

SOCIAL ECONOMY NETWORK response to

“Developing a Successful Social Economy” NI Government’s Three-Year Strategic Plan 2004-07 & Action Plan 2004-05

Consultation Document January 2004

The Network welcomed the Strategy and the consultation process.

In addition to the consultation carried out by DETI and presentations made by Social Economy Branch staff to Network Committee meetings, SEA prepared and circulated a Briefing Paper on the Strategy to all Network members, to which some members responded. The paper was discussed at the Network Steering Group meeting on 26th April. The NSG and those members responding agreed with the recommendations and the following is a conglomerate response by the Network.

OBJECTIVE 1: Increase awareness of the sector and establish its Value to the Local Economy

This is a very welcome development and. The sector has lobbied hard for different criteria to be developed and used to monitor the work of the sector.

There are 7 comprehensive priority actions which, we feel, address the objective.

Action 3: The contribution of the sector to the Northern Ireland economy is vital and should be measured and recognised. However, to specify the value of the sector to the ‘economy’ is limiting. The sector can also contribute to other government objectives in relation to inclusion, Section 75, Equality and NTSN etc.

The sector must be involved in defining what it’s own value is and how this is captured. We recommend that the Network be formally involved in this work through a sub structure such as the Research & Policy Open Committee.

Action 4: the Network/ sector should also participate in assessing the impact of new policies/ programmes.

OBJECTIVE 2: Develop The Sector and Increase Its Business Strength

The Network Ad Hoc Steering Group had previously expressed concern that the wording in this Objective reflected a lack of understanding of the social economy sector as a separate and legitimate economic model. Many SEEs are excellent models of efficiency and effectiveness.

The Network recommends that the wording in the Objective should be about increasing the ‘social economy strengths’ of SEEs.

SEN members agree with the actions identified.

OBJECTIVE 3: Create a Supportive, Enabling Environment

The creation of a supportive, enabling environment is fundamental to success and development of the sector.

The consultation on proposals for Community Interest Companies is positive.

Social Economy Network - Consultation Briefing Paper NI Govt Strategy

We recommend that the Network be formally included in the consultation on Community Interest Companies e.g. through the Network's Legal & Financial Open Committee.

Monitoring & Evaluation

We feel that the proposed monitoring and evaluation mechanisms are appropriate.

Equality Impact

We feel that the Equality issues included are appropriate.

OTHER POINTS

Definition of the social economy

SEEs are defined as having a social, community or ethical purpose; operating a commercial business model, and having a legal form appropriate to a not-for-personal-profit status. The Draft Strategy includes social entrepreneurs as part of the social economy. They are defined as being 'individuals with entrepreneurial skills working to achieve social and ethical outcomes.

SEN Response:

There is considerable concern that the commercial business model implies that the Social Economy Enterprises (SEEs) must be wholly reliant on/supported by trading income. As many SEEs generate income through a number of sources (fees/ sales, fund-raising, funding-in-kind, volunteers ...) and would not meet the commercial business model.

Members felt that, while Social Economy Enterprise should be enterprise orientated, a 'commercial business model' was not appropriate to the sector.

This definition differs from previous documents and the Network's definition, which did not include social entrepreneurs. Can individuals be part of the social economy without being part of an organisation? If so, how can they meet the criteria for a not-for-profit legal status? This is an issue which needs to be debated within the sector.

Members were concerned that the definition of Social Entrepreneur could include private sector businesses.

Several members also felt that many charities, while not 'trading' were not grant dependent and were self-sufficient and therefore should be included as a sub-sector of the Social Economy.

Integrated Approach

The Strategy sees the sector as an integral part of the NI economy. Departments already work with the sector and this Strategy seeks to create and a more integrated approach to the development of the sector by creating co-ordinating structures (IDSG, and the Social Economy Forum) and by funding the SEA to establish and facilitate and inclusive Network to represent the sector.

This is a welcome development.

IDSG / Network

SEB representatives are regularly invited to attend and make presentations to Network meetings. We recommend that there should be regular exchanges of information / updates from the IDSG to the Network.

ACTION PLAN – Supporting Partners

Social Economy Network - Consultation Briefing Paper NI Govt Strategy

A number of actions include the Social Economy Network as supporting partners, which is very welcome. However, we are concerned that many of these have targets for September 2004, and to date, the Network has not been approached regarding these:

- 1.5 include social economy within Education for Employability model, June 2004 (DE)
- 2.4 review scope for extending NICS Interchange Scheme to SEEs, by September 2004 (DFP)
- 2.8 ongoing input into UK Corporate Social Responsibility Inter-Departmental Working Group.
- 3.6 Review of Childcare Policy September 2004 (DHSSPS)
- 3.7 Opportunities for a Social Economy Model in the Care in the Community Strategy, September 2004 (DHSSPS)

We recommend that the relevant Departments contact the Network in relation to each of these actions.

Members welcomed the partnership approach as this was critical to the success of the sector – this would included communication between the Network and IDSG.

In the words of Causeway Volunteer Bureau

“Partnership is vital. Interaction and communication reduces misconceptions and also builds capacity and inclusivity.”

Social Economy Network
April 2004