanks are due to Philip O'Connor, Co-ordinator of the Dublin Employment Pact and Gerry Folan of Dublin Corporation, Chair of the Pact Social Economy Working Group. We also draw on a number of reports and documents and details of these are attached as Appendix B.

2. OVERVIEW OF THE SOCIAL ECONOMY

2.1 THE RANGE OF INITIATIVES

It could be argued that the term "Social Economy" is but the latest in a series of attempts to define an area of economic activity which has never been easy to accurately describe. The earliest term was almost certainly Agricultural Co-operatives used to describe those organisations for farmers which were created in the 19th Century in the West of Ireland. Other terms took a very long time to emerge and did not actually do so until the 70's and 80's of the last century when the emergence of very substantial long-term unemployment and the failure of Government policies to create sustainable employment led to a very diverse spread of what were non-traditional approaches to job creation. Terms in use then and now included:

- Worker co-operatives;
- Community co-operatives;
- Community businesses;
- Community enterprises;
- Not-for-profit agencies;
- The third sector;
- Housing co-operatives;
- Social firms;
- Food co-operatives;
- Credit unions;
- Local exchange trading schemes;
- Development trusts;
- Community economic development;
- Community regeneration projects;
- Training and employment projects;
- Employee owned businesses.

2.2 COMMON PRINCIPLES OR CHARACTERISTICS

Numerous studies have been undertaken with each of the groupings listed above. An examination of these indicates that almost all share the following characteristics or principles:

- Democratic management structures: again, a wide variety of models exist but in general the practice is for people rather than money to have authority and control. "People" can involve workers, volunteers etc in the management and control of the organisation;
- Trading as a means of achieving social objectives: few if any of the groups actually have trading as their key objective - they have primarily social objectives and simply use a trading approach as a strategy which will help secure the fulfilment of the social objectives. This often means that groups take on trading activities which are not particularly attractive to the private or public sectors;
- Community ownership of assets and profits: none of the various groups allow assets or profits to be owned by or distributed to individuals - any assets or gains are held by the members of the groups in trust for the community and can only be used for the benefit of that community;
- Employment targeted at people experiencing social exclusion: almost all groups reserve employment opportunities for people who are at a disadvantage in the labour market;
- Beneficiaries do not have to pay market rates: goods or services are usually supplied at cost or below cost because of the availability of subsidies;
- Mix of funding supports: groups secure funding from a variety of sources including usually fundraising, grant aid, charitable donations, gifts in kind and then earned income. Almost all funding is short-term;
- Capacity to build trust with client groups: projects develop particular expertise in working with and often empowering people who are disadvantaged;
- Resourcing local communities: groups acquire/draw in resources which are then available for community use.

2.3 RECENT INTEREST IN THE SOCIAL ECONOMY IN IRELAND

Much of the recent level of interest in the Social Economy can be traced to the European Union's White Paper, "Growth, Competitiveness and Work". This suggested the creation within Europe of an additional 3 million jobs which could be created within the following service sectors:

- Services in the home;
- Childcare;
- Integration of young people;
- Security;
- Housing improvement;
- Local public transport;
- Neighbourhood shops;
- Improving open spaces;
- Waste treatment;
- Water management;
- Pollution control;
- Nature preservation;
- Tourism;
- Heritage;
- Local culture;
- Audio-visual initiatives;
- Information and communication technology.

The White Paper proposed that these jobs could be created through Social Economy or "Third System" initiatives. The paper based its conclusions on the following assumptions:

- There continues to be a range of needs which would improve the overall quality of peoples' lives but these needs are not being met by either the public or private sector;
- Levels of unemployment were at that time increasing;
- There has been the creation of thousands of initiatives across Europe and these are beginning to address unsatisfied/current needs and to succeed in creating employment;

- There are four main areas where the Social Economy could contribute to regeneration - housing, workspace, partnerships and training and employment.

In Ireland Partnership 2000 contains a commitment to undertake a detailed examination of the potential for the Social Economy and subsequently Government decided in 1999 to introduce a new Social Economy Programme. At the same time the National Anti-Poverty Strategy made a commitment to examining the potential for the Social Economy.

2.4 CURRENT EXPECTATIONS OF THE SOCIAL ECONOMY

The new FAS Social Economy Programme sets out the following objectives:

- To promote the emergence and consolidation of the social economy;
- To maximise the potential of the social economy to generate employment that is sustainable and of high quality, subject to labour market constraints;
- To re-generate both urban and rural communities by providing urgently needed local services, employment opportunities and experience for people who have been distanced from the labour market;
- To promote equal opportunities between men and women.

At the same time research carried out by other agencies such as NESF, ADM and PLANET indicated that the Social Economy has an important contribution to make towards local development in the following additional areas:

- Integrated social and economic regeneration within areas experiencing major failure due to disadvantage, depopulation or an ageing population;
- Improving the quality of life in disadvantaged areas;
- Improving the confidence, self-esteem and knowledge of individuals;
- Developing a strategic awareness of the needs of local people.

2.5 MEETING THE EXPECTATIONS

It is clear the Social Economy as a sector is expected to deliver a huge return on whatever investment is made in it. The question has to be - can the Sector actually deliver? In the remaining chapters of this report we look at the Social Economy as it is today in Dublin, consider the supports available to it and the opportunities open to it, identify the key challenges which need to be met if the sector is to deliver and conclude by suggesting ways in which the Pact might help ensure the key challenges are addressed.

3. SOCIAL ECONOMY IN DUBLIN

3.1 MAPPING EXERCISE

No central database or register of Social Economy projects exists. Given the breadth and variety of what might be termed Social Economy projects this is not surprising. In an attempt to identify the current level of involvement in the Social Economy in Dublin contact was made with over 40 organisations which might be considered to have knowledge of/be in contact with groups engaged in the Social Economy. A full list of these organisations is enclosed as Appendix C.

For the purposes of this exercise groups such as Credit Unions and Housing Associations were not included.

Dublin County Development Board's Community Forum lists 550 groups but there is no classification which allows for groups engaged in the Social Economy to be extracted with any certainty. However, drawing on this information and on information supplied by a number of other bodies including FAS the number of Social Economy projects in Dublin is estimated as follows:

- Northside 9
- Blanchardstown 8
- Ballyfermot 19
- Inner City 126
- Tallaght 20
- South Dublin 10

For a number of areas it proved impossible to get information and in some areas, for example, Finglas/Cabra, we were advised that no Social Economy projects existed. However, we suspect this is due to the difficulty of interpretation of the term itself or perhaps to the use of the term to refer only to projects within the new FAS Social Economy programme.

FAS programme statistics to end of March 2001 reveal:

- 53 applications for business plan support had been received;
- 29 of these applications had been approved;
- 2 projects had been approved for full support.

3.2 POSTAL SURVEY

A questionnaire was sent by post to 150 groups selected from the variety of databases we were able to access. The selection was made insofar as possible to reflect a reasonable geographical spread within the County. A copy of the questionnaire is enclosed as Appendix D, together with a list of the groups which responded.

From the questionnaires issued a total of 37 responses were received. Table 1 below indicates the status of each respondent:

Table 1

	No.
Community Enterprise/Business	7
Demand Deficit Social Economy Project	16
Community Enterprises/Businesses based on work subcontracted from the public sector	2
Others	12

Among the other definitions were:

- Community Development Training (2);
- Probation Board Facility;
- Registered Charity giving support to marginalised people in community.

Respondents were asked to define the aims of their projects and a representative sample of these is set out below:

- To build a community enterprise and to be able to employ 1 part-time worker;
- To get long-term unemployed people back to work;
- To use radio and empower groups to make their own programmes;
- To operate a workshop repair service for wheelchairs;

-
- To develop networking opportunities and an information forum;
 - To create employment through the establishment of a recycling service;
 - To create a childcare facility;
 - To create opportunities for the Travelling Community.

Asked how these aims were being pursued respondents said:

- We have an office and administration on a full-time basis;
- We run therapy and training programmes;
- We are developing a service which meets the needs of the community;
- We offer education, training and support;
- We are preparing a business plan;
- We run a centre which includes workshops and counselling.

Groups were asked to indicate what they perceived as their achievements to date and a variety of responses were given including the following:

- We have been in existence for 5 years and have had much success in training;
- We have helped set up a number of community co-operatives in Dublin;
- We have 4 years of networking on issues and resources;
- For the past 2 years we have been Ireland's longest sustainable Festival;
- We have kept a number of ex-prisoners from re-offending.

A variety of difficulties have been experienced to date by the respondents and these are set out in Table 2 below:

Table 2

Difficulty	No. of mentions
Securing funding/support from public sector	20
Securing funding/support from private sector	14
Forcing a group to take project forward	11
Finding premises	11
Dealing with legal issues	6
Acquiring the skills and expertise needed for the project	7
Researching the potential for the project	13
Preparing a business plan	7
Securing work	4
Managing project finances	4
Developing a viable idea for a project	3
Securing community support	6
Recruiting a project manager	1
Recruiting staff who meet the criteria for the FAS programme	7
Others:	
• Finding time	1
• Getting insurance	1
• Securing acceptance of the value of Community Development	1
• Development of Social Economy ethos	1
• Developing marketing strategy	1

Asked to identify areas which caused most difficulty the following were listed:

- Funding and Resources;
- Land and Premises;
- Legal issues;
- Funding new fresh ideas;
- Finding interested people in private and public sectors;
- Developing workers and staff.

Groups were invited to indicate how well they had been supported by a variety of agencies/organisations and using a weighting/scoring system the following ranking emerged and is set out in Table 3:

Organisation	Score
FAS	75
Community Organisations	48
Local Authority	44
Partnership Company	49
Church	31
Private sector	26
County Enterprise Board	13
Department of Social, Community and Family Affairs	8
Probation and Welfare	5
Combat Poverty Agency	5

*A low rating may be because respondents did not need to seek help from these organisations.

Groups were asked to indicate help they would have liked to receive but were unable to access. Areas mentioned are listed below:

- Support from local Partnership Company in early stages of development;
- Accountancy and marketing people on the Board;
- Agreement by statutory bodies on broad social economy;
- Recognition, expertise, understanding and respect.

Asked to indicate where they sourced the finance for their project the groups' responses are listed in Table 4 below:

Table 4

Source of Finance	No. of mentions
FAS	15
Partnership Company	8
Local Authority	7
Public Sector Contributions	7
Own Fundraising	7
Church Sector Contributions	3
County Enterprise Board	1
Private Sector	1

At time of the response the groups had helped to create the following number of full and/or part-time jobs:

- Full-time males 38;
- Full-time females 36;
- Part-time males 46;
- Part-time females 93;
- Total 213.

Groups were asked to indicate if they target their support/services towards any specific groupings and the following responses were given:

Table 5:

Groups helped	No. of mentions
People with disabilities	4
Those who are disadvantaged or marginalised	4
Unemployed people	4
People on Probation/offenders/people at risk of offending	2
People with Mental Health problems	1
People wishing to work in the Arts/Creative sectors	2
Youth and Senior Citizens	1
Open to all	2
People with drug problems	1

The other networks in which groups mentioned their involvement included:

- Employment Network;
- Community Radio Forum;
- Northside Traveller Support Group;
- Irish League of Credit Unions;
- European Anti-Poverty Network;
- Baldoyle Community Forum;
- Northside Information Network.

Asked to respond to a list of options for ways in which the Pact might assist the Social Economy, group's responses are set out in Table 6 below:

Table 6

Actions	Level of Support
Lobby Government for changes or improvements in policies or programmes which impact on Social Economy	25
Work to gather support for Social Economy from agencies such as CEBs, Banks, Credit Unions	22
Encourage the Trade Union movement to support the Social Economy	19
Identify examples of good practice and make people aware of these	22
Provide an opportunity to network	16
Provide direct support for Social Economy projects	14
Promote the Social Economy concept generally	11
Operate a number of pilot or demonstration projects	9

Other actions suggested included:

- Help with evaluation;
- Organisation of a study tour;
- Developing ways of showing the social impact of Social Economy businesses.

Groups were invited to set out a realistic timescale within which their project might become self-sustainable. A variety of responses was given and a summary is set out below:

- Respondents said that their project would be self-sustainable;
- Where a time-scale was quoted estimates ranged from 3 to 10 years;
- Respondent said it would depend on funding.

Finally, groups were asked to suggest areas of support not previously mentioned and these included:

- Assistance in liaising with funders;
- Help in drawing up a Development Plan;
- Financial help;
- Help with marketing;
- A database of funders and of groups applying for funding.

3.3 CASE STUDIES

Visits were made to a number of existing Social Economy projects. These typically lasted for several hours and were designed to add to the quantitative data supplied by the survey. A list of the projects visited and fuller description of the visits is enclosed as Appendix E but the main issues arising from the visits include:

- Issues around recruitment under the new FAS Programme guidelines; the age limit should be 25 rather than 35 for participation and exemptions should include lone parents;
- The feasibility study grant is seen as modest and should be upgraded to allow for a more in-depth professional approach;
- There is an absence of on-the-ground support for Social Economy projects and this is expected to deteriorate further when the posts of Community Enterprise Workers are terminated;
- There is a real need to ensure Trade Unions are actively engaged in supporting the Social Economy; in many instances the decisions about contracting out work to new Social Economy projects will be taken at a local level where the Shop Steward is the Trade Union representative involved. Difficulties can arise if the Shop Steward is not fully conversant with the Social Economy;

- The absence of support in any form for the Social Entrepreneur i.e. the individual who is the leading paid worker in a community project and who is charged with or sees the need and opportunity to develop social economy projects to complement other activities. Without the commitment and input of these individuals few social economy projects would get off the ground. Those projects which do become established also need ongoing management and administration support to help ensure their survival. There is no real training for Social Entrepreneurs;
- There is little evidence of support at any significant level from the private sector and such support would be welcomed;
- There is no evidence of a Social Economy movement in the same sense that a Credit Union or Housing Association movement exists. Projects largely develop autonomously and have little involvement with other Social Economy projects;
- Some projects find it difficult to generate new project ideas and there would be support for initiatives which would expose practitioners to new ideas and examples of good practice;
- Many people expressed concern about the difficulties in demonstrating the positive impacts of Social Economy projects; there is little evidence of Social Auditing in practice and indeed little awareness of the concept;
- Funding is, as expected a major issue with groups concerned about long term security and viability. Three years of funding from the FAS programme is welcome but many promoters warn about unrealistic expectations of long term sustainability due to the constraints under which projects work e.g. the calibre of employee, the poverty of the local marketplace. Groups are aware they often lack skills in financial management. Many groups pointed out they find it virtually impossible to raise finance within their own communities and from sources such as banks;
- Groups pointed out their own lack of business management skills generally and indicated they would welcome support in this area especially from the private sector. There has been quite limited contact with the private sector generally;

- There is very little networking among projects and there is a significant information deficit around areas such as the activities of other projects, examples of good practice from abroad, EU and other funding initiatives;
- Groups are concerned that to date there has been little evidence of how their activities will be monitored and evaluated.

3.4 INTERVIEWS WITH STAKEHOLDERS

A full list of those interviewed is enclosed as Appendix F. The main points which emerged from the interviews include:

- There is fairly universal support for the Social Economy but a number of concerns were raised. The current FAS programme is targeting people who are significantly disadvantaged in the labour force and yet these are the people who are expected to help build successfully trading social economy projects. Some existing projects such as CE schemes have real fears about moving into the Social Economy framework. A particular issue is the perceived change in the role and responsibilities of Board members of a Social Economy company. While projects are expected to emerge as a result of sub-contracting work from statutory bodies few, if any, of the projects have knowledge of or experience in tendering and contracting procedures;
- There is unanimous agreement that the Pact should take an a role in supporting the Social Economy. Views on the exact format of the role differ, but primarily there is consensus that the Pact should seek to secure further support for the Social Economy from agencies such as banks, trade unions, credit unions and so on and that the Pact should help to raise awareness of the role and potential contribution of the Social Economy.

3.5 THE POTENTIAL SIZE OF THE SOCIAL ECONOMY IN DUBLIN

In order to gain some understanding of the number of people who could potentially benefit under the Social Economy Programme, statistics have been obtained from the Department of Social Community and Family Affairs detailing all those who meet the eligibility criteria laid down in the programme.

The criteria which must be met in order to qualify as a grant-supported employee are as follows:

- Unemployed, over 35 years of age in receipt of Unemployment Benefit, Unemployment Assistance or One Parent Family Payment for at least three years;
- In receipt of Disability Allowance, Invalidity Pension or Blind Persons Pension. A person in receipt of Disability Benefit for six months or more who obtains approval from the Department of Social, Community and Family Affairs to engage in employment of a rehabilitative nature will also qualify;
- A Traveller, of any age, in receipt of Unemployment Benefit / Unemployment Assistance or One Parent Family Payment for one year or more. In the case of a Traveller under 18 years of age, a minimum of 12 months, spent in a Travellers Training Centre, will meet the requirement;
- A Qualified Adult (Adult Dependant) over 35 years of age of a long-term unemployed person or a person over 35 years in receipt of the Widows/Widowers Contributory and non Contributory Pension, Carer's Allowance or Deserted Wife's Allowance, subject to application of a qualifying period for eligibility as with unemployed persons and lone parents.

Table 1 sets out the numbers of people in the Dublin region meeting each of these criteria, in order to give some indication of the potential size of the social economy in Dublin. For the categories for which data is available, the total number of persons eligible is 37,667.

However, data is not available for some categories, so this figure actually underestimates the potential of the social economy in Dublin. For example, it is obviously impossible to quantify in advance the number of persons in receipt of Disability Benefit for six months or more who will obtain approval from the Department of Social, Community and Family Affairs to engage in employment of a rehabilitative nature. Similarly, the Department of Social, Community and Family Affairs does not segment statistics on Unemployment Benefit, Unemployment Assistance and One Parent Family Payments so as to show figures for Travellers separately.

Finally, the Department does not collect data on adult dependants of long-term unemployed persons in Dublin or of person over 35 years in receipt of the Widows/Widowers Contributory and non Contributory Pension, Carer's Allowances and Deserted Wife's Allowances.

Given that there are just under 5,000 long term unemployed persons in Dublin, a further 29,166 persons in receipt of the Widows/Widowers Contributory and Non Contributory pensions, 2,205 recipients of Carer's Allowances and 5,366 of Deserted Wife's Allowances this group could clearly add quite significantly to the potential pool of eligible candidates for the Social Economy Programme.

In conclusion, the very minimum size of the potential number of participants in the Social Economy in Dublin, as defined using the eligibility criteria of the Social Economy Programme, is 37,667, and given the number of potentially eligible people for whom no official statistics are available, this figure is likely to be a significant underestimate.

Table 1: Potential Participants in the Social Economy Programme	
Category	Persons
Unemployed over 35 in receipt of	
Unemployment Assistance	7,929
Unemployment Benefit	5,132
One Parent Family Payment	156
Persons in receipt of	
Disability Allowance	7,710
Invalidity Pension	16,201
Blind Person's Pension	539
TOTAL	37,667
Source: Department of Social, Community and Family Affairs	

3.6 THE EUROPEAN CONTEXT FOR THE SOCIAL ECONOMY

The primary purpose of this section is to highlight the wide range of European Funding Programmes which exist and which are potential sources of funding for Social Economy projects.

One of the primary objectives of the National Development Plan 2000-2006 (NDP) is promoting social exclusion, which Partnership 2000 defines as cumulative marginalisation from production (unemployment), from consumption (poverty) from social networks (community, family and neighbours) and from an adequate quality of life. Table 2 below provides a breakdown of the provisions outlined in the National Development Plan which will promote social inclusion in each of the NDP Operational Programmes. As the table shows, approximately 19 billion Euros (approximately IRL£15 billion) have been allocated to measures targeting the promotion of social exclusion.

Table 2: Expenditure on Social Inclusion 2000-2006			
Operational Programme	National (millions of Euros)	BMW Region (millions of Euros)	S&E Region (millions of Euros)
Economic and Social Infrastructure	10,157.9	2,451.9	7,706.0
Employment and Human Resources	7,567.7	2,154.7	5,422.0
Regional Programmes	1,343.1	280.1	1,063.0
Total	19,077.7	4,866.7	14,191.0
Expenditure per capita	5,261	5,062	5,333
Source: National Development Plan 2000-2006			

While much of this funding will benefit those who we would consider to be part of the social economy, it is clearly not all what we would be defined as funds available for specifically "Social Economy" projects. In fact, of the above figure, approximately £6 billion will be invested in the provision of affordable housing and a further £2 billion will be invested in improving the capital stock of the public health services.

However, the Employment and Human Resources Development Operational Programme includes an extensive range of measures that will focus on particular aspects relevant to the promotion of social inclusion, especially education disadvantage, lifelong learning, work experience and equality of access to education, training and employment. There is a total allocation of nearly £6 billion for funding social inclusion measures under this Operational Programme, and many of the measures under this Programme are potentially significant sources of funds for what we would define as Social Economy projects.

Specifically, the measures from which funds will be able to support Social Economy Projects include:

- A Social Economy Scheme will focus on developing innovative, locally-based, income-generating projects in disadvantaged communities. The objective is to create employment for 2,500 people by 2003. The NDP allocation for this scheme is £213 million;
- Provision of a personalised employment outreach service for significantly marginalized groups in society including the provision of soft supports (e.g. business planning, training and mentoring) to assist those wishing to set up in self-employment;
- Provision of support for a tailored approach to identified local education and training needs, in particular, second chance education and training schemes targeted at disadvantaged people wishing to re-enter the labour market;

- Active Support Measures for the Long-term Unemployed and Socially Excluded will assist entry or re-entry into the labour market by people in this category. £1.7 billion will incorporate support for increased training and training allowances for the long-term unemployed. This will involve a range of services and programmes to assist the return to regular employment of the long-term unemployed, those on One Parent Family Payments and people with disabilities;
- The Back to Education Initiative, operated by the Department of Education and Science, will address the needs of those with minimal or no educational qualifications, and provide a re-entry route for those who wish to upgrade their skills. An allocation of over £1 billion will support the initiative;
- With an allocation of £0.95 billion, the Employment Support Services Measure, operated by the Department of Social Community and Family Affairs, will fund the ‘Back to Work’ and ‘Back to Education’ Allowances Schemes for the long-term unemployed.

These are supports for the most disadvantaged in the Community — those who are unable, without support, to re-enter the labour market;

- An Action Programme for the Unemployed will devote £663 million to identify those in, or drifting into, long-term unemployment, to guide them towards suitable educational/training options and labour market options and to assist them find employment;
- An allocation of £203 million under an Early School Leaver Progression measure will provide 6,000 places on training and assistance programmes for early school leavers which will build on the joint endeavours to date in this area by FAS and the Department of Education and Science;
- FAS will receive £179 million to allow its National Employment Service cater for job-seekers and those referred to it under the National Employment Action Plan (NEAP);
- A related measure, Sectoral Entry Training for Early School Leavers and Long-term Unemployed, will provide a cohort of new entrants to the tourism industry and ensure a basic training for school leavers entering the agricultural sector. Total spending on Sectoral Entry Training will amount to £229.2 million;

- A Skills Training measure will provide £106 million for upgrading the skills of unemployed and redundant workers, thus enhancing their prospects for obtaining employment;
- An Educational Sector Social Inclusion Measure will provide £364 million for a range of initiatives aimed at retaining people in the education system from early childhood through to adulthood. These initiatives include, Early Education Initiative, Early Literacy Initiative, School Completion Initiative, Traveller Education, School Guidance Services and Third-Level Access;
- An allocation of £73.8 million under the National Adult Literacy Strategy will support increased access to literacy, numeracy and basic education for adults whose skills are inadequate in this regard;
- Vocational Training and Pathways to Employment for People with Disabilities will be supported by an allocation of £175 million;
- With an allocation of £250 million the proposed actions under the Childcare measure in the Regional Operational Programmes are designed to support objectives such as providing diverse childcare which meets the needs of the child, increasing the number of trained personnel working in childcare and improving the co-ordination and delivery of childcare;
- the Community Development and Family Support Measure, which will be supported by an allocation of £252.75 million, will include:
 - * Provision of physical infrastructure for community, recreational and employment
 - * Provision of support for training, information exchange and local group networking for local community development groups and organisations to enhance the capacity of people living in disadvantaged communities to participate fully in local development opportunities;
 - * Funding for the Community Development Programme which is designed to enhance the capacity of disadvantaged communities to participate in mainstream local development, training and education, enterprise and employment opportunities.

3.7 OPPORTUNITIES FOR THE SOCIAL ECONOMY IN DUBLIN

As previously indicated there are three broad types of Social Economy projects:

- ***Community Enterprise/Community Business***
This is essentially a trading company which differs from the standard private sector company in areas such as ownership and distribution of profits. Examples of such businesses in Dublin include Sunflower Recycling and BAPTEC Blanchardstown computer training project.
- ***Demand Deficit Project***
This is a project which is established to meet a need which is currently unmet either because the private or public sector does not perceive the opportunity or where a community or section within a community is unable to pay the market rate for the service it needs. Examples of such businesses in Dublin include Baldoyle Childcare Project, Cara Park Laundry and Carers Association, Drumcondra.
- ***Community Enterprise/Business based on work contracted from the public sector***
As the title suggests these are projects which secure work from a public body which that body wants to do but is unable to do and which is not normally part of their statutory responsibility and therefore work which should be done on a normal employee basis. Examples of such businesses in Dublin include Clondalkin Home Improvements Project and Ananchara Enterprise Ltd at Darndale.

In Section 2.3 of this report a list is given of 17 potential areas for new job creation under the Social Economy. Even a cursory perusal of this listing confirms that there are opportunities for practically every area of activity within Dublin and these opportunities could be spread over all three of the Social Economy models.

3.8 THE FAS SOCIAL ECONOMY PROGRAMME TO DATE

In all, there have been 225 business grant applications approved under the social economy (as at July 1st, 2001). Table 3 provides a regional breakdown of these successful grant applications.

Table 3: Business Grant Applications Approved under the Social Economy Programme, July 2001		
Region	Number of Successful Grant Applications	% of Total
Dublin North	25	11.1
Dublin South	16	7.1
Mid West	11	4.9
West	17	7.6
North East	18	8.0
Midlands	26	11.6
South East	19	8.4
North West	59	26.2
South West	22	9.8
Dublin West/Kildare	12	5.3
TOTAL	225	100.0
Source: FÁS		

In addition, as at July 2001, there have been 35 enterprises approved for full grant funding under the Social Economy Programme. Table 4 presents a regional breakdown of these enterprises.

Table 4: Regional Breakdown of Enterprises Receiving Full Grant Funding under the Social Economy Programme, July 2001		
Region	Number of Enterprises Receiving Full Grant Funding	% of Total
Dublin North	2	5.7
Dublin West and Kildare	1	2.9
South West	15	42.9
South East	3	8.6
North East	1	2.9
West	1	2.9
Midlands	12	34.3
TOTAL	35	100.0
Source: FÁS		

A listing of all the projects from Dublin is enclosed as Appendix G.

3.9 RESEARCH CONCLUSIONS

All of our research leads us to the following conclusions:

- There is in our opinion a need for a wider definition of the Social Economy than currently prevails. This would not preclude FAS maintaining and using its current definitions but would perhaps assist in building the longer term sustainability of the sector through an approach which is more inclusive and

more capable of insertion and support at a grassroots level. We suggest there are grades of social economy activity which we express as follows:

- * clubs and other voluntary groupings at a local level which cater for essentially social needs in a community e.g. sports, playgroups, work with the elderly, drug abuse programmes, youth clubs and so on;
 - * groups which provide some form of economic activity e.g. job clubs, community employment schemes, local environmental improvement groups;
 - * community based economic activities organised along either of the three FAS programme models.
- We make this point because it is evident that no social economy activity at the "upper" level of our grading will happen unless the other two levels also happen. Levels 1 and 2 are the seed beds of social entrepreneurship. They are also the ways within which disadvantaged communities can foster or nurture enterprising people in the widest sense of that term. For a wider definition of the term social entrepreneur see Appendix H. We would therefore like to see planned and sustained support for the first two sectors especially in disadvantaged communities. We would also like to see closer integration between all of the sectors and between the various agencies charged with supporting the sectors.
 - There is a diverse but largely uncharted social economy sector in Dublin which has the potential to provide training and employment opportunities, especially for people disadvantaged in the labour market and to provide a range of services which could significantly enhance the quality of life for many deprived communities.
 - There are a number of critical success factors in developing the social economy:
 - * social economy projects need a strong internal understanding of their mission and strategy;
 - * projects should have robust staff development programmes to enable them to cope with the specific challenges of involvement in social economy projects;

- * there needs to be continuous review and improvement of the project's community involvement process;
 - * there should be a strong enterprise orientation involving good marketing and business skills;
 - * the community should be seen as an important source of creativity and innovation generally.
- Support now does exist primarily through the FAS programme but there are still significant gaps and areas in which Social Economy projects will need support. These include:
 - * Finance; there is an absence of finance outside state aid which is necessity timebound and rarely able to fund 100% of costs. Deprived communities face real problems in sourcing additional funds. Ideally groups should source or invest at least some of the costs of a project primarily to ensure their ownership of it;
 - * Skills; there is an absence of key skills within communities especially in areas such as finance, marketing and technical skills;
 - * Information; there is a significant gap around information among groups in areas such as funding, advice, legal issues.
 - There are a variety of roles which the Dublin Employment Pact could undertake to further support the development of the Social Economy and these are explored in the following section.

4. POSSIBLE ROLES FOR THE DUBLIN EMPLOYMENT PACT

4.1 AREAS OF POTENTIAL SUPPORT

Our research and consultations indicate both a need and a demand for the Pact to support the Social Economy. Broadly there are a number of areas where action could and should be taken and these include:

- Assisting social economy projects to access finance;
- Raising awareness of the social economy among key stakeholders such as banks, trade unions, the public sector generally, the private sector, credit unions, the community sector;
- Lobbying for the introduction by others of additional support measures;
- Encouraging community projects to consider social economy initiatives;
- Supporting the emergence of a Social Economy movement;
- Securing support for the identification, training and nurturing of social entrepreneurs;
- Promoting the concept and practice of Social Auditing;
- Developing pilot social economy projects;
- Preparing and maintaining a database of Social Economy projects in Dublin.

In the paragraphs which follow each of these areas is considered in detail.

4.2 RAISING FINANCE

There are already some actions in Dublin to provide financial support to Social Economy projects. Examples are Clan Credo and the Triodos Bank - further

details are enclosed as Appendix I. However, much more needs to be done and we set out below some specific initiatives which the Pact might consider.

- ***Establishment of a Social Investment Fund***

The model we use here is the Aston Re-investment Fund which operates in Birmingham. Full details are enclosed as Appendix J. ART is a Community Finance Initiative for Birmingham which invites investors to deposit funds which can be withdrawn on 90 days notice but initially do not attract dividend. ART aims to reach a fund size of £2 - 3 million. Money invested in ART is re-invested in projects which will generate jobs especially in inner-city areas.

- ***Promotion of Employee Ownership Schemes***

The model here has been developed by the Industrial Common Ownership Movement in Britain. Full details are enclosed as Appendix K. This approach has been developed as it is estimated that some 30,000 companies across the EU close every year because of poor or non-existent succession planning. Employees are seen as key stakeholders in the business and there are a number of legal structures which would facilitate employee ownership. The process has been used successfully in the public sector as well as in the private sector as can be seen in the case studies enclosed in Appendix K.

- ***Mutual Guarantee Schemes***

These have been in existence in mainland Europe for many years but are unknown in the British Isles. Some details are enclosed as Appendix L. Mentor undertook a study of the scheme some years ago for LEDU, the Northern Ireland Small Business Agency and a copy of that report is available. Essentially, Mutual Guarantee Schemes involve groups of small businesses coming together to provide loan insurance to banks. The EU can finance feasibility studies on Mutual Guarantee Schemes and will meet 50% of the running costs of the creation of Mutual Guarantee Companies over a maximum period of 3 years. There would seem to be an opportunity for a Mutual Guarantee Company to support Social Economy projects.

- ***EU Joint Venture Funding***

The EU set up this scheme to support the creation of transnational joint ventures for SMEs in the community. Details are enclosed as Appendix M. The EU may meet up to 50% of the expenses of establishing the joint venture

and may grant aid 10% of the overall total investment. There may be an opportunity here to explore joint ventures between social economy projects in both Dublin and Northern Ireland and/or other EU member states.

- ***EU Programmes such as EQUAL***

EQUAL is an EU Community Initiative which aims to promote new ways of combating all forms of discrimination, exclusion and inequalities in the labour market. Details are enclosed as Appendix N. A particular strand of the programme aims at enhancing the quality of employment in the Social Economy. There are clearly opportunities here to access EU funding.

4.3 AWARENESS RAISING

The Social Economy can be perceived as a tool to support disadvantaged groups and communities. It can be an opportunity for other stakeholders to benefit also. For example:

- Banks and credit unions could gain new customers if they support the social economy and could also demonstrate their commitment to social inclusion;
- Trade unions could help to create new jobs thereby increasing their potential for membership;
- The public sector could build community infrastructure and secure community support; it could deliver new services or expand under-provided services in some areas;
- The private sector could benefit from providing new training opportunities for some workers, by creating more stable communities with greater purchasing power and by demonstrating their social responsibility. It is possible - as demonstrated by Business in the Community in Northern Ireland - for the private sector to integrate environmental, social and ethical concerns into the business decision making process;
- The community sector benefits from reduced unemployment, more training, better local infrastructure and so on.

However, for all of this to happen these stakeholders need to be aware of how the Social Economy works, what benefits it can bring and how it needs to be

supported. The Pact could play a role in ensuring these messages are communicated to the various stakeholders.

This could be done by individual meetings/lobbying, special events, publications and use of the media and also through the involvement of the Pact in special initiatives such as the Task Force recently established to involve the private sector in exercising social responsibility.

4.4 LOBBYING FOR OTHER SUPPORT MEASURES

Below are examples of some specific support measures which the Pact might lobby for:

Private Sector:

Development of the Community Time concept where a business decides to devote a number of hours of key personnel time for community benefit. This could be done through membership of management committees or through undertaking specific assignments.

Public Sector/Trade Unions:

Appointment of social economy development officers in local authorities and major statutory bodies as champions of the social economy. These people would identify practical social economy contracting-out opportunities within their organisations and work to bring these ideas to social economy project status.

Banks/Credit Unions:

Sponsoring specific support measures such as the production of a "Look Before You Leap" guide to the Social Economy for community groups or providing training to existing business advisors so they can better relate to the social economy sector. Just as banks have appointed, for example, specialist franchise advisors, they could appoint a specialist social economy advisor.

4.5 ENCOURAGING THE UPTAKE OF SOCIAL ECONOMY AMONG COMMUNITY GROUPS

There are a number of actions the Pact might take:

- Encouraging longer established Social Economy projects to take new projects under their wings for a period;
- Disseminating the "Look Before You Leap" guide;
- Lobbying FAS to continue and indeed expand the Community Enterprise worker posts so ongoing support can be available to social economy projects;
- Acting as a channel or clearing house between potential social economy projects and sources of expertise e.g. from the private sector.

4.6 SUPPORTING THE EMERGENCE OF A SOCIAL ECONOMY MOVEMENT

As indicated previously a particular issue is the lack of a cohesive representative Social Economy movement. In an ideal world such a movement should be initiated and developed by social economy projects themselves. However, most projects are so concerned with survival they have little resources to devote to creating representative structures, no matter how worthy such structures might be. The Pact could initially help by posing the question "Is there a need for a voice for the Social Economy?" One way to do this would be to organise a one off event to be attended only by social economy practitioners at which the ball could be dropped. The Pact should wait and see if the ball is lifted and then, if asked, provide some ongoing support to help a structure become established.

4.7 SUPPORTING SOCIAL ENTREPRENEURS

The concept of social entrepreneurs has been mentioned previously in this report. Again, it is a relatively new term for people who have been in existence for many years but have perhaps been recognised as community workers rather than entrepreneurs. Some details of the Social Entrepreneur movement in Britain are enclosed as Appendix H.

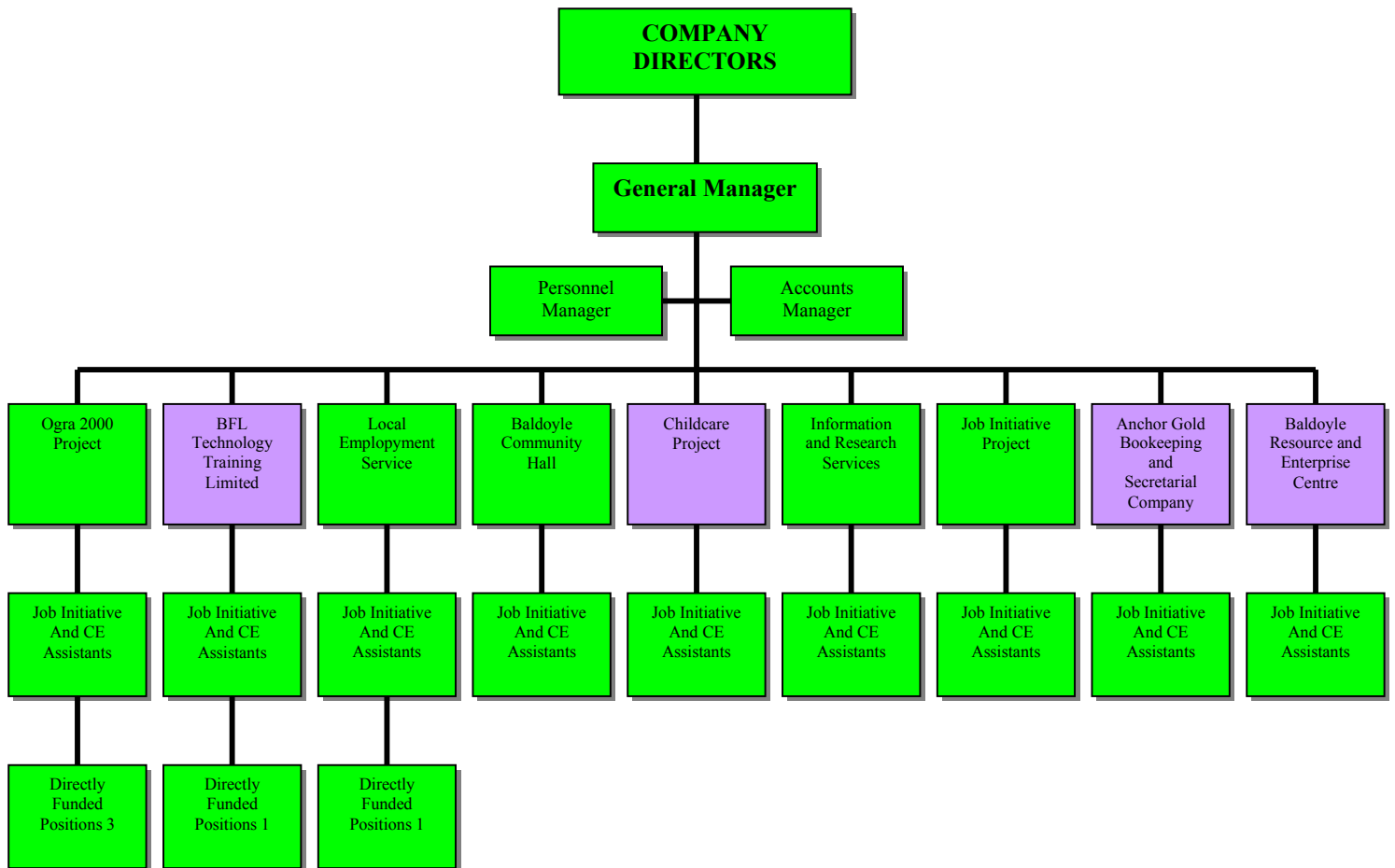
An example of a particular social entrepreneur to help illustrate the concept is the manager of Baldoyle Community Forum. Within the Forum there are nine separate but related projects all designed to improve the quality of life in Baldoyle. The structure is set out overleaf. The manager initiated all these projects, secured the funding to put them in place and provides ongoing management support both through her own input and through the input of other specialist staff in the personnel and accounts areas. The manager is also

continually seeking to develop further projects. At least four of the nine projects are potential Social Economy projects and so it is clear that the manager generates social economy projects.

The particular issue is that there does not appear to be any specific state support funding for the employment of the manager or for her central team.

There are numerous other examples of people in this position and it is strongly suggested that the Pact firstly lobbies government to secure funding for identified social entrepreneurs. The Pact should also facilitate networking among such entrepreneurs and should develop links with the Community Action Network in Britain which is a mutual learning and support network for social entrepreneurs.

BALDOYLE FORUM LIMITED ORGANISATIONAL STRUCTURES, PROJECTS AND SERVICES



* Projects coloured purple will be developed as FAS Social Economy

4.8 SUPPORTING SOCIAL AUDITING

The Social Economy is seen as making a variety of contributions to the overall quality of life. Some of these, such as the numbers of jobs or training places created or the range of services provided or goods sold, are easily quantified. However, there are many other benefits generated and these are often referred to as the "social profit" of social economy entrepreneurs. To date it has been virtually impossible to quantify this profit so that it can be accurately and equitably assessed. In recent years the concept of Social Auditing has been developed to address this need. Details of the concept are enclosed as Appendix O. Some training in Social Auditing has been provided by Third System Approaches Ltd and there is now also an Irish Institute of Social Auditing. The Pact could collaborate with the Institute to encourage the adoption of the social auditing process within social economy projects.

4.9 DEVELOPING PILOT/DEMONSTRATION SOCIAL ECONOMY PROJECTS

There is a divergence of opinion on the need for innovative ideas for social economy projects. Some promoters believe that lack of resources rather than ideas are the problem but others contend that there is a need to inspire communities to be really adventurous and creative in approaching the social economy. They therefore argue that the Pact could take a degree of risk which perhaps communities might not be in a position to take. They also argue there is an opportunity for the Pact to co-ordinate projects whose market may be the entire Dublin region. The point is made that the budget for the FAS programme is allocated on a Partnership area basis and that it may be difficult to secure approval from two or more areas if a project needs to target all of Dublin to be viable. There is also an undoubted need for examples of good practice from elsewhere to be disseminated locally.

It is therefore suggested that the Pact take on a role of initiating a small number of Social Economy projects which might not otherwise be initiated. Examples of some of these are enclosed as Appendix P. They include the use of IT for the Social Economy (from London) and the creation of a Home Services Co-operative (from Roscommon).

4.10 DATABASE OF SOCIAL ECONOMY PROJECTS

The research indicated the absence of a comprehensive database in Dublin of Social Economy projects. There is a need and an opportunity here which the Pact could address. This would clearly entail close collaboration with FAS, the Partnerships, CEB's and other relevant players. The database would serve a number of purposes:

- It would provide evidence of the scale of the Social Economy;
- It would assist networking and collaboration among projects;
- It would help potential projects avoid "me too" approaches and re-inventing the wheel;
- It would facilitate the provision of common services and support;
- It would facilitate monitoring and evaluation.

4.11 TRAINING

In general there is adequate training provision but there are some gaps which the Pact might address. The first of these is training for business advisors. Again, there are many business advisors but most lack awareness of the social economy. Social Enterprise London has designed a short course which gives business advisors the knowledge and tools required to adapt their existing expertise to the needs of the Social Economy sector. Details are enclosed as Appendix Q.

A second area is training groups in tendering and contracting out procedures. A guide for community groups in this area has been developed by Manchester Council of Voluntary Organisations and details are enclosed as Appendix R.

The Pact could address these particular needs and perhaps respond to others as the Social Economy sector grows.

5. NEXT STEPS

5.1 KEY ISSUE

The Pact must of course decide which, if any, of these possible roles outlined in the previous section which it wishes to pursue. A particular issue must be the best way for the Pact to take forward any or all of the actions.

5.2 POSSIBLE ROLE MODEL

A role model which the Pact may wish to emulate is the Birmingham Social Economy Consortium. Full details of this initiative are enclosed as Appendix S. The consortium believes that a local economy is not complete without a strong and diverse social economy sector and so it is committed to a shared, strategic inter-agency approach to developing the Social Economy. There are ten members of the consortium:

- Aston Reinvestment Trust;
- Birmingham City Council, Economic Development Department;
- Birmingham Credit Union Development Agency;
- Birmingham Voluntary Service Council;
- Business in the Community;
- Business Link, one stop business support service;
- Co-enterprise Birmingham;
- The Digbeth Trust;
- Diocese of Birmingham Community Projects and Development Department;
- Institute for Social Entrepreneurs.

The consortium has adopted a 10 point strategy for the development of the Social Economy.

5.3 OPPORTUNITY FOR THE DUBLIN EMPLOYMENT PACT

The Pact should consider taking the initiative in discussing the formation of a similar consortium for Dublin. It is expected that a wide range of stakeholders would be involved in Dublin and these, in addition to the Pact, could include:

- FAS;
- Dublin County Development Board;
- Dublin County Enterprise Board;
- Irish League of Credit Unions;
- Irish Congress of Trade Unions;
- Dublin Chamber of Commerce.