

Study on the social enterprises ecosystem in Ireland

October 2017

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1. Definition and Criteria in the regional context

Definition and Criteria in a Regional Context

IRISH CONTEXT

Size and Nature of Social Enterprise Sector in Ireland

Social enterprises in Ireland operate across a diverse range of business sectors throughout Ireland. They are often community based and they operate in both urban and rural locations They are often located in marginalised locations. (¹ Hynes 2016)

'Social Enterprises are business models set up to tackle social, economic or environmental issues. While they are driven primarily by social and/or environmental motives, they engage in trading or commercial activities to pursue these objectives and produce social and community gain' (² Forfas 2013)

The non-profit sector in Ireland, in its broadest sense, employs an estimated 100,000 people and has an income of over €6 billion. Within this, the social enterprise sector employs between 25,000 and 33,000 people in over 1,400 social enterprises, with a total income of around €1.4 billion.' (² Forfas 2013)

Policy Development

Starting in 2016 a number of regions in Ireland under the guidance of the Social Finance Foundation and University College Cork undertook a data collection exercise on the social enterprise sector in their areas. This group has carried out a wide ranging mapping exercise and survey of social enterprises. The RaiSE Project has worked with this group to extend this mapping exercise and survey for the Northern & Western Region of Ireland. The overall results of this extensive research project will feed into the development of a new national policy on Social Enterprise which is due for completion in 2018.

Definition and Criteria in a Regional Context

DEFINITION, ACTIVITY AND CRITERIA

Definition

Social enterprises in Ireland are defined by Forfás as: 'enterprises that trade for a social / societal purpose, where at least part of its income is earned from its trading activity, is separate from government and where the surplus is primarily reinvested in the social objective' (*Forfás, 2013)

Activity

'Social enterprise activity covers a broad spectrum, from community-based projects funded by the State, to a smaller number of businesses trading on a commercial basis and owned solely or by a team of entrepreneurs and cooperatives. They merge at one end with the voluntary and community sector and at the other with commercially operated businesses. These enterprises operate across a variety of sectors, provide a range of services, operate in all markets, and tackle complex

social and environmental challenges in innovative and sustainable ways' (*Hynes 2016)

Criteria

The criteria used by the Social Enterprise Task Force to carry out the current mapping and survey of social enterprises in Ireland is that they would include the following features:

- Have a legal structure
- Have a stated social mission
- Be run by a voluntary board of directors
- Be community owned / led
- Have a traded income

2. Characteristics and development of social enterprises

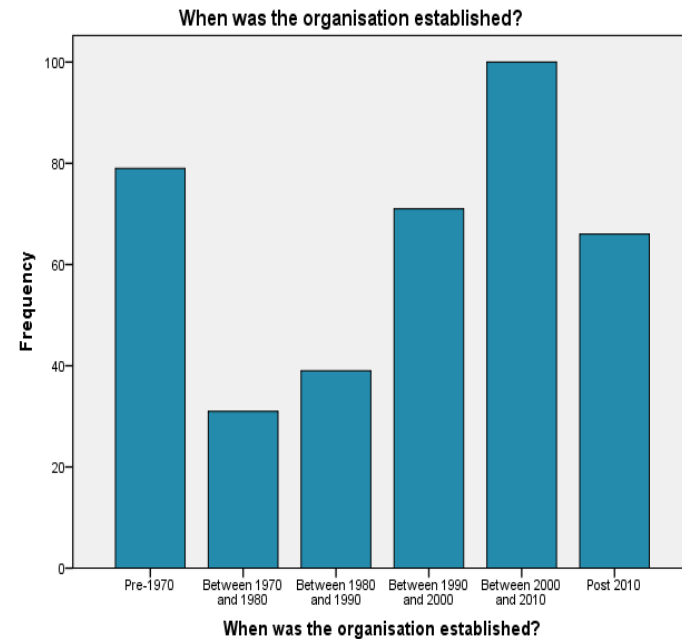
Social Enterprise – Established and Growing

SOCIAL ENTERPRISE IN THE REGION – YEAR OF ESTABLISHMENT

Social Enterprise is long-established in the region
 More than half (57%) were established pre-2000

Social Enterprise is growing
 In general, the number of organisations established
 has grown in each successive decade.

When was the organisation established?



Social Enterprise – Volunteerism

VOLUNTEERS & HOURS GIVEN

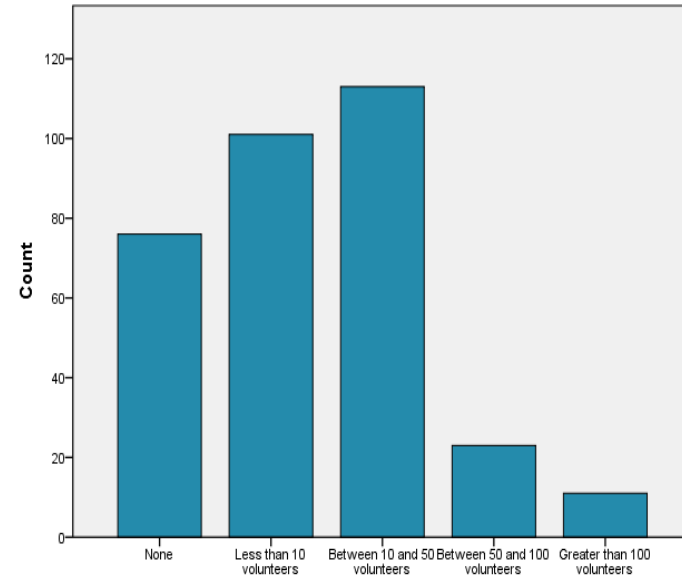
High level of volunteerism

Almost half (45%) of SE’s have 10 or more volunteers

A high level of volunteer commitment

In more than 2 out of 3 organisations, the board members commit more than 10 hours a week to the organisation’s work.

Number of Volunteers?



What is the total number of volunteers (excluding voluntary board members/management committee/voluntary directors) in the organisation?
PLEASE CLICK ONE ANSWER ONLY

Please estimate the total number of voluntary hours (excluding volunteer board members/management committee/voluntary directors) contributed to the organisation on a weekly basis

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid None	74	18.8	23.2	23.2
Less than 10 hours per week approximately	113	28.8	35.4	58.6
Between 10 and 40 hours per week approximately	71	18.1	22.3	80.9
40 hours per week approximately	14	3.6	4.4	85.3
Between 40 hours and less than 100 hours approximately per week	30	7.6	9.4	94.7
Greater than 100 hours approximately per week	17	4.3	5.3	100.0
Total	319	81.2	100.0	
Missing System	74	18.8		
Total	393	100.0		

Social Enterprise – Voluntary Commitment

BOARD MEMBERS & HOURS GIVEN

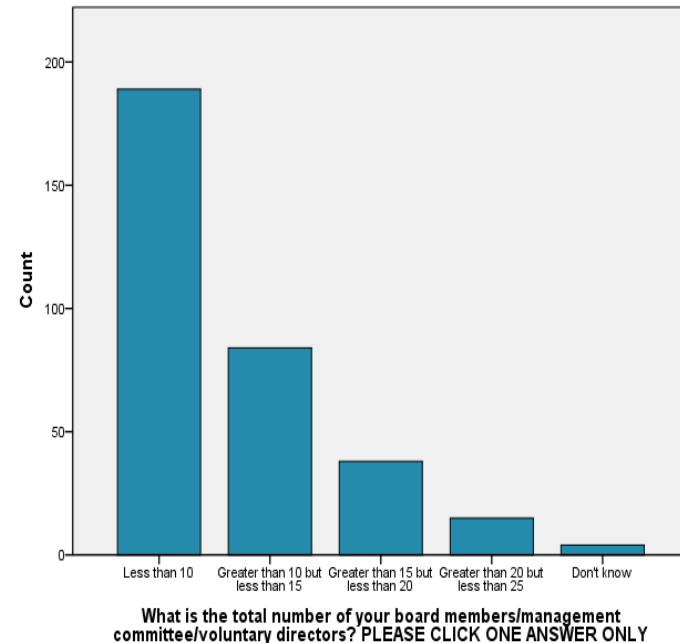
Significant involvement in boards
Most SE's have up to 10 board members

A high level of board commitment
In more than 2 out of 3 organisations, the board members commit more than 10 hours a week to the organisation's work

Please estimate the total number of voluntary hours these board members/management/committee/voluntary directors contribute to the organisation on a monthly basis. Please give your answer as a total aggregate (i.e. not per person).

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid None	10	2.5	3.0	3.0
Less than 10 hours per month approximately	82	20.9	25.0	28.0
Between 10 and 40 hours per month approximately	129	32.8	39.3	67.4
40 hours per month approximately	26	6.6	7.9	75.3
Between 40 hours and less than 100 hours approximately per month	44	11.2	13.4	88.7
Greater than 100 hours approximately per month	37	9.4	11.3	100.0
Total	328	83.5	100.0	
Missing System	65	16.5		
Total	393	100.0		

Number of Board Members?



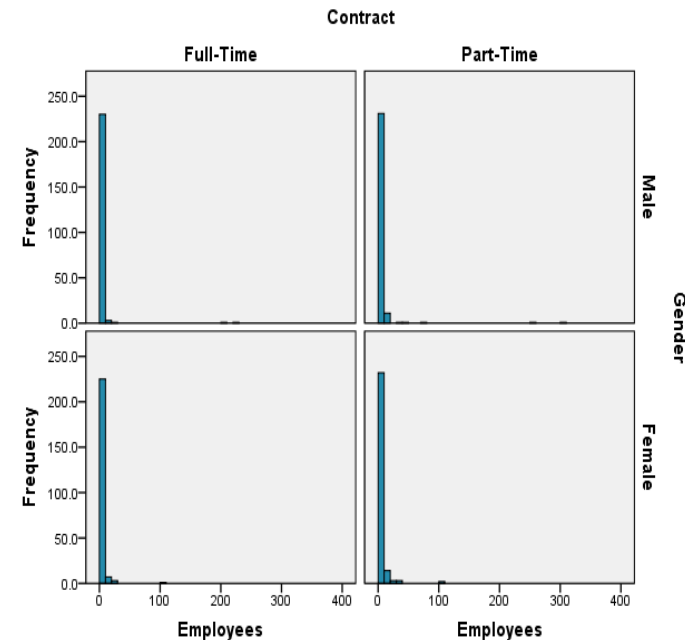
Social Enterprise – Paid Employment

PAID EMPLOYEES BY GENDER AND CONTRACT TYPE

Relatively small employee numbers
 On average SE's have 7 full-time and 5 part-time employees
 But considerable variation – many have only 1 ... - but some very large ones (>100)

Number of paid employees?

		Statistics			
		Male (full-time working more than 20 hours per week)	Female (full-time working more than 20 hours per week)	Male (part-time working less than 20 hours per week)	Female (part-time working less than 20 hours per week)
N	Valid	236	247	236	254
	Missing	157	146	157	139
Mean		2.83	4.47	2.06	3.32
Median		.00	.00	.00	1.00
Mode		0	0	0	0
Std. Deviation		19.618	25.448	7.378	9.949
Sum		669	1103	486	844



Social Enterprise – Income & Sources

AMOUNT OF ANNUAL INCOME & INCOME SOURCES

Relatively small income

On average SE's have 7 full-time and 5 part-time employees

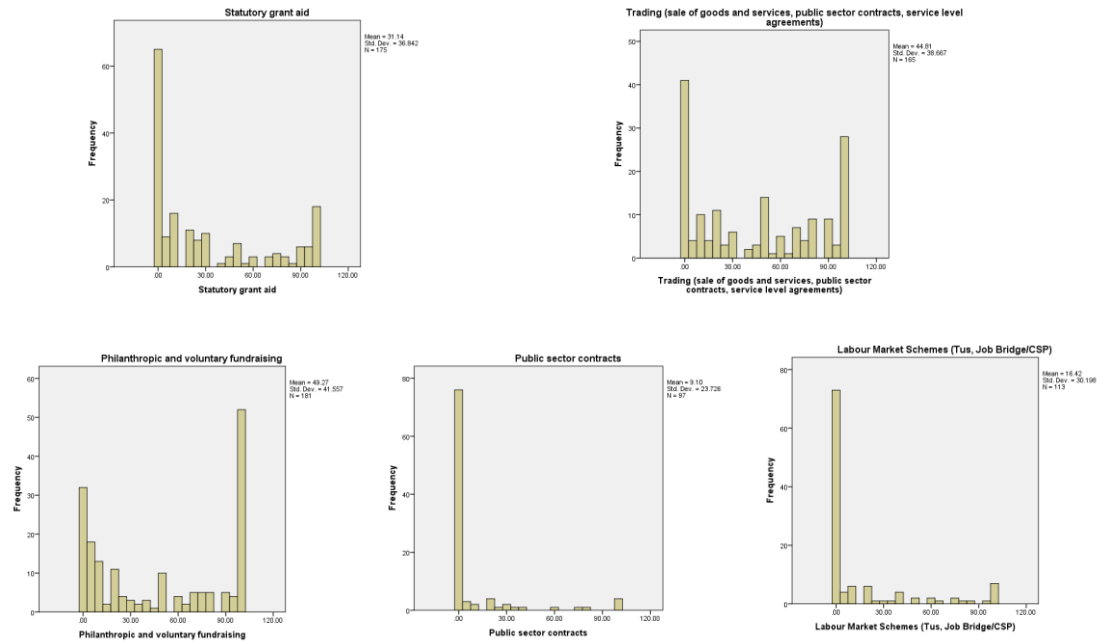
But considerable variation – many have only 1 ... - but some very large ones (>100)#

Predominantly Trading Income & Philanthropy

What was the approximate total income to the organisation from all sources in the last financial year (2016). PLEASE CLICK ONE ANSWER ONLY

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
Less than €25,000	147	37.4	48.5	48.5
Between €25,000 and €100,000	73	18.6	24.1	72.6
Greater than €100,000 and less than €500,000	56	14.2	18.5	91.1
Greater than €500,000 and less than €1m	14	3.6	4.6	95.7
Greater than €1m	13	3.3	4.3	100.0
Total	303	77.1	100.0	
Missing				
System	90	22.9		
Total	393	100.0		

Income sources (% of total)



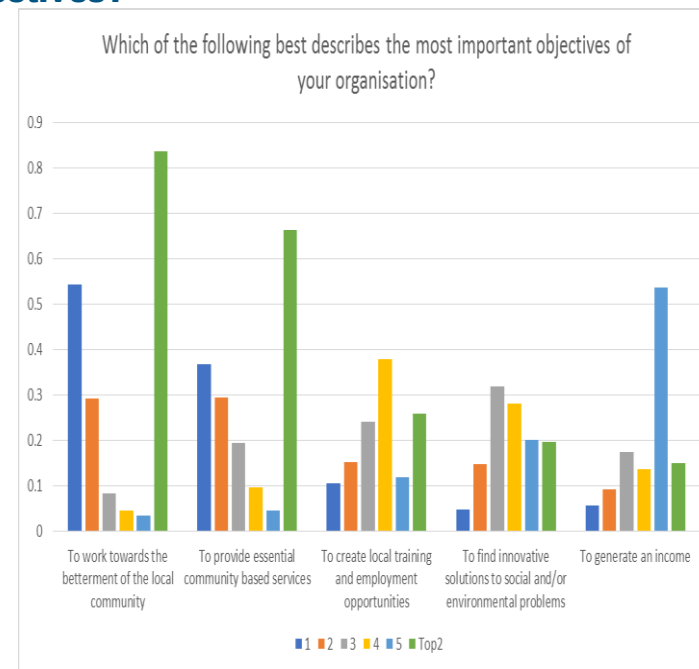
Social Enterprise –Objectives

MOST IMPORTANT OBJECTIVES

Contributing to the local community is a much more important objective than generating an income
84% rank “betterment” in the top two, versus only 15% who rank “income” similarly

	1	2	3	4	5	Top2
To work towards the betterment of the local community	54.5%	29.3%	8.3%	4.5%	3.4%	83.8%
To create local training and employment opportunities	10.6%	15.3%	24.1%	38.0%	12.0%	25.9%
To find innovative solutions to social and/or environmental problems	4.8%	14.9%	32.0%	28.1%	20.2%	19.7%
To provide essential community based services	36.9%	29.5%	19.4%	9.7%	4.5%	66.4%
To generate an income	5.7%	9.3%	17.4%	13.8%	53.8%	15.0%

Objectives?



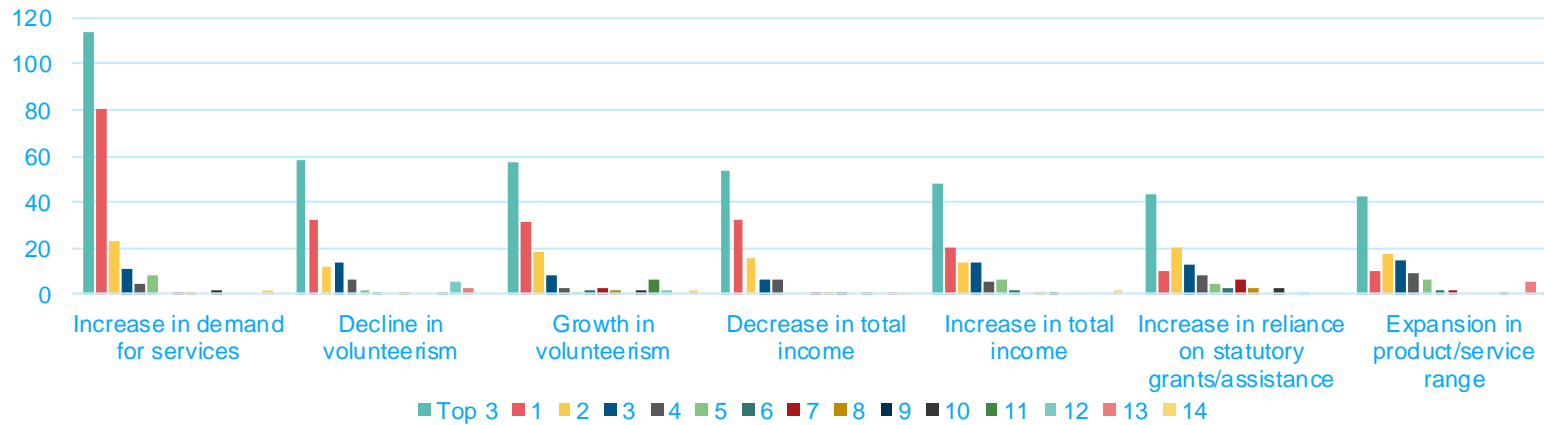
3. Needs assessment and main challenges for scaling social enterprises

Changes in the past 12 months

INCREASING DEMAND FOR SERVICES IS THE DOMINANT TREND EXPERIENCED

Most important changes seen in the past 12 months

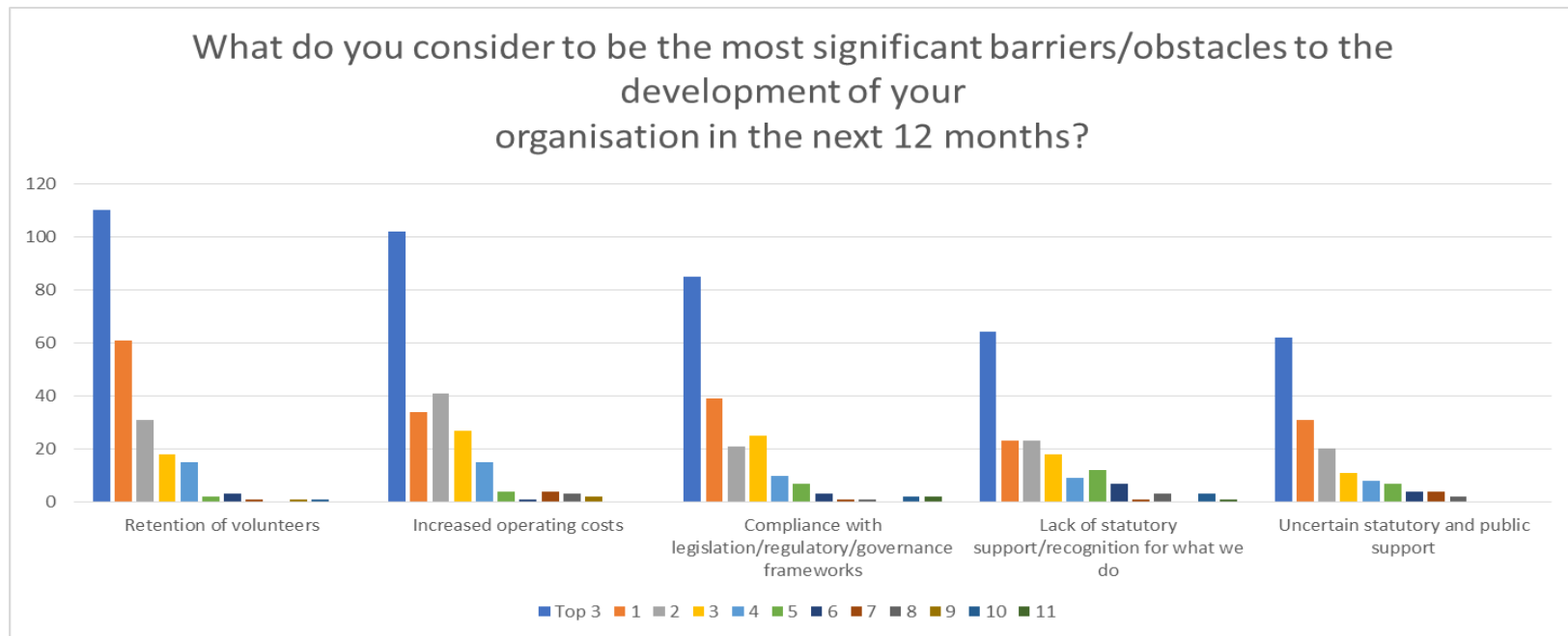
Changes in the past 12 months



Challenges foreseen in the next 12 months

RETENTION OF VOLUNTEERS MAIN TREND EXPECTED
COSTS AND REGULATORY ISSUES ARE ALSO OF CONCERN

Most important changes seen in the past 12 months



Experiences & Expectations

GOVERNANCE TRAINING IS MOST VALUED ASSISTANCE NETWORK SUPPORTS ALSO VALUED

Issues and attitudes?

Please indicate your level of agreement with the following statements:	Strongly Disagree	Somewhat Disagree	No opinion	Somewhat Agree	Strongly Agree
	Count	Count	Count	Count	Count
As our organisation has grown we have been able to find the necessary finance to support our mission/goals	34	53	38	120	30
Statutory, policy support for social enterprises at national and regional level would encourage new opportunities for us	21	22	94	72	64
A new legal structure specific to social enterprise would help the future development of the sector	12	15	111	71	59
Our objective to grow commercially can sometimes be in conflict with our social mission	26	37	112	61	24
Our voluntary board would benefit from training in governance and business skills	11	20	60	98	80
Membership of a county network of social enterprises would benefit the organisation	14	20	67	98	72

4. Ecosystem of business support tools and instruments

Ecosystem of business support tools and instruments

SUPPORTS FOR THE SOCIAL ENTERPRISE SECTOR

A number of Government Departments and Agencies currently engage with the Social Enterprise sector and provide supports through a range of programmes and schemes. The supports provided include:

- * The Social Inclusion and Community Activation Programme
- * LEADER funding
- * Dormant Accounts Funding
- * Community Services Programme
- * Community Employment schemes
- * Wage Subsidy Scheme for the employment of people with disabilities

Groups providing loan finance support to the Social Enterprise Sector include:

- * Clann Credo
- * Community Finance Ireland
- * Credit Unions

5. Gap analysis and policy recommendations

Gap Analysis and Policy Recommendations

GAP ANALYSIS

The main gap identified is that there is currently no national government policy in place for the development and support of social enterprise in Ireland. This can lead to a lack of clarity as to whether a particular social enterprise falls under the remit of those responsible for the provision of social support or enterprise support. However, in September 2017 the Government announced the development of a national policy for social enterprise, and the detailed mapping exercise and survey which has just been completed will feed into the development of this new national policy.

References:

¹ CREATING AN ENABLING, SUPPORTIVE ENVIRONMENT FOR THE SOCIAL ENTERPRISE SECTOR IN IRELAND (Submission to the Irish Local Development Network, Dr. Briga Hynes, University of Limerick, 2016)

² SOCIAL ENTERPRISE IN IRELAND: SECTORAL OPPORTUNITIES AND POLICY ISSUES (FORFAS 2013)

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