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From the Vice-Chancellor and President

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23 March 2004

Dear Ms Davison

Developing a Successful Social Economy

With reference to your letter of January 2004, please find enclosed a response from the University of Ulster.

Yours sincerely

GERRY McKENNA

Enc.

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Developing a Successful Social Economy Department of Enterprise, Trade and Investment Consultation Documentation January 2004

- The document begins by recognizing that the social economy comprises a strong social and entrepreneurial focus and embraces the principle of partnership to increase benefits for the whole community. There is frequently a tendency for the *business* model to dominate and overshadow the *not for personal profit* dimension which characterizes so many of the successful social economy enterprises. If an infrastructure which can empower resources from within communities, can be complemented, by resources outside, then a more sustainable outcome in terms of societal change and transition could occur. Building communities from the inside-out should, therefore, be the driving force behind a social economy strategy. It will be important to get the *partnership and balance between social and economy* right.
- Notwithstanding this, it is important to recognize the need and potential benefits which a stronger business focus could bring to this sector. The recently established Social Economy forum should assist social enterprises to strengthen the legal, financial and procurement basis of their activities.
- Sustaining and enhancing local communities through partnership working is essential. What is absent to some extent, is a definition and explanation of what is meant by sustainability in this context. It would have been helpful to include a statement clarifying DETI's understanding of this term and to set out what this might mean in terms of specific outcomes.
- The commitment to collaboration between DETI and DSD is to be commended. The membership of these bodies and their representation will be important. One disappointment of this *partnership and complementary* approach, is the low visibility of the role of the Department of Education (DE). DE is referred to under objective 1 (1.5) with reference to the employability module which is to be targeted at 11-14 year olds. This should be extended to the 14 -19 curriculum across all sectors including the alternative education sector. A key part of the social economy strategy will depend on the education of young people and their future role in the social economy.
- The three key strategic objectives of the draft strategic plan are to:
 - Have a social, community or ethical purpose;
 - Operate using a commercial business model;
 - Have a not-for-profit status

Linked to these objectives are specific implementation targets for 2004-05 which relate to

- Increasing awareness of the sector and establishing its value to the local economy
- Developing the sector and Increasing its business strength
- Creating a supportive and enabling environment

- **Objective 1 Increase Awareness of the Sector and establish its value to the local economy**

If the intention of this section is to raise awareness, then the different target groups/levels might have been identified, in particular, community and voluntary groups. The targets tend to exclude the expertise which they have already accumulated. A clearer articulation of actions in relation to each of the target groups would have been helpful.

- ***Objective 2 Develop the Sector and Increase its Business Strength***

While the overall aim of increasing the number of these enterprises and strengthening existing ones, to enable them to be more competitive and sustainable is commendable, it does not fully recognize the context of disadvantage in some communities. To recommend the provision of business advice, guidance and training in order to increase capacity and secure new business, tends to lose sight of the community aspect of these enterprises including the communities which they represent. Once again the dominant focus inclines towards economic and business imperatives at the expense of the social dimension.

Within the youth sector models exist that could be showcased here, for example, *Youthbank* which is managed through the Community Foundation for NI and combines entrepreneurship and active citizenship within communities with poor community infrastructures and high levels of deprivation.

- ***Objective 3 Create a Supportive and Enabling Environment***

The proposal to extend the Community Interest Company (CIC) to NI should be sensitively considered since it is designed specifically to enable social economy enterprises that want to use their profits and assets for the public good. In NI there is a strong tradition of successful social enterprise, for example, Credit Unions, Housing Associations and Community Businesses and so a desire to provide more legal flexibility for social economy enterprises is to be viewed with some degree of scepticism.

As part of the proposed review of the Charities legislation there is a need for a Charities Commission in NI. This may or may not come under the remit of the review of administration and legislative arrangements for NI Charities, but the voice of support should be given to establishing a Commission in NI.

A review of Childcare Policy is recommended, as is the identification of opportunities for the Social Economy model in Care in the Community.

- Given the identified need to broaden awareness and understanding of the social economy among the general public, consideration should be given to the use of focus groups in the community and the generation of qualitative data about social economy progress. Care should be taken to ensure that it is a more people-focused evaluation and less of an introspective one.