

Social Economy Agency
Response to NI Government
Developing a Successful Social Economy 2004- 2007

GENERAL

The development by NI Government of the Strategy “Developing a Successful Social Economy 2004- 2007” is welcomed by the Social Economy Agency. The following are comments which, it was felt, would strengthen the Strategy.

RESPONSE

Comments on the Chapter 1 and 2

P9 3.1 The definition second part- ‘operate using a *commercial* business model.- does this imply that full commercial viability is a requirement. If so this runs counter to most definitions (including the DTI definition) which accept demand deficiency and mixed income models. Use of ‘commercial orientation’ or ‘enterprise orientation’ would be better here.

P 10- Inclusion of Social Entrepreneurs as Social Economy Enterprises: how can an individual be a Social Economy Enterprise?

Objective 1 Increase awareness of Sector and establish its value to the local economy

The objective is appropriate.

Actions

1.3 This action should not limit itself to work done by CENI on social capital indicators. This work, while likely to be very useful for social economy, is designed primarily re the community and voluntary sector. There has been trans- European research work done specifically for the development of social capital indicators for the social economy (CONSCISE project/ Contribution of Social Capital in the Social Economy). This should be acknowledged in the action description.

This action should also review and promote as necessary the work done by the New Economics Foundation and others regarding use of SROI (Social Return On Investment) as an approach to performance measurement for the social economy enterprises.

Missing Actions

Social Auditing/accounting is acknowledged as an important philosophy and methodology in measuring value of community & voluntary and social economy organisations. Performance indicators are only useful within the context of an evaluation model such as social auditing. There is no action identified to promote or develop social auditing within the sector. This is a significant omission. Significantly, the DTI recent progress report of their strategy specifically refers to social auditing as an appropriate tool for measurement of social impact.

Objective 2 Develop the sector and increase its business strength

The objective is appropriate. However, there is a strong social economy sector already in existence which has grown from the grass-roots, and this needs to be recognised within the Strategy (Credit Unions, Housing Associations, Community Businesses/CEDOs and Retail and Agricultural Co-ops etc.). There needs to be recognition of the existing supports, training and work done to date by the sector itself.

In particular, to recognise that Social Economy is different from the private sector and brings added value to the economy. The Strategy, therefore, should not be to make SEEs better businesses but to make them **better Social Economy Enterprises**. As such, Objective 2: which should be phrased “.. *increase the sectors’ social enterprise strength*”.

6.11 the phrase ‘in addressing the double bottom line , and, in some cases, the triple bottom line’ - should read simply ‘addressing the triple bottom line’. All organisations, social economy or otherwise impact on the environment. All social economy enterprises are by definition about sustainable development (social-economic-environmental) section 3.8 on p 11 is similar here.

Actions

2.4

Although Chapter 3 identifies the sub sectors of the Social Economy - community businesses, social firms, cooperatives etc, there are no specific actions here addressing these sectors. It is not clear if the NI Social Enterprise Development Programme mentioned on p27 will provide for the sub sectors. The programme appears to be for existing social enterprises only. What about new start social firms, new start co-ops etc.? Is it intended to develop these under the ‘new social enterprise solutions’ sub action?

Missing actions

SEA feel it is not sufficient simply to ensure access to mainstream business and financial support, that business supports should be trying to be accessible and appropriate to the social economy. Studies in England have demonstrated that business support structures and provision in existence are not always the most appropriate. Providers themselves needed to ‘learn’ from the sector and provision be adapted to reflect and suit the needs of the sector (this will be addressed in part by the Network’s Awareness Programme for Providers).

No action refers to vocational/occupational standards for social enterprise advisors and social enterprise managers etc- eg the new standards from SFEDI for social enterprise support and development.

Objective 3 Create a Supportive, Enabling Environment.

The objective is appropriate.

Actions

Appropriate actions have been identified in relation to Credit Unions & IPSs (Co-ops). Can additional actions re supportive development for other specific sub sectors eg social firms, development trusts. Eg, this could be a research based action into existing developmental barriers for these or other sub sectors.

General

- ▶ As part of the general awareness raising, the SEA should deliver social economy sessions as an integral part of the BDS training.
- ▶ Much of the land held by the Ministry of Defence will be sold off in the coming years – there should be a specific target to include the social economy in any of these developments, either as partners or as the main developers (see the Konver Programme in England). The new CIC structure could be a potential vehicle.
- ▶ SEA agrees that it is imperative to link with other departments (which is the role of the IDSG). We are unclear as to whether DARD was a participant of the IDSG, but this was a key department in terms of its impact and responsibility for the social economy in rural areas.
- ▶ The Strategy should also include supporting the Social Economy Agency in facilitating the Social Economy Network.
- ▶ The Strategy is very ‘one-way’ and there is extensive learning and potential to exchange best practice by the Social Economy sector to the private and public sectors, in particular in relation to Targeting Social Need and Corporate Responsibility.
- ▶ In addition to the Social Economy Network, the Social Economy Agency should be specifically identified in the action plan as a ‘supporting partner’ as appropriate.