



Norman Thompson - Economic Development Office

Dublin City Council

Briefing Note: Social Enterprise in Dublin

A social enterprise is an enterprise which: has a social mission rather than a profit mission, earns income from trading activity, is separate from government and reinvests surplus or profits from trading into addressing its respective social mission (Forfás 2013).

Social enterprises play an important role in addressing social, economic, and environmental challenges while fostering inclusive growth, shared prosperity, social inclusion and job creation often for those who are marginalised (OECD, 2018). According to the European Commission – Social Business Initiative 2011 ‘it is estimated that 1 in 4 businesses are social enterprises in Europe and furthermore that citizens are becoming increasingly interested in the capacity of social enterprises and the social economy to provide innovative responses to various economic, social and environmental challenges.

From an international perspective as highlighted in a report by the World Bank Group (2017, p. 9), social enterprise generate significant: national-level, economic & community development returns.

- In the UK, social enterprises outperform profit-driven, small-sized enterprises on a number of indicators. According to the 2015 Social Enterprise UK Survey, 41% of SEs created jobs in the past 12 months compared to 22% of small-sized enterprises (SEUK 2015).
- In Canada, social enterprises are reducing inequalities by providing stable employment to those typically excluded from the labour market. In Manitoba, the sector contributed more than 200 million USD each year in saved costs associated with unemployment (O’Connor et al. 2012).
- Concerning the US, Social enterprises generate a high economic rate of return, especially over the long term. For example, returns on investment in social enterprises in the United States include an economic multiplier of 2.23, and a savings for US taxpayers of USD 1.31 for every dollar invested due to reductions in government transfer benefits (Maxwell 2015).
- Furthermore the sector can become a major contributor to gross domestic product and a driver for sustainable and inclusive economic growth. In South Korea, the social economy which includes newer types of social enterprises as well as more established cooperatives, accounts for 3% of gross domestic product (British Council 2015).

In the context of Ireland, various reports have been produced to both promote and highlight the growing social enterprise sector. In one such report, a case study was included on Speedpak – a social enterprise based in north Dublin which supports, trains and employs ex-offenders. It states:

- For every €1.00 invested in Kevin by the State through Speedpak, €8.50 is made in savings to the Exchequer by keeping him out of prison. In addition, Kevin has gained valuable work experience as well as training that can be included on his CV, thereby increasing his employability once he progresses from Speedpak (Clann Credo & DE Pact, 2010, p. 10)

In various reports, it is highlighted that in order to ensure that social enterprises can realise their potential and contribute more effectively to addressing economic and social issues, it is vital that ‘a level-playing field is established with legal, administrative and financial instruments conducive to the development of the sector’ (EESC, 2018, Forfás 2013, World Bank Group 2017). Supports from key stakeholders including Local Authorities are vital to help the sector develop.

In Ireland, the sector is still at an infancy stage in comparison to other countries. It is estimated however, that the sector has the potential to grow significantly; to support and generate approximately 65,000 jobs and thus positively impact many more communities and individuals (Forfás 2013). In order to advance social enterprise at a national and high level, a National Social Enterprise Policy is currently being developed and is expected to be complete in Spring 2019.

Over the last few years, Dublin City Council has been increasingly supporting the sector through various initiatives and in partnership with various stakeholder organisations. The Dublin City Social Enterprise Committee which was established as a sub-committee of the SPC and comprised of key social enterprise stakeholder representatives has driven the development of these supports for social enterprise. Examples of supports include: training programmes, the PLATO manager development program, Co-sponsorship of Ireland’s First - Social Enterprise Toolkit and the annual Dublin City Social Enterprise Awards. At the awards this year, the important issues that the winning social enterprises are working to address include; access to employment, equality, social inclusion, training and education, sustainability, waste reduction and long term employment opportunities.

Much of these supports have developed as emergent initiatives. However in order to further progress supports and to help develop the sector in Dublin city, a consolidated, deliberate and strategic approach is necessary from Dublin City Council. The formulation of a Dublin City Social Enterprise Policy by the Dublin City Social Enterprise Committee and the Economic Development and Enterprise SPC - would enable Dublin City Council to strategize and formalise supports for social enterprise and also further promote the sector and acknowledge its important economic and community development contribution to communities across Dublin.

In order to develop a policy, it is necessary to investigate the sector in Dublin and analyse Dublin City Councils relevant supports. At the SPC meeting, a presentation will be provided from a draft report on the sector in Dublin which maps the sector and reviews the supports provided by Dublin City Council and the Dublin City Social Enterprise Committee to date. Following from this it is intended that stakeholder engagement and further investigation and analysis of supports needed will be conducted. It is intended that this will form a draft Dublin City Social Enterprise Policy for consideration and further input from the SPC. Any comments or suggestions that committee members may wish to raise may be submitted to: economicdevelopment@dublincity.ie