

Evaluation of the Social Economy Programme

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Chapter 1

Introduction: Evaluation Objectives, Terms of Reference / Methodology, and Report Outline

1.1 Introduction

This chapter begins by presenting the objectives of this evaluation of the Social Economy Programme (SEP). Following this the terms of reference for the evaluation are presented together with the methodology used to address the range of issues identified in the terms of reference. The final section presents an outline of the report indicating the main content of each of the five subsequent chapters.

1.2 Objectives of the Evaluation

The objectives of this evaluation are to:

- improve understanding of the social economy, the programme and its objectives;
- review the operation of the programme at national, local and enterprise level;
- advise on criteria for 'second round' funding to social economy enterprises; and,
- advise on the funding requirement into the future and determine how other organisations, both public and private, can contribute to supporting the programme, whether financially or otherwise.

1.3 Terms of Reference and Methodology

Table 1.1 sets out the terms of reference for this evaluation. As can be seen from this table, emphasis is placed on reviewing the operation of the SEP from the perspectives of a number of key stakeholder groups. The stakeholder groups are the Local Social Economy Working Groups (LSEWGs) established to assist in implementing the SEP at local level, FÁS personnel involved in the front line implementation of the SEP, Proposer Groups / operational enterprises that are recipients of grant aid from the SEP, and employees in operational enterprises. (In undertaking the evaluation an additional stakeholder group was included: that is, the managers of operational enterprises.)

The approach taken to reviewing the operation of the SEP involved examining the experiences and views of the stakeholder groups. In the case of LSEWGs, FÁS personnel and Proposer Groups / operational enterprises, the extent to which they considered the SEP is achieving its four main objectives are examined. These objectives concern promoting the social economy, providing sustainable employment, assisting in the regeneration of rural and urban communities and providing employment for people experiencing disadvantage in the

labour market, and promoting equal opportunities between men and women. In addition, these three stakeholder groups were asked for their assessments of: (i) the appropriateness of the eligibility criteria for receipt of grant aid from the SEP and for grant aided employees; (ii) the adequacy of the package of supports provided by the SEP to support the establishment and sustainability of enterprises in the social economy; and, (iii) the main benefits and limitations of the SEP.

Table 1.1
Outline of Terms of Reference and Methodology

<i>Terms of Reference</i>	<i>Main Source of Data / Methodology</i>
Review the activities and achievements of the programme to date, based on <i>practical examples of the socio-economic impact of individual enterprises</i> and <i>review level of expenditure vis-à-vis the commitment in Programme for Prosperity and Fairness</i> .	Sample survey of Proposer Groups / operational enterprises Nine case studies Collection and analysis of administrative data on financial commitments and expenditure
Review the operation of the programme at local level from the perspectives of FÁS Community Services Unit and Employment Services Local Social Economy Working Groups.	Surveys of FÁS personnel and LSEWGs supplemented by interviews of personnel undertaken as part of the case study procedures
Review the operation of the programme at enterprise level from the perspective of Proposer Groups and enterprise employees (this should include a representative sample from each of the three sub-sets of social economy activity).	Sample surveys of Proposer Groups / operational enterprises, enterprise managers, and employees in operational enterprises
Review the operation of the programme at national level in relation to: the application of the programme criteria including employee eligibility the profile of grant supported employees and particular target groups the relationship with other active labour market measures and sources of local community regeneration the regional and spatial distribution of enterprise activity taking into account both Partnership and non-Partnership areas sectors of business activity which enterprises are engaged in the level and reasons for unsuccessful business plans	Review of evaluations of labour market programmes, review of labour market developments, Sample surveys of FÁS personnel, LSEWGs and Proposer Groups / operational enterprises and their employees Analysis of administrative data on profile of employees and sample survey of employees in operational enterprises
Consider and make recommendations...	All of above plus collecting the views of personnel involved in Social Economy Unit, National Monitoring Committee, and review of documentation on social economy.

In the case of Proposer Groups / operational enterprises, details concerning the nature of the enterprises established with support from the SEP were sought together with assessments of the sustainability of these enterprises. In the case of both managers of operational enterprises and employees, the focus was on their experience of working in an enterprise funded by the SEP, their earnings, and their levels of job satisfaction.

The primary method of data collection involved surveying the five stakeholder groups. In the case of Proposer Groups / operational enterprises, managers and employees, the methodology used was a random sample of approximately one in four enterprises stratified by FÁS region and type of enterprise. It should be noted that in this case the sampling unit was the operational enterprise. By default this approach provided the sample of managers and employees (i.e., the sample of managers and employees was derived from the sample of Proposer Groups / operational enterprises). All LSEWGs and FÁS personnel directly involved in the implementation of the SEP were surveyed. The latter group was confined to personnel in Community Service Units in each FÁS region.

In designing the questionnaires used in the five surveys the views of members of the National Monitoring Committee for the SEP were sought on the basis of draft questionnaires for each of the stakeholder groups. The final version of all questionnaires incorporated the comments and suggestions made by members of the National Monitoring Committee for the SEP.

Table 1.2
Details of the Stakeholder Surveys

	<i>Survey Population</i>	<i>Number Surveyed</i>	<i>Number of Responses</i>	<i>Response Rate</i>
LSEWGs	51	51	20	39%
FÁS personnel		90	38	42%
Proposer Groups / Operational Enterprises	331	90	67	74%
Enterprise Managers	331	90	76	84%
Enterprise Employees	1,911	558	384	69%

All of the surveys were postal surveys. However, with the exception of employees, all persons and groups sampled were also contacted by phone. The response rates obtained are summarised in Table 1.2. This shows that for two of the stakeholder groups the response rates are low. In the case of the LSEWGs the main reason for this is that the majority of the LSEWGs not responding did not meet during the period of the survey. In the case LSEWGs actually responding to the survey, the request to complete the questionnaire in many cases initiated a meeting of the working group. In the case of FÁS personnel, the main reason for the low response rate was that many personnel had only recently taken up responsibilities in relation to the SEP and as a result considered that their comments would not be valid.

There were three other main elements in the methodology used to address the terms of reference. First, data regarding programme expenditure and operational progress were obtained from FÁS. These data were used to examine programme performance. Second, a set of nine case studies of operational enterprises was undertaken. The procedure used to select the case studies involved seeking nominations of enterprises that were considered to

provide good illustrations of the types of enterprises funded by the SEP and of the benefits arising from their activities. Nominations of such enterprises were sought from LSEWGs and FÁS personnel. The final selection of nine case studies was based on ensuring that the enterprises selected were engaged in different activities, were based in different geographical locations, and included representation of enterprises classified as Community Businesses (CBs), Demand Deficient Social Economy Enterprises (DDSEEs), and Social Economy Enterprises Based on Public Sector Contracts (SEEBPSCs). Third, literature dealing with the social economy, recent economic and labour market issues, and the national policy context of the SEP was reviewed.

1.4 Outline of Report

Chapter 2 presents an overview of approaches to the social economy in recent policy thinking and situates the development of the SEP in the context of the recommendations of the *Partnership 2000 Social Economy Working Group Report*. Against that background, a description of the SEP in terms of programme design and the structures involved in its implementation is provided. Data summarising the financial and operational progress of the SEP are also reviewed and a profile of employees in operational enterprises is provided. Chapter 3 provides a short account of recent economic and labour market trends. It highlights a number of differences between the circumstances prevailing during the period in which the SEP was designed and introduced and those currently prevailing during the operation of the programme. Chapter 4 presents the results of the surveys of the stakeholder groups and concludes with a summary of the main findings of the five surveys. Chapter 5 presents the case studies. The overall conclusions and recommendations of the evaluation are presented in Chapter 6.

Chapter 2

The Social Economy and the Social Economy Programme

2.1 Introduction

This chapter begins by providing an overview of the social economy in terms of its emergence as an arena for public policy attention and by considering the approaches that have been taken to conceptualising and defining its operations. This is followed by a brief review of the circumstances leading to the establishment of SEP in September 2000. Details regarding the design features of the SEP and of the structures involved in its implementation are provided in sections 2.4 and 2.5 respectively. The chapter concludes with an overview of the indicators relating to the various aspects of the operation of the SEP since its establishment (e.g., programme expenditure, number of enterprises established, and numbers of persons employed).

2.2 Views of the Social Economy

2.2.1 The Emergence of Models Moving Beyond the Market and the State

The emergence - or some would say resurgence - of public and policy debate regarding the social economy can be traced to the end of the long post-war boom in western capitalist economies. While there are differing views as to causes of this - falling profitability, a crisis of welfare financing, outmoded forms of production organisation, environmental crisis - the situation that emerged from the mid 1970s forward involved a resurgence of neo-liberal economic policy emphasising the primacy of the market and the residual role of the state in the promotion of economic and social progress. To varying extents in different countries policies operated with this orientation but achieved little impact on unemployment and evidence of increasing inequalities grew as did evidence of the persistence of poverty (OECD, 1996; CEC, 1993). As a consequence, faith in the capacity of the unfettered market economy began to be questioned (it generated insufficient jobs as well as too many low paid jobs), the concept of market failure gained currency (both in relation to the labour market and in relation to meeting unmet and new needs), and there was a search for new models of welfare fuelled by high unemployment, demographic factors (ageing populations), political factors (the feminist and green movements), and a recognition of the limitations of the predominantly administrative model of welfare developed in the post-war period.

A number of developments in policy thinking encompassing what has become called the social economy emerged in response to these developments. One of these is what can be termed the "mixed model of welfare provision" particularly in the area of personal services and care. This model emphasises the plurality of actors involved in the delivery of welfare services (i.e., family / household, the state, the private sector, and a wide range of voluntary, community and local organisations), the local dimension of welfare services, and the

mediating role of the state and state policy in this area. One useful formulation of this model is developed by Evers and Wintersberger (1990) in what they term the *welfare triangle*. This recognises the role of different actors in the delivery of welfare and highlights the emergence of what they call an economy of *social and territorial utility* (what is here called the social economy). This view of welfare identifies the economic and social space in which the social economy operates and characterises it lying between the poles of the market, the state and the family / household. Within this model the motivational principle of solidarity characterising the social economy achieves equal parity with the accepted principles of profits (the market), rights (the state) and reciprocity (the household, family, neighbourhood).

Currently, operating in this space is a wide variety of voluntary and locally based community organisations providing a diverse range of services. These have emerged on the scene in all EU member states and have developed a variety of practices in the areas of promoting and delivering welfare, responding to the adverse effects of economic change through collective efforts in the area of local development, and advocating social and economic change. Questions arise, however, concerning the viability and revenue base of this model and in particular the role of organisations within the social economy as agents in the delivery of welfare services. Also concerns regarding standards of service, accountability and relationships with the consumers of services provided by organisations operating in the social economy have been raised. More pragmatically, there is the issue of their economic viability and the nature of the mechanisms of financial support.

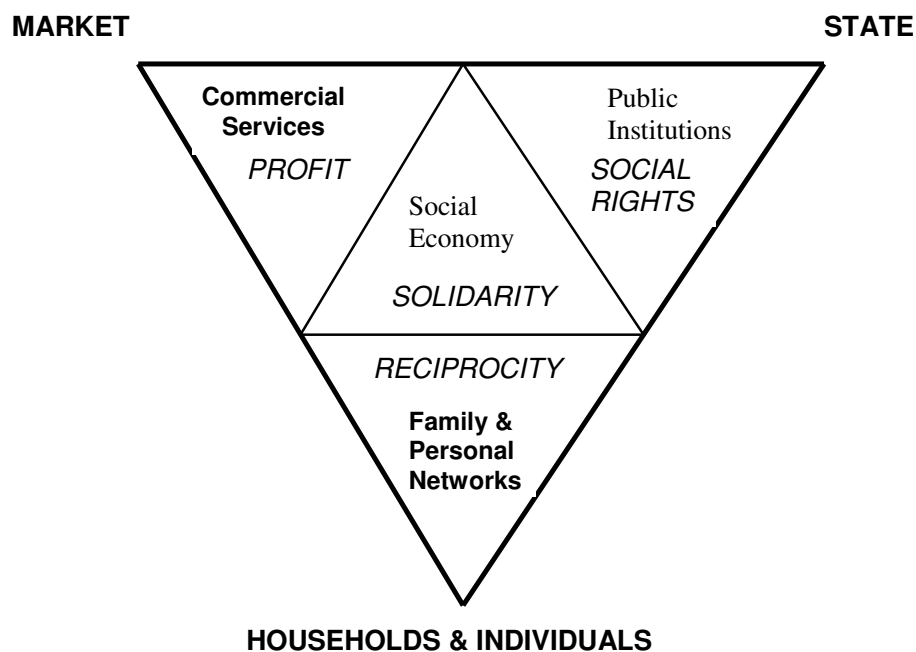


Figure 2.1 Locating the Social Economy

A second development in policy thinking of relevance to understanding the space within which the social economy operates concerns the growing recognition that not all of economic

and social life is transacted within the two spheres of the market and the state. Within this thinking there is a recognition of the diverse forms of economic and social activity that underpin both individual and collective welfare. To capture various aspects of this the terms “plural economy”, the “civic economy”, and the “tripartite economy” have been coined (OECD, 1996). Variously incorporated in these models is a recognition of the household and neighbourhood economy, the informal / black economy, an intermediary economy of solidarity and a local economy. As articulated by the OECD (1996), the plural economy is fundamentally based on a wider conception of the different spheres of economic life and of their role in relation to securing economic and social well-being and progress. While there are conceptual differences between the models advanced they share common ground concerning the relevance of moving beyond the market and the state in thinking about how to achieve objectives in areas such as employment growth, welfare provision, social inclusion, and citizenship.

Based on the ideas advanced regarding the welfare triangle and the plural economy outlined above Figure 2.1 identifies the space within which the social economy can be seen as operating. Within this model the operating principle of social economy organisations is solidarity. This principle is seen as the basis for the operations of a diverse range of organisations spanning large and international charitable foundations and development agencies, through national voluntary agencies involved in diverse activities including youth services, housing and conservation, to small local neighbour groups involved in actions such as care of the elderly, environmental improvement, and drama.

2.2.2 The Concept of Market Failure in the Rationale for the Social Economy

Both in EU and Irish policy documents the concept of market failure is seen as providing a rationale for the development of the social economy (e.g., the Commission’s White Paper on *Growth, Competitiveness, Employment* published in 1993 and the National Economic and Social Forum’s (NESF) report on the *Jobs Potential of the Services Sector* published in 1995). Market failure is used in conventional economic analysis to refer a situation where free unregulated markets fail to achieve an efficient or optimal allocation of resources. In this sense the White Paper on *Growth, Competitiveness and Employment* refers to the sub-optimal combination of the resources of labour and nature. It also, like the NESF’s report, refers to unmet needs arising in a variety of areas including personal services and care, educational services, cultural and leisure services etc. It is important to recognise, however, that market failure can arise for a number of reasons. These include market imperfections / imperfect competition, externalities, public goods and equity considerations. Given our current concerns the first of these need not concern us as it mainly has to do with issues related to the role of monopolies in determining price and the under supply of goods to consumers.

Externalities broadly concern the negative and positive effects that arise for firms or consumers due to the actions of other firms or consumers. The conventional example of a negative externality concerns pollution. The emission of atmospheric pollutants by a given firm does not present a cost to the firm but does to both private individuals and society in terms of additional health costs. An example of a positive externality is the participation of people in exercise or sport. In this case costs and benefits arise for the individual consumers but benefits also arise for society through a potential reduction in national health expenditure. In certain circumstances external benefits may be so widespread that they constitute what are termed public goods. These are goods that have the characteristics of being non-exclusive

(i.e., one person's consumption does not reduce the amount available for somebody else) and non-rival (i.e., one person's consumption does not prevent another from consuming the product or service). Typical examples of public goods concern environmental quality and security.

Equity considerations are of particular interest. These arise in a situation where the market works efficiently in the supply of goods and services but there are inequities in the consumption of these due, for example, to factors related to income inequalities or geographical location. In these circumstances, society through the state attempts to change the distribution of consumption such that those excluded can also consume. The mechanisms involved include redistributive income measures, service vouchers, and the provision of what are deemed to be essential services.

Considering the variety of factors that lead to market failure there is a need to identify where organisations operating in the social economy can play a role and to identify the basis for this role as well as the appropriate financing mechanism. A useful starting point in this context is to look at where such organisations are operating and to situate them with respect to how they address various aspects of market failure. Two examples will illustrate some of the issues arising here.

First, a wide variety of organisations are engaged in improving environmental resources and conservation activities. These are generally producing public goods, albeit in many instances they are confined to the public in particular localities. From the point of view of financing, the issue that arises here is where these are, or should, be located in terms of public or private sources of support / income. In so far as benefits arise for both private individuals and commercial concerns one issue that arises concerns how the costs of generating the benefits should be spread across the beneficiaries.

Second, a wide variety of organisations are involved in the provision of personal services - child-care, information and advice, after-school services, care for older people, providing services for people with disabilities etc. What has not been brought to the fore is that it is likely that many of these services are fulfilling equity objectives that arise from a mix of the incapacity of the consumers to pay for the services that are available through the market and the failure of the state to directly respond to this. Again, the issue arising concerns the clarification of the basis for state support of these services and the allocation of the costs to the appropriate Government departments.

In both of the above instances it is clear that to a large extent past and current practice in Ireland has been to finance a substantial proportion of the activity of such organisations from resources that are allocated to combating unemployment and its consequences. Consequently, a considerable proportion of the finance has and continues to come primarily via the Department of Enterprise, Trade and Employment and the Department of Social and Family Affairs. The wider issue arising here is that while there is an opportunity presented by various forms of market failure for the development of the social economy and to widen the resource base of such organisations, this has been done to date mainly within the framework of pursuing active labour market policies and providing resources to organisations operating in the social economy mainly in the form of labour, particular labour drawn from among people experiencing disadvantage in the labour market.

2.2.3 Approaches to the Characterising the Role of the Social Economy

Current policy perspectives adopt a variety of approaches to conceptualising the social economy and identifying the characteristics of enterprises operating in the social economy sector. An overview of these perspectives is presented here.

2.2.3.1 The Social Economy as a Potential Tool of Employment Policy

Among the underpinnings of this approach is the identification in *Growth, Competitiveness, Employment* of the existence of a range of unmet and new needs that are not being met by either the market or state. These needs, it argued, are arising due to changes in demography and lifestyles and are illustrated by the following areas: home help for older people and people with disabilities; child-care and school related services; youth work and sport; care taking; local leisure and cultural facilities. The paper proceeded to make a link between meeting these new needs and increasing employment. One means of making this link a reality is the social economy. This was to be stimulated into meeting these needs through actions on the demand side - such as tax incentives and vouchers - and on the supply side – by providing subsidies to support the establishment and operation of enterprises. The latter were to be higher for those enterprises that would recruit from among the unemployed - that is, so called *social employers*. Support for training for the workers in these new jobs was also to be provided.

Table 2.1 Seventeen Fields of Employment Growth

EVERYDAY SERVICES
Home-Help Services
Child Care
New Information and Communication Technologies
Assistance for Young People in Difficulty
SERVICES IMPROVING THE QUALITY OF LIFE
Housing Improvements
Security
Local Public Transport
Redevelopment of Urban Areas
Local Shops
CULTURAL AND LEISURE SERVICES
Tourism
Audio-visual Sector
Cultural Heritage
Local Cultural Development
ENVIRONMENTAL SERVICES
Management of Waste
Management of Water
Protection and Maintenance of Natural Areas
Regulation and Monitoring of Pollution

The next phase in the evolution of this approach was the presentation at Essen of a Commission paper titled *Action to Turn Growth into Jobs* (1995) followed by an internal Commission Report titled *Local Development and Employment Initiatives* (1995). Both of

these papers identified 17 sub-sectors (see Table 2.1) with high growth rates in terms of employment. The expansion of these sub-sectors or fields - fuelled in part by demographic, lifestyle, cultural, and legislative changes - was seen as providing a basis for achieving a higher intensity of employment growth while meeting new / unmet needs in society.

One general issue arising in respect of this approach is that much of the growth in these sectors can be seen as resulting from a market model involving the entry of new private sector firms - mainly micro-enterprises - into profitable and expanding markets. Related to this is that, at present, it is difficult to determine which or what parts of these sectors are developing purely on the basis of private sector investment, public assistance (e.g., through programmes supporting enterprise development in general or through targeted labour market programmes) or through various forms of public, private, third sectors partnership arrangements. Consequently, while these sectors provide a target for assistance / development in relation to achieving a policy objective of increasing the employment rate, they do not necessarily provide a basis for supporting the development of social economy.

A second general issue concerns those fields in which there is likely to be a considerable level of informal economic activity at present. This may take the form of arrangements based on reciprocity (for example, child-care between family members or friends) or cash transactions outside the formal economy (for example in relation to household or motor repairs). Arising from this it is unclear whether the development of the social economy as envisioned within the EU's framework involves replacing informal economy activity with a new formally recognised form of activity in the social economy.

The policy perspective associated with this approach places emphasis on the need to tackle factors that are impeding the development of these sectors. These include financial, legal, technical, human resource and institutional barriers. These barriers and the policy changes required to address them are similar to the barriers and policy changes required to assist the establishment of small enterprises and the entry of people into self-employment. Finally, it is possible to argue that within this approach it is possible to achieve considerable policy success in employment terms but without any corresponding substantial effect on rates of long-term unemployment or the growth of the social economy. Indeed, it is possible to argue that the emphasis in *Growth, Competitiveness, Employment* on the role of the social economy seems to have become diluted in subsequent developments.

2.2.3.2 The Social Economy as a Local Economy - Territorial Approach

This approach derives in part from the experiences and policy experiments that have focused in a variety of ways on local economic development. These have been wide ranging in the EU and have generated a considerable body of policy lessons regarding the instruments that are useful in stimulating social and economic development at the local level. These are encapsulated in the reports of the OECD on what are termed Local Economic Initiatives (LEIs) and the reports of the LEDA (Local Employment Development Action) programme of the European Commission. Concepts that have been associated with this work include local capacity building and partnership.

More recently, the term local development and employment initiatives (LDEIs) has been used by the European Commission. This reflects the crossover between job creation, enterprise creation and local development in many of the examples of local development that have been studied. Significantly, a report of the European Commission warned that “*whilst LDEIs and*

the social economy have much in common it would be wrong to treat them as if they were the same” (p.9).

The territorial approach is also informed by traditions of urban and rural development. These have generally involved targeted packages of assistance designed to stimulate economic and social activities in areas adversely affected by economic change. In Ireland the designation of areas on the basis of indicators of disadvantage and the development of the Area Based Partnership Companies (ABPCs) initially as agencies to combat long-term unemployment but now assuming wider local development functions is consistent with this approach.

2.2.3.3 The Social Economy as a Tool / Arena to Integrate Persons that are Marginalised in the Labour Market - Labour Market Policy Approach

No matter how defined, the social economy is not premised upon providing a source of employment for the long-term unemployed or people experiencing exclusion from the labour market. While this indeed is a feature of the current practices of organisations working in the social economy - this in many instances being linked to their primary sources of funding - it is by no means common to all. However, a number of trends have highlighted the potential role of the social economy as a means to directly integrate the long-term unemployed into the labour market and employment.

First, as a response to unemployment and long-term unemployment, many EU member states established forms of direct employment programmes. Common features of these programmes - including Community Employment in Ireland - are: the direct employment of unemployed people in areas of work that do not displace or substitute employment in the public or private sectors; the work is additional to existing work in the public sector; the work generates public goods for the community (e.g., improved environment, additional leisure resource); the work generates services for persons who would otherwise be without these (i.e., it addresses equity issues in respect of market failure). The fields in which such direct employment programmes operate in many instances overlap with the fields of employment growth identified by the European Commission in Table 2.1.

One important issue that arises in relation to such programmes is that while they do interface with the social economy and more generally with local development, the employment impact has generally been weak and, more particularly, is not sustained on the part of participants *within* the promoting organisations (i.e., they are required to progress to the open labour market following a period of years). A related issue arising from the interface between direct employment programmes and the social economy is whether in their current mode of operation the former are primarily consumer oriented or producer oriented. It would appear that their current operation is more geared to delivering services that are either collectively or individually consumed rather than providing a means of developing sustainable employment for the participants employed - via the operation of direct employment programmes - in the delivery of the services.

A second aspect of the labour market approach to the social economy concerns what are termed re-integration enterprises. Common features of such enterprises are that at least part of their income is obtained from trading, they provide work experience approximating to real employment in the private sector, they are sectorally diverse, and they are operated on a not-for-profit basis (examples in Ireland include, Speedpak operated by the Northside Partnership and Sonas operated by the Limerick Youth Service). The aspect of the operation of these

enterprises that brings them into consideration as a constituent element of the social economy is primarily their organisational structure, their not-for-profit practice, and their educational / training objective. Aspects of this issue have been commented on by the OECD where they noted in relation to Speedpak that the issue is whether it is best viewed as a new kind of firm or a new kind of vocational school (Sabel, 1996).

2.2.3.4 The Social Economy as Defined by the Absence of the Profit Motive in the Operating Structures of Organisations - Organisational / Legal approach

Prior to the publication of *Growth, Competitiveness, Employment* most commentaries on the social economy based themselves on the organisational characteristics of the sector. Included were co-operatives, mutual societies, and foundations. Common characteristics of these organisations are their charitable status and not-for-profit operations. While many of these organisations operate in the sectors identified in the sectoral approach to the social economy outlined above it is also the case that many operate outside of these.

With the establishment of the Social Economy Unit in DGXXIII of the European Commission (in 1989) this approach was reinforced and the Unit itself undertook a variety of actions to support the development of such organisations in the European Union during its lifespan. These included a study undertaken in conjunction with EUROSTAT providing an initial “census” of co-operatives, mutual societies, associations and foundations (CMAFs). A working estimate of the size of the sector represented by these organisations is that it employees over five million people and constitutes between 4 and 7 per cent of economic activity.

This approach has the virtue of fixing on what would appear to be a number of unique features of organisations in the social economy sector - ownership and control on the part of workers / members, the absence of the primacy of profit generation as a guiding principle, and the promotion of the interests of the members / workers on the basis of solidarity. Apart from these features, however, it is clear that there is considerable diversity within the sector as approached in this manner - worker co-operatives, consumer co-operatives, co-operative banks and credit institutions, housing co-operatives, agricultural co-operatives etc. It is also not clear where the boundaries of this lie in relation to where to locate entities such as local development companies and community businesses.

2.3 Factors Informing the Establishment of the Social Economy Programme

The policy debate leading to the establishment of the SEP in September 2000 was formally initiated with the publication in 1995 of the NESF’s report titled *Jobs Potential of the Services Sector*. The report was undertaken as part of a series of reports devoted to employment and unemployment issues and in the context of persistently high levels of long-term unemployment despite growing levels of employment in the economy (see Figure 2.2). In the introduction to the report it was noted that:

The services sector has, therefore, been selected for attention in this Report from the perspective of accelerating its growth and employment performance through more focused action on a number of key strategic policy issues. In addition to this, the Forum considers that there are a number of “new” areas of employment potential within the sector which remain to be more fully exploited. These could offer the prospect of further employment growth, particularly for the long-term unemployed and

other groups, as well as addressing newly-emerging and unmet needs in our society. (p. 8)

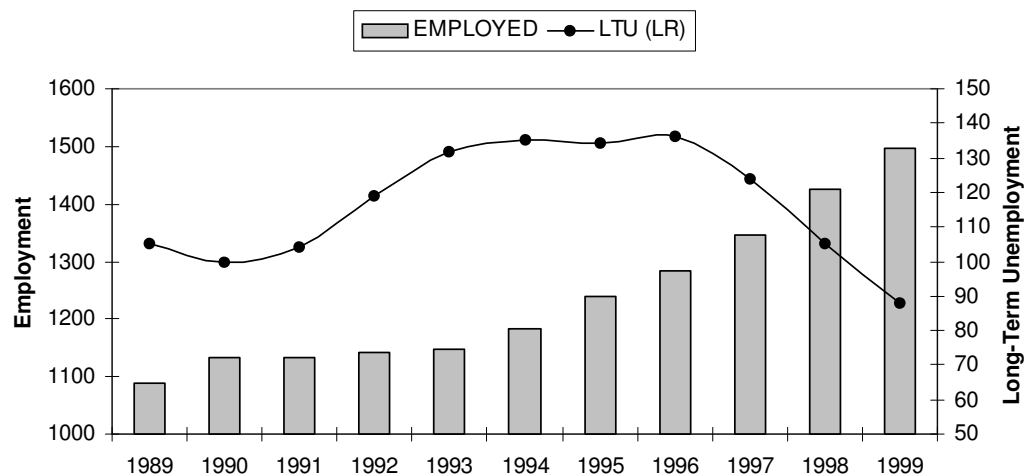


Figure 2.2 National Trend in Employment and Long-Term Unemployment, 1989-1999

Influenced by the EU White Paper, the NESF identified the social economy and its development as a means of aiding employment growth, *meeting real demands which cannot be met by the market and are not provided by the public sector* (p. 19), and providing employment opportunities for the long-term unemployed. The report identified the determining factor in defining the social economy as the particular context in which it operates, the primary features of which it identified as:

- *despite a genuine demand for particular goods and services within a local community, those who need them most do not have sufficient resources to pay for them at a viable rate;*
- *often the service is provided on a non-traded, non-commercial basis e.g., tidy towns community associations etc.; and,*
- *often it is a new service responding to social or environmental concerns where demographic patterns and the size of the potential market mean that services cannot be provided commercially.* (p. 19)

The activities of organisations operating in the social economy were characterised as having a number of distinct characteristics:

- *a local focus – in terms of market, ownership and operation of the enterprise;*
- *an income focus, with priority given to the generation of adequate and sustainable levels of income for those involved;*
- *the pursuit of social, cultural and environmental goals with an emphasis on improving the quality of life; and,*
- *different forms of organising economic activity (e.g., the distinct economic organisation within the Traveller community.* (pp. 19-20)

The NESF report made a number of recommendations regarding the social economy so defined. Central among these was that the social economy should be formally recognised by Government Departments and State Agencies and that action should be taken to identify those fields of economic activity which could be developed by the social economy sector. In this regard, child care services were specifically noted by the report. Additionally, the report recommended that relevant State Agencies and Government Departments should be *specifically charged to play a pro-active role and to develop support packages appropriate to the social economy* and that a revamped *Community Employment to create longer duration part-time and full-time contract jobs in the public and voluntary sectors could be targeted at areas of potential* (p. 57).

The debate and proposals launched by the NESF's report were taken up and developed in a number of fora. These included the publication by PLANET of a number of documents presenting their perspective on the social economy - particularly *Building the Social Economy* published in 1997 - and the analysis and documenting of the operation of social economy enterprises being supported by the EU Employment Initiative in a report titled *Social Enterprises and the Social Economy* prepared by WRCsec in 1999.

Of direct significance in preparing the ground for introduction of the SEP was the establishment of the Partnership 2000 Working Group on the Social Economy on foot of commitments in *Partnership 2000 for Inclusion, Employment and Competitiveness*. Its terms of reference included undertaking:

a detailed examination of the potential of the social economy, both in terms of employment and also the supply of services, such as childcare, eldercare and services improving the quality of life in disadvantaged areas. Appropriate support mechanisms to facilitate the achievement of the full potential of the social economy will be established, in the light of the recommendations of the Working Group (p.3).

Regarding the focus of operations of enterprises in the social economy the Partnership 2000 Working Group concluded that:

there is a clear case for developing the social economy in the context of combating disadvantage and with the aim of regenerating communities. But this has to be balanced with recent market trends, skill shortages and forecasts in relation to the labour market in the medium term. ...In practical terms the Working Group agreed that this meant that a specific social economy programme should be funded to the greatest extent possible from existing resources. The most obvious source of such funding is Community Employment, as it is already the primary supporter of social economy activity in Ireland. (p. 53)

In broad terms the definition of the social economy and the typology of social economy enterprises presented in the report of the Partnership 2000 Social Economy Working Group - published in 1998 - were adopted in the subsequent design of the SEP (for details see the following section) as were its recommendations that the lead function on the social economy should be accorded to the Department of Enterprise, Trade and Employment with operational responsibility being discharged by FÁS through the establishment of a Social Economy Unit. The budget recommended for the establishment and annual operation of a social economy programme was identified as just under £41 million (€52 million). Finally, it should be noted

that when the SEP was launched in September 2000 it broadly embodied all of ten specific recommendations of the Working Group.¹

2.4 The Social Economy Programme

The *Social Economy Framework Document* published in August 2000 by FÁS laid out the main objectives of the SEP and identified the structures through which it would be implemented. It identified the distinguishing feature of the social economy as:

That part of the economy, between the private and public sectors, which engages in economic activity in order to meet social objectives. (p. 2)

A working definition of the sub-set of the social economy that would be the focus of the SEP was provided:

- *ownership within a community or among people with a shared interest, responding to market needs, regardless of income,*
- *focus on the economic and social development of a community or community of interest;*
- *operation benefiting both the community and individual members;*
- *providing for employment experience and employment opportunities which are sustainable, but which might nonetheless be dependent on state support. (p. 2)*

A typology of the enterprises expected to benefit from funding under the SEP was adopted from the Report of the Partnership 2000 Working Group Report (see Box 2.1).

Box 2.1 Typology of Enterprises Funded Under the SEP

Community Businesses: *ultimately financed from trading income alone and which would be expected to move into self-sustaining viability in the medium term.*

Deficient Demand Social Economy Enterprises: *where the demand for particular goods and services within a community is not matched by resources to pay for these, due to disadvantage or low density of population.*

Enterprises Based on Public Sector Contracts: *which deals with the potential for subcontracting public sector expenditure in disadvantaged areas and communities to local Social Economy Enterprises.*

¹ In retrospect, and noting the findings of this evaluation regarding the operation of the LSEWGs presented in Chapter 4, the one recommendation that was fully not reflected in the design and operation of the SEP is that *existing local government and local development structures to be charged within existing policy frameworks with developing more active and strategic supports for the social economy* (p. 57). While acknowledging the establishment of Local Social Economy Working Groups, this interpretation is based on the absence of commitments on the part of the bodies represented on the these working group to *actually* engage with the issue of financially resourcing social economy enterprises. The implications of this for the sustainability of enterprises established with support from the SEP are discussed in the concluding chapter.

Social economy enterprises found within the typology presented in Box 2.1 are seen as generating a wide range of benefits, including:

- providing services, which are not commercially viable or met by state or public bodies, in disadvantaged areas;
- potentially empowering local communities to identify and respond to local needs;
- improving the quality of subsidised unemployment opportunities available to the long-term unemployed; and,
- providing a useful and appropriate route back into employment for women who may have spent time out of the formal labour force.

Box 2.2

Eligibility Criteria for Grant-Aided Employees Under the SEP

1. *Unemployed persons over 35 years of age in receipt of Unemployment Benefit, Unemployment Assistance or One Parent Family Payment for at least three years.*
2. *Persons in receipt of Disability Allowance, Invalidity Pension or Blind Persons Pension, and persons in receipt of Disability Benefit of six months or more who obtain approval from the Department of Social and Family Affairs to engage in employment of a rehabilitative nature.*
3. *A Traveller of any age in receipt of Unemployment Benefit / Unemployment Assistance or One Parent Family Payment for one year or more. In the case of Travellers under 18 years of age, a minimum of 12 months spent in a Traveller's Training Centre will suffice for eligibility.*
4. *Qualified Adults (Adult Dependents) over 35 years of age of long-term unemployed persons and persons over 35 years in receipt of the Widows / Widowers Contributory and non Contributory Pension, subject to application of a qualifying period for eligibility as with unemployed persons and lone parents.*
5. *There will be an exemption limit for other disadvantaged persons who do not meet the normal eligibility criteria including women in welfare dependent households. This can be up to 10% of the total number of grant-aided persons employed across Social Economy Enterprises. (p. 11)*

Notes: Time spent on Community Employment / Job Initiative and/or a recognised training course will count as part of the eligibility period. Time spent in prison will count as part of the eligibility period. Ex-offenders need not be signing on the Live Register at the time of recruitment. Casual workdays of up to 90 days, in the previous three years, will be allowed.

Noting the role of the SEP in regenerating local economies within disadvantaged areas and within communities of interest experiencing disadvantage the objectives of the SEP were defined as follows:

- *to promote the emergence and consolidation of the social economy;*
- *to maximise the potential of the social economy to generate employment that is sustainable and of high quality, subject to labour market constraints;*

- to regenerate both urban and rural communities by providing urgently needed local services, employment opportunities and experience for people who have been distanced from the labour market;
- to promote equal opportunities between men and women. (p. 25)

Two target groups were identified: (i) social economy enterprises (falling within one of the categories identified in Box 2.1); and, (ii) employment opportunities for the long-term unemployed and other disadvantaged groups. In operational terms the latter were defined by the eligibility criteria for grant aided employees (see Box 2.2).

Among the provisos in operation regarding the SEP are that the SEP should not:

- become a competitor for labour with the market economy or displace existing market economy business;
- ever become a mechanism that would replace existing public sector service provision; and,
- be confused with other Active Labour Market Programmes. This is an individual program with quite a different focus to programs previously administered by FÁS.

A number of potential promoters of Social Economy Enterprises were identified including:

- *Community Groups that are/were involved in Community Employment (CE), the Community Enterprise Programme (CEP) or the Job Initiative (JI);*
- *“Partnership Arrangements” arising from a positive dialogue between Community Groups and Local Authorities, Health Boards or Partnership Companies; and,*
- *Community Groups supported under the EU Local Development Programme, EU Urban Programme, International Fund for Ireland, LEADER Programme, Community Development Programme (DSCFA) etc.*

Table 2.2
Maximum Levels of Social Economy Supports Available*

	<i>Number of Employees</i>				
	<i>3</i>	<i>5</i>	<i>7</i>	<i>9</i>	<i>11</i>
Wage Grants for Employees	€ 41,919	69,865	97,811	125,757	153,703
Non-Employee Wage Grant (<i>of which</i>)	€ 37,595	45,725	53,855	61,985	70,115
<i>Managers Wages incl. PRSI</i>	€ 25,400	25,400	25,400	25,400	25,400
<i>Financial Accountant & Auditor</i>	€ 3,175	4,445	4,445	4,445	6,350
<i>Training</i>	€ 1,880	2,286	2,693	3,099	3,506
<i>Capital Costs</i>	€ 5,715	9,525	13,335	17,145	20,955
<i>Contribution to Overheads & Set-up Costs</i>	€ 1,425	4,069	7,982	11,896	13,904
Total Grant Package	€ 79,514	115,590	151,666	187,742	223,818

* Figures exclude the Social Economy Business Plan Grant (SEBPG) of €5,080. Also, enterprises may apply for up to €10,000 in grant aid toward the cost of business mentoring once they become operational. The number of employees is full-time equivalent grant aided employee positions.

The SEP provides a flexible package of grants payable for up to three years to enterprises successfully applying to the SEP (see Table 2.2 for a listing of these grants together with the amounts payable). Accessing these grants is by way of formal application. Organisations interested in applying for funding - termed Proposer Groups in this report - must initially apply for the Social Economy Business Plan Grant (SEBPG).² The purpose of this grant is to fund the cost of preparing a Social Economy Business Plan. The purpose of the plan is to commit applicants to clearly establish the nature of their proposed enterprise. It must also include a marketing plan and show how any products or services produced will support local economic and social development.

All potential enterprises applying for the SEBPG must contact their local FÁS Community Service Unit (CSU). Here applications are received and checked for all essential information. Completed applications are presented to the Local Social Economy Working Group (LSEWG). The LSEWG may only *recommend* to approve or disapprove funding to potential applicants. The final decision remains with local CSU personnel, who consider the advice and recommendations of the LSEWG. CSU personnel inform the LSEWG of whether they have approved or disapproved each application and provide a detailed set of reasons for all unsuccessful applications. The Business Plan Grant has a maximum level of €5,080 for those approved.

Applications for Social Economy Enterprise Grant Support are processed in broadly the same manner as applications for the SEBPG. Following the submission of completed business plans to FÁS Community Service Unit personnel they are forwarded to the LSEWGs for their consideration. In considering business plans submitted to them one of the functions of LSEWGs is to consider such plans not only in terms of their adequacy / eligibility for support from the SEP but also in terms of their contribution to the priorities of the LSEWGs for the development of the social economy at local level. Chapter four looks at the reasons provided by LSEWGs for not recommending of grant aid in respect of the business plans they considered.

2.5 Structures Involved in Implementing the Social Economy Programme

The National Monitoring Committee, the Social Economy Support Unit (FÁS), FÁS Community Services Units and the Local Social Economy Working Groups (LSEWG) are the main structures involved in implementing the Social Economy Programme. These former two work at a national level with the latter two operating at a local level.

2.5.1 National Monitoring Committee

A National Monitoring Committee - under the chair of the DETE - oversees both the implementation and continued development of the SEP. This Committee was established before the launch of the programme and comprises representatives from the DETE, FÁS, the social partners, organisations involved in the social economy sector, and also organisations seen as potential players in the sector. Initially the Monitoring Committee was involved in

² The reasons for this requirement were: (i) to ensure that all Proposer Groups went through the same application process with FÁS and the relevant LSEWG whether or not they were seeking a SEBPG; and, (ii) in order to determine whether enterprises in respect of which grant aid from the SEP was being sought would meet locally agreed priorities for funding.

the development of the framework for establishing the SEP. In its current role of overseeing the continued development of the programme, it monitors policy and evaluates the performance of the programme. The monitoring role also extends to the quality of employment within enterprises funded under the SEP and dealing with issues relating to the access of target groups to subsidised employment. The Committee also provides policy advice to Government organisations on the development of the social economy sector as a whole.

2.5.2 Social Economy Support Unit

The Social Economy Support Unit is located within FÁS head offices in Dublin. As with the Monitoring Committee it operates on a national basis. Its primary role is to co-ordinate and maximise the potential of the SEP in relation to its delivery of employment and services. This involves developing strategies to ensure equal opportunities in accessing employment and utilising services provided under the SEP. This may also entail advocating on behalf of specific groups to ensure their inclusion in the programme.

The Social Economy Support Unit also aids programme implementation at a local level through the provision of training and support. It liaises with local FÁS CSU personnel and LSEWGs to assist in the development of local support networks and to ensure the dissemination of good practice within the programme. The identification of sources of support to enterprises funded by the SEP from public, private and EU sources is also part of its role. It feeds into the monitoring and development of the SEP by producing progress and performance reports as well as identifying policy implications arising from these reports. Currently, the information contained in its reports is based on data regarding a limited number of the performance indicators proposed for use in relation to the SEP (see Box 2.3).

Box 2.3

List of Indicators for the SEP

Type of Social Economy Business supported i.e. within three sub-sets
Legal Structure of Social Economy Enterprise
Nature of Project Sponsors and their gender balance
Area of economic activity of project
Level and sources of income generation, if any, from provision of services/product
Level of pay of persons in Social Economy employment
Levels of pay for persons by gender in subsidised employment
Nature/levels of grant support provided and other contributions
Cost per job supported by the Social Economy Programme (based on pro forma calculation for Social Economy support available)
Participation and support given by other Bodies in Social Economy Enterprises
Contribution of the Social Economy Programme to Local Development Strategy
Profile of persons in Social Economy employment e.g. gender, communities of interest, urban/rural, employment status
Gender balance of the Local Working Groups

2.5.3 FÁS Community Services Unit

FÁS Community Services Units are the main point of contact with the SEP for Proposer Groups and enterprises. Their role within the programme, as previously mentioned, is to analyse, assess and approve all potential applications. Once enterprises are established within the SEP, CSU personnel administer all funds to individual enterprises. They also provide technical support to enterprises in conjunction with ADM, community groups, and other local community groups involved in LSEWGs. In liasing with the Social Economy Support Unit local CSU personnel provide advice on improving the provision of technical support and grant allocation. They also aid in collecting information on each enterprise for use in progress and performance reports as well as highlighting potential policy implications for the programme.

2.5.4 Local Social Economy Working Groups

LSEWGs were established with the assistance of local FÁS CSU personnel and 10 Social Economy Development Officers (SEDOs) and in consultation with Partnership Companies and other relevant groups. The geographical coverage of LSEWGs is based on the existing 38 “Partnership Areas” together with 16 areas in which an ADM or LEADER funded groups operates. Membership of LSEWGs includes representatives from FÁS, Partnership Companies, the social partners (i.e., ICTU, local employers, the community and voluntary sector, and farmer representation), and local health boards and local authorities. A summary of the functions of LSEWGs is presented in Box 2.4).

Box 2.3

Functions / Responsibilities of Local Social Economy Working Groups

- *Drawing up strategy for development of Social Economy to support regeneration of the local economy.*
- *Development of project priority selection criteria and recommending projects for support from FÁS CSU.*
- *Establishing targets / approaches for the inclusion of communities of interest.*
- *Identifying sources of financial and technical support.*
- *Providing feedback to FÁS CSU on policy developments and suitability of funding and technical supports.*
- *Helping to manage the local transition / remodelling of an element of CE into a more overtly Social Economy Programme.*

The primary purpose of the LSEWGs is to promote a strong local network to aid the implementation of the SEP. This is achieved through partnership between statutory bodies, the social partners and local community/voluntary interests. The initial task of all LSEWGs was developing an agreed local strategy (including baseline data and local priorities) to guide the implementation of the SEP and also enable it to effectively aid in regenerating the local economy. While it was envisaged that the strategy development role of the LSEWGs would take place on an annual basis this has not been realised. As already noted, LSEWGs are engaged in aiding FÁS CSU personnel in the identification and selection of projects for grant-aid under SEP. The LSEWGs also assist in identifying local sources that can aid in the provision of technical and financial support to both Proposer Groups and enterprises established under the SEP. The promotion of the SEP within the community to both potential

service users and employees is also a priority for LSEWGs. The LSEWGs are also seen as playing a role in monitoring the progress of the SEP at local level with this function being resourced by progress reports prepared by FÁS CSU personnel.

2.6 Financial and Performance Indicators

2.6.1 Applications for Social Economy Business Plan Grants and for Full Grant Aid under the SEP

During the course of the first two years following its establishment a total of 857 applications for the SEBPG were received (this figure is the number of applications received by FÁS to end of November 2002). Of these applications for the SEBPG 601, representing 70.1%, were recommended for approval. The regional pattern in the number of applications for the SEBPG is shown in Figure 2.3 together with the approval rates for these applications by FÁS region. This figure shows the presence of substantial regional variation both in the number of applications received for the SEBPG and in the approval rates for applications. If the overall figure for the number of applications approved for the SEBPG is taken as an indicator of the relevance of the SEP to its targeted constituency (i.e., organisations operating in the social economy) then there is evidence that the programme was meeting a substantial level of demand among its targeted constituency.

Based on figures concerning the number of business plans approved for full grant aid under the SEP, just over half (53.9%) of all recipients of approval for a SEBPG progressed to approval for full grant aid under the SEP (see Figure 2.4). As the current number of business plans approved for full grant is 336 (see Table 2.3) and as there were no further approvals for the SEBPG during 2003, it can be inferred that there is a minimum of 265 recipients of grant aid for the SEBPG that did not progress to full grant aid under the SEP. The main reason for these applicants not progressing to full grant aid under the SEP is likely to be the absence of funds within the budget approved for the operation of the SEP in 2003 (i.e., €31.5 million corresponding to approximately 60% of the annual budget recommended in the *Partnership 2000 Social Economy Working Group Report*).

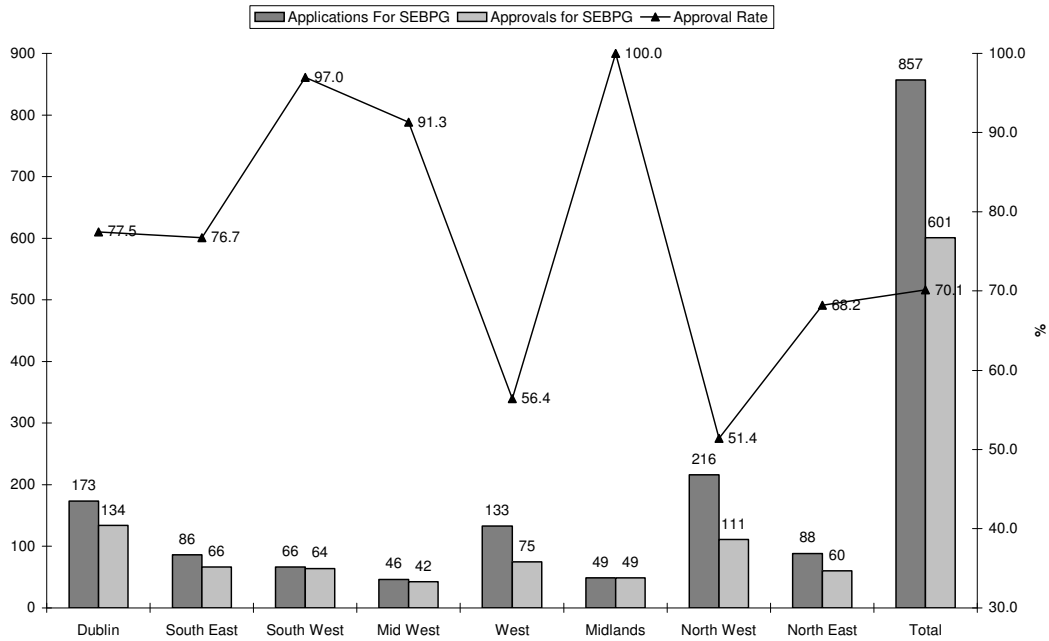


Figure 2.3 Number of Applications for the SEBPG and Approval Rates by FÁS Region (to End November, 2002)

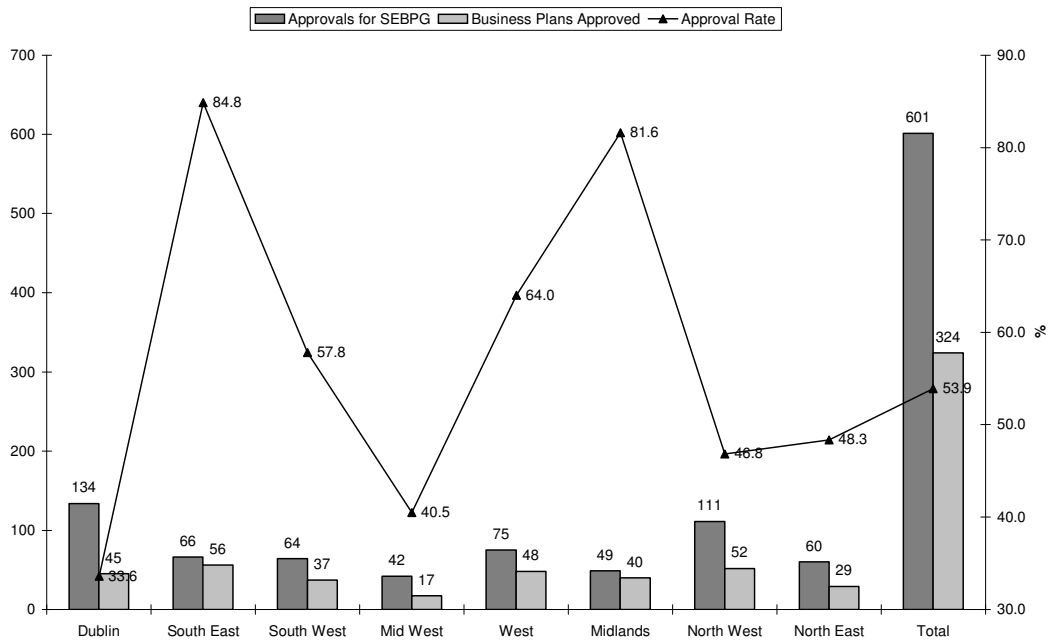


Figure 2.4 Number of Applications Approved for the SEBPG and Approval Rates of Business Plans by FÁS Region

2.6.2 Current Activity Levels Under the SEP

As of the end of May 2003 a total of 336 enterprises had been approved for grant aid under the SEP and of these 335 were operational (see Table 2.3). Based on data concerning the operational status of 322 of these enterprises at the end of March 2003, just two are in their

third year of operation, 98 are in their second year of operation and 222 are in their first year of operation. Thus, approximately two thirds (i.e., 68.9%) of enterprises funded under the SEP at the end of the first quarter 2003 are in their first year of operation.

Table 2.3
Activity Levels in the SEP by FÁS Region at the End of May 2003

	<i>SEP Enterprises Approved</i>	<i>Number of Part-Time Employees</i>	<i>Number of Full-Time Employees</i>	<i>Total Employees</i>	<i>Managers</i>
Dublin	78	136	278	414	66
North West	38	65	111	176	37
North East	28	80	138	218	25
South West	33	109	147	256	33
South East	48	158	137	295	48
Mid West	17	51	61	112	17
Midlands	40	76	102	178	37
West	54	105	191	296	49
Total	336	780	1,165	1,945	312

Table 2.4
**Gender Breakdown of Employees and Managers by Full-Time / Part-Time
Employment Status (May, 2003)**

	<i>Full-time</i>	<i>Part-time</i>	<i>Total</i>
Employees (<i>of which</i>):	1,165	780	1,945
<i>Men</i>	559	191	750
<i>Women</i>	606	589	1,195
Managers (<i>of which</i>):	312	0	
<i>Men</i>	145	0	145
<i>Women</i>	167	0	167
Total	1,477	780	2,257

Table 2.5
Prior Welfare Status of Employees by Gender (May, 2003)

	<i>Men</i>		<i>Women</i>		<i>Total</i>	
	<i>N</i>	<i>%</i>	<i>N</i>	<i>%</i>	<i>N</i>	<i>%</i>
Unemployment Assistance	285	38.0	148	12.4	433	22.3
Unemployment Benefit	247	32.9	282	23.6	529	27.2
Lone Parent Allowance	17	2.3	459	38.4	476	24.5
Disability	175	23.3	177	14.8	352	18.1
Widows / Widowers	3	0.4	44	3.7	47	2.4
Travellers	2	0.2	10	0.8	7	0.4
Adult Dependent	1	0.1	9	0.8	10	0.5
Exemption Category	20	2.8	66	5.5	86	4.4
Total	750	100.0	1,195	100.0	1,945	100.0

Data on the categories of enterprises funded under the SEP show that the vast majority (83%) of enterprises are administratively classified as Community Businesses with an additional 15% being classified as Demand Deficient Social Economy Enterprises. Just 2% of enterprises are classified as Social Economy Enterprises Based on Public Sector Contracts.

The total number of employees in these operational enterprises at the end of May 2003 is 1,945 of which 60% are in full-time employment. In addition there is a total of 312 managers of enterprises being employed with grant aid under the SEP. All managers are in full-time employment. The gender breakdown of employees is 61.5% women and 38.6% men with the corresponding proportions among managers of enterprises being 53.5% and 46.5%. On the basis of the figures presented in Table 2.4, the rate of part-time working among women employees at 49.3% is almost double that of men (i.e., 25.5%).

Table 2.5 shows that almost half of employees in enterprises funded by the SEP qualified by virtue of their being on the Live Register (i.e., in receipt of Unemployment Benefit or Unemployment Assistance) for the qualifying period (i.e., three years inclusive of time spent on CE or JI or a recognised training course). The proportion of men qualifying for grant aid as employees in this manner - at 70.9% - is almost double that found among women (i.e., 36%). Among men the second largest grouping of employees based on their prior welfare status is persons in receipt of a disability related welfare payment. Amounting to almost two in five (i.e., 38.4%), the single largest group of employees among women is women who had been in receipt of a One Parent Family Payment for the qualifying period (i.e., three years inclusive of time spent on CE or JI or a recognised training course). Overall, persons in receipt of a disability related welfare payment account for almost one in five (i.e., 18.1%) of employees in enterprises funded by the SEP. Just 4.4% of employees qualified under the 10% exemption category.

2.6.3 Programme Expenditure and Performance in the SEP, 2001-2003

The figures presented in Table 2.6 show that total SEP expenditure to end 2003 is €55.5 million. This represents 20.5% of the initial indicative commitment in the National Development Plan amounting to €270.5 million between 2000 and 2006 and just 17% of the commitment provided in the *Employment and Human Resource Development Operational Programme: Programme Complement 19A ESF* (i.e., €331.86). On the basis of current expenditure commitments for 2003, annual expenditure on the SEP amounts to 60% of the recommended annual budget of €52 million for the programme recommended in the *Partnership 2000 Social Economy Working Group Report*.

Based on the breakdown of planned programme expenditure in 2003 presented in Table 2.6 the major cost of the SEP is wage grants for employees. This component accounts for 59% of SEP total programme expenditure in 2003. When the cost of grant aid for managers is included, the cost of grant aided employment in the SEP amounts to over three quarters (i.e., 77.6%) of SEP total programme expenditure. The latter proportion increases to 80.5% if the calculation is confined to funds actually transferred to enterprises funded under the SEP. (i.e., SEP Programme sub-total minus expenditure on Social Economy Development Officers).

Given that the long-term unemployed and other groups experiencing disadvantage in the labour market are the target groups of the SEP the budget for training - at 2% of planned programme expenditure in 2003 - corresponds to an average figure of just €316 per employee

(i.e., assuming no expenditure on management training). At just over €1.9 million (and amounting to 6.1% of planned expenditure in 2003) the average capital grant-aid available to the 336 enterprises approved is €5,693 per enterprise.

Based on figures for 2003, the total cost of programme support and administration, at €1.137 million, amounts to 3.6% of SEP total expenditure. This corresponds to €3,384 for each operational enterprise in the programme (based on a figure of 336 operational enterprises).

Table 2.6
Programme Expenditure in the SEP by Category of Expenditure (€ million)
(Figures to 2002 are Actual; 2003 Figures are Based on Commitments for the Year)

	<i>Exp. 2001</i>	<i>Exp. 2002</i>	<i>Budget 2003</i>	<i>2001-2003</i>
Planning	1.567	1.019	0.882	3.468
Employee wages	0.683	9.559	18.608	28.850
Manager	0.486	4.094	5.861	10.441
Accounts/Audit	0.009	0.205	0.879	1.093
Training	0.058	0.322	0.615	0.995
Capital	0.086	1.616	1.913	3.615
Soc. Eco. Dev. Officers	0.000	0.107	0.246	0.353
Additional Training/mentoring	0.096	0.558	0.345	0.999
Overheads & Set-up costs	0.159	0.991	1.295	2.445
SEP Programme sub-total	3.144	18.471	30.644	52.259
SEP Administration	0.298	0.197	0.526	1.021
Total Programme cost	3.442	18.668	31.170	53.280
Community Enterprise Workers	0.000	1.851	0.365	2.216
SEP Total Expenditure	3.442	20.519	31.535	55.496

Despite the lower than planned level of expenditure, the performance related objective of creating employment for 2,500 people by 2003 (as stated in the NDP 2000-2006, p. 192) has largely been reached. That this target has almost been reached at lower levels of expenditure than originally anticipated can be seen as due to a number of factors. The three most salient factors in this regard are the following:

- the high level of level of part-time employment in the programme (i.e., 40.1% of employees are part-time);
- the relatively low level of grant aid in respect of non-wage costs (i.e., this amounts to just under 20% of total aid - excluding mentoring support - actually transferred / committed to operational enterprises in 2003);
- the low proportion of SEP total programme expenditure spent on administration and support (i.e., 3.6% in 2003).

This achievement, however, can be anticipated to be associated with a possible lack of programme impact in other areas, particularly with regard to the sustainability of the enterprises established to date. This issue is examined in Chapter 4 on the basis of the results of the surveys of five stakeholder groups in the programme (i.e., the LSEWGs, FÁS

personnel, Proposer Groups / operational enterprises, managers of enterprises, and enterprise employees.

2.7 Conclusions

The thinking underlying the development and eventual programme design of the SEP substantially reflected the recommendations of the *Partnership 2000 Social Economy Working Group Report*. The latter, in turn, was influenced by the EU's White Paper *Growth, Competitiveness and Employment*, in particular in adopting market failure as a feature of the rationale for supporting the social economy and in seeing the social economy as a potential tool of employment and local development policy. In situating the actual design of the SEP in the broader context of approaches to the social economy as sketched in the first section of this chapter a number of points emerge.

- First, it can be noted that in terms of the development of the categories of enterprises that would qualify for support under the SEP, the concept of market failure - particularly as this concerns equity considerations - strictly applies only to enterprises categorised as Demand Deficient Social Economy Enterprises. That is, these enterprises are seen as operating in markets where there is an incapacity or reduced capacity on the part of consumers to pay for their services at market rates and the resulting inequities in consumption are the basis for public support. In the case of Community Businesses, which are defined by their potential capacity to become self-sustaining, it is assumed that markets exist but that the development and exploitation of these markets requires assistance to enterprises operating in them. In practice - and as will be shown in Chapter 4 - the services and activities of Community Businesses cover a wide range of areas and it is not a straightforward matter to identify the basis for public support or to assess the potential commercial viability of such enterprises. The third category of enterprises identified in the SEP - Social Economy Enterprises Based on Public Sector Contracts - refers primarily to a source of revenue for the operation of such enterprises. In theory, enterprises that are administratively classified as either Community Businesses or Demand Deficient Social Economy Enterprises could obtain a component of their income from public sector contracts.
- Second, and reflecting the predominant policy approach to funding enterprises operating in the social economy with funds provided through active labour market programmes, one of the objectives of the SEP is the provision of employment for persons experiencing disadvantage in the labour market. The mechanism to secure this objective is built into the funding mechanism of the SEP through the eligibility criteria for grant-aided employees. Thus, in practice, it is only by providing employment to persons meeting the eligibility criteria that enterprises can access support from the programme. Overall, wage support to enterprises in the form of grants in respect of employees and managers amounts to estimated 80% of transfers to support the establishment and operation of enterprises.
- Third, and reflecting the view that the social economy could be a means of assisting local development, the implementation architecture for the programme included the establishment of LSEWGs to steer the local development aspect of the programme through strategic planning and the delivery of support at the local level. However,

and is discussed in Chapter 4, the role of the LSEWGs does not extend to providing or securing financial resources relevant to underpinning the sustainability of enterprises established under the SEP. This is a particularly notable issue in the context of identifying appropriate mechanisms to support social economy enterprises in the period following their receipt of support from the SEP.

The figures concerning the performance of the SEP since its establishment in September 2000 to date (i.e., May 2003) indicate that, despite substantially lower levels of expenditure than originally envisaged, considerable progress has been made in relation to key performance indicators such as the number of enterprises established and the level of employment supported in these enterprises. The extent to which this performance dividend may be hampering the longer-term impact of the programme is examined in Chapters 4 and 6.

Finally, the findings concerning the number of applications approved for the SEBPG as compared to the number of enterprises currently approved for full grant aid under the SEP indicate that as a consequence of the decision to cap funding at below initially recommended / committed levels there is a lack of capacity in the programme to fund the current level of demand for the programme. An indication of the current level of demand for support from the SEP to establish enterprises in the social economy is provided by the number of recipients of SEBPGs (i.e., 265) that under current funding commitments cannot progress to operational status. Assuming that only 70% of such recipients were to produce plans meeting the requirements of the SEP, the gross cost of meeting the existing level of demand for support from the SEP is estimated to be in the region of €23.4 million in direct grant aid to enterprises (i.e., the grant aid package for enterprises with five employees (full-time equivalents) multiplied by 70% of the 265 recipients of SEBPGs currently not approved for full grant aid under the SEP, plus allowance of mentoring support at maximum level: €115,590 x 186 = €21,499,790 + €1,860,000 = €23,359,790). Making an allowance for some increase in programme administration and support would bring the gross cost of meeting existing demand to approximately €25 million.

Assuming the majority of enterprises currently supported by the SEP continue their operations into 2004 the gross cost of continuing support to these will be in excess of that committed to the SEP for 2003. On the basis of an average number of employees of 5 (full-time equivalents) in 300 enterprises operating over the full year and allowing for mentoring support at half of the maximum grant, the estimated gross cost of transfers to these enterprises is €36.2 million. Making some allowance for some increase in current levels of programme administration and support will add a further €1.5 million to this figure.

Taking the above two figures together, the potential future demand for funding is estimated to be in the region a minimum of €62.7 million in 2004 on the basis of the current package of grant aid. This figure does not take into account recommended increases in the national minimum wage to €7 in February 2004.

Chapter 3

Current Context of the Social Economy Programme

3.1 Introduction

This chapter sketches a number of salient features of the economic, labour market and broader policy context within which the SEP was introduced and is currently operating. This is done with a view to situating the conclusions and recommendation regarding the future direction of the SEP presented in Chapter 6 within the context recent trends in these areas thereby enabling decision-making regarding the future direction and operation of the SEP to be set with reference to these trends.

3.2 Economic Context

Among the most recent reviews and assessments of Ireland's economic performance is the NESC's report *An Investment in Quality: Services, Inclusion and Enterprise* (published April, 2003). It identifies five periods in Ireland's recent economic development (see Table 3.1). The fifth and most recent period - from 2000 to the present - is characterised as *Irish Inflation and International Slowdown*.

Table 3.1
Annual Percentage Change in GNP, Population, GNP Per Head and Employment

	<i>GNP</i>	<i>Popul</i>	<i>GNP</i>	<i>Employ-</i>
		<i>-ation</i>	<i>per Head</i>	<i>ment</i>
International Crises & EC Membership 73-79	3.6	1.5	2.0	1.2
Recession, Deflation & Fiscal Correction 79-87	0.8	0.6	0.2	-0.6
Stabilisation & Recovery 87-93	3.6	0.1	3.4	0.9
Strong Economic Growth 93-00	8.3	1.0	7.2	4.7

Source: NESC (2003, p.7)

Pertinent to the concerns of this report is that policy development and programme design of what was to become the SEP occurred during a period of unprecedented economic growth with annual employment growth running at 4.7% *per annum*. During this period GNP per head also grow rapidly and annual population growth was of the order of one per cent. Despite public expenditure falling as a proportion of GNP (from 46.6% in 1993 to 35.3% in 2000) there was a substantial increase in the level of expenditure over the period.

By the time the SEP was implemented in 2001 there had been a sharp deterioration in a number of economic indicators. GNP growth for 2001 at 4.6% was a little over half the

annual average over the preceding eight years, revenue from taxation was falling, and inflation was increasing. The latter increased to 5.6% in 2000 falling slightly to 4.9% in 2001. The slowdown in economic growth and tax revenues has impacted adversely on public finances with the General Government Balance falling from a surplus of 4.4% in 2000 to a marginal deficit of -0.1% in 2002.

In the Government's *Economic Review and Outlook 2003* the deterioration in economic circumstances beginning in 2000 is presented as set to continue into 2003. It presents a downward revision of GNP from the Budget 2003 forecast of 2.2% to just 1.5%. The revised forecast for the General Government Balance as a percentage of GDP is -1.0%. Other trends indicating the deterioration in overall national economic performance since 2000 as well as the declining role of government expenditure as a component of domestic demand are the substantial fall in domestic demand as a component of GNP between 2000 and 2002.

Against this backdrop the shape of the Government's priorities is identified in the *Economic Review and Outlook 2003* in terms of an emphasis on achieving greater efficiency and effectiveness in the delivery of public services and, within this, noting that priority must be given to measures which raise the productive capacity of the economy, such as those aimed at tackling our infrastructural deficit (p. 8).

3.3 Labour Market Context

3.3.1 Employment

Overall economic trends are reflected in a number of ways in the labour market. As indicated above, the most significant development was the rapid annual rise in the number of people in employment, resulting in aggregate change from 1.15 million in 1993 to 1.65 million in the first quarter of 2000. This represents an increase of 43% in the numbers employed over the period. With the exception of agriculture, employment growth occurred in all sectors with the highest rate of annual growth over the period 1993-2000 being in the construction sector (i.e., 12.7%). Other sectors in which employment growth was substantially above average annual growth rates include the services sector, particularly services classified as "Other Services" (i.e., 8.0%). The latter includes services as diverse as property letting, car and equipment rental, hardware and software consultancy, maintenance of office equipment, research, legal and accounting services, advertising, security services and industrial cleaning.

Two interrelated trends of note that occurred within the overall pattern of employment growth are the increase in the number of women in employment and the growth of part-time employment. The former is reflected in the higher annual average employment increase found among women than men (7% compared to 4.4% between 1994 and 2000). While the increase in employment among men was mainly in full-time employment, that among women was almost equally divided between part-time and full-time employment. Overall, the annual rate of increase in part-time employment over 1994 to 2000 was - at 12.6% - three times that of full-time employment (i.e., 4.2%).

Reflecting the tightening of the labour market and emergent labour and skill shortages immigration played an increasing role as a source of labour supply over the period. Reflecting the component of this coming from non-EEA countries the numbers of work

permits and visas rose to over 19,000 in 2000 and, despite declines in annual employment growth, reached almost 43,000 in 2002.

Since 2000 the rate of employment growth has dropped sharply. In contrast to an annual average increase of 77,000 in the number of persons in employment (over 1996 to 2001), employment growth in 2002 was 24,000, with that estimated for 2003 being 11,000 (Economic Review and Outlook 2003, p.5).

3.3.2 Unemployment and Long-Term Unemployment

Responding to strong employment growth, unemployment as measured on an ILO basis fell from 15.9% in 1993 to 4.3% in 2000. The number of persons unemployed - again on an ILO - basis fell from 222,500 in 1993 to 74,000 in 2000. Significantly, long-term unemployment - a distinctive feature of unemployment over the 1987 to 1993 period - fell from 125,400 (8.9% of the labour force) in 1993 to 27,400 (1.6% of the labour force) in 2000.

At face value, these figures point to the capacity of the labour market to absorb people who were long-term unemployed. The effects of policy initiatives such as the National Employment Action Plan (NEAP) and the Local Employment Service Network (LESN) are also indicated by these figures. One of the side-effects of the high level of employment growth and the associated reduction in unemployment and long-term unemployment has been the emergence of an awareness of the severe difficulties experienced by particular groups of unemployed people within the recent favourable labour market conditions and the initiation of a discussion regarding the nature of an appropriate policy response to meet the needs of these groups. An illustration of this discussion is the comments of the ESF Programme Evaluation Unit on the National Employment Action Plan (NEAP):

The NEAP kicked in at a time when the market was effectively sorting out short-term unemployment itself ... However, the NEAP has not proposed any identifiable strategy to effectively deal with those who are long-term unemployed or other particularly marginalised groups (e.g., people with disabilities). ... there is a clear need to develop sustained re-integrative strategies for more marginalised groups in the labour market and this is a much sterner challenge. (p. 116, ESFPEU, 2000).

From a spatial perspective, unemployment fell in areas experiencing higher than average unemployment levels. However, as documented in a labour force survey of Ballymun, unemployment rates in disadvantaged areas - areas within which a Local Employment Service Network operates - continue to be in excess of the national average: in the case of Ballymun unemployment rates were found to be between three and four times the national average (Ronayne, 2001). From the analysis of the profile of unemployed people in Ballymun and similar analysis undertaken in Dundalk and Ballyfermot, it is apparent that certain groups of people continue to experience severe difficulties in accessing employment during a period of employment growth. In demographic terms, these groups include men over the age of 35 years and lone parents. There is also evidence that a substantial proportion of the long-term unemployed in disadvantaged areas experience multiple and severe barriers to labour market participation arising from their personal and family circumstances. Accompanying low educational and skill levels in many instances is the presence of literacy difficulties, demoralisation, physical and mental health problems and problems related to various forms of addiction (Ronayne, 2000). For women, and particularly lone parents, the presence of care

responsibilities and the absence of family friendly employment policies and affordable and quality childcare constitute major barriers.

3.3.3 Active Labour Market Programmes

Reflecting both the increased demand for labour as well as the conclusions and recommendations of reviews of active labour market policy emphasising the effectiveness skill training programmes in securing transitions from unemployment to employment, the number of persons on direct employment programmes began to decrease from 1998 forward (see Table 3.2). With reference to the largest single direct employment scheme - that is Community Employment (CE) - the number of participants decreased from approximately 40,000 in 1998 to approximately 33,500 in 2001. This downward trend has continued with the number of participants in 2002 being 25,000. An indication of the emphasis placed on skills formation during the latter part of the 1990s is provided by the increase in the number of apprentices over the period 1996 to 2002 from approximately 12,000 in the former year to 25,000 in the latter.

Table 2.2
Numbers of Participants on Selected Active Labour Market Programmes, 1998-2001

	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>
Community Employment (CE)	40,000	38,927	36,131	33,571
Back to Work Allowance	24,250	31,931	39,067	32,191
Vocational Training Opportunities Scheme	4,630	5,196	5,298	5,544
FÁS Training for Persons on Live Register	12,108	12,959	12,301	11,158
Total	80,988	89,013	92,797	82,464

In the context of the overall numbers participating on direct employment schemes (including CE and the Job Initiative - JI) and versions of employment subsidy schemes such as the Back to Work Allowance, the number of participants on the SEP is relatively small. Based on figures for April 2003 approximately 2,200 persons were employed under the SEP in comparison to just over 25,600 in the case of CE and JI. Moreover, it should be noted that while CE and JI are direct employment programmes, the SEP is considered an enterprise programme (and as such it is classified under the enterprise pillar of the NEAP). In this regard, in assessing the ongoing relevance of the SEP in the current economic and labour market climate it is important to note that while the primary objective of CE, and to a lesser extent JI, is concerned with the employability and progression of participants in the labour market, the SEP operates with a mixed set of programme objectives only one of which is focussed on the employment of the long-term unemployed and their progression in the labour market.

One further point arising from the above is that while part of the rationale for reducing the number of participants on CE derived from the presence of labour shortages and a policy objective to alleviate these, this rationale does not apply either in the same manner or in full to the SEP. As noted in the previous chapter the primary rationale offered by the Partnership 2000 Social Economy Working Group for recommending the establishment of the SEP was that *there is a clear case for developing the social economy in the context of combating disadvantage and with the aim of regenerating communities* (p. 52). In this regard, it is

important to emphasise that the social economy, and the SEP as a programme to support this, operates in a wider policy context than that of active labour market policy. This point is acknowledged by the NESC in their recent report where what they refer to as “social economy programmes” are positioned as one of three elements of the activist side of welfare policy (p. 107). The other two elements being active labour market programmes and community development initiatives.

3.3.4 Developments from 2000 to Present

Recent forecasts in are in agreement in predicting increases in unemployment, at least in the short-term. From the summary figures presented in Figure 3.1 it can be seen that on an ILO basis the number of people unemployed has increased fairly consistently from the beginning of 2001. Current estimates of the unemployment rate for 2003 lie between 5% and 6% with few observers willing to provide medium term estimates. Factors indicating a likely further deterioration in this figure include the increase in the numbers of notified redundancies since 2000. Over the late 1990s this figure was the consistently in the region of 15,000 *per annum*. The number of notified redundancies rose sharply from 2000 onward reaching approximately 27,000 in 2002. Also within the recent trend in unemployment there has also been an upward trend in the proportion of the unemployed that are long-term unemployed. This is the first time this has occurred since reaching a peak of almost 61% in 1994. The current figure is 26.4%.

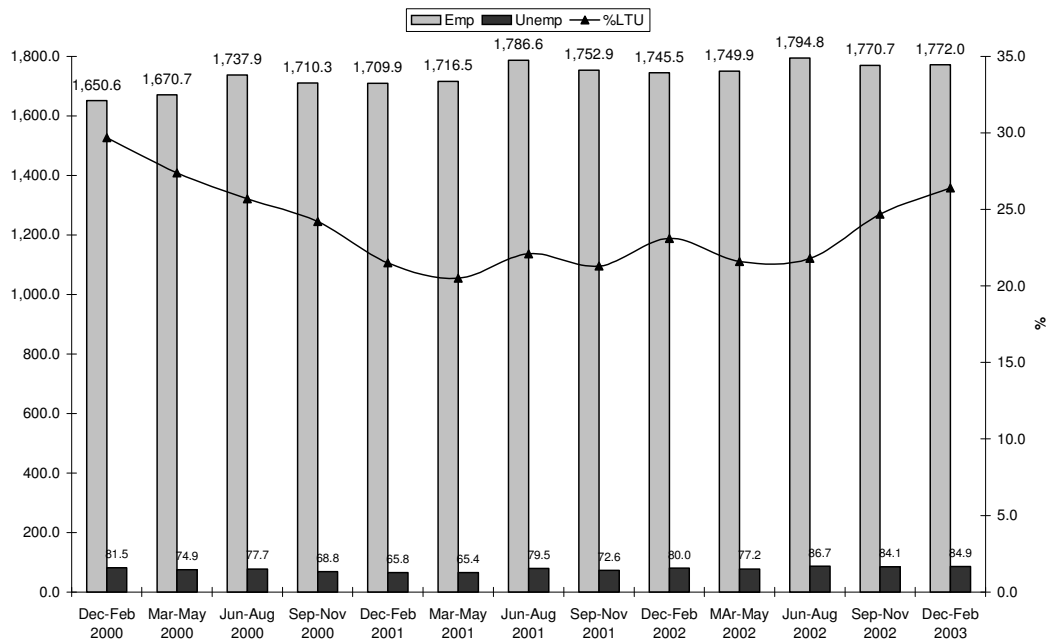


Figure 3.1 Employment, Unemployment and the Proportion of Unemployed that are Long-Term Unemployed, 2000-2003

While the actual number of persons unemployed on which the most recent estimate of the unemployment rate on an ILO basis is calculated is just under 85,000 (this figure relates to the first quarter of 2003), the number of unemployed persons on the Live Register for the month

of February 2003 is 171,400 (seasonally unadjusted figure). Moreover, there has been a strong upward trend in the number of persons on the Live Register since late 2001. The most recent figure from this source is 185,400 (July, 2003) representing an increase of 44,800 on the figure prevailing in September 2001. This corresponds to a percentage increase of 31.8%.

3.3.5 The Eligible Population for the SEP on the Live Register

As noted in the previous chapter, persons on the Live Register are one among a number of categories eligible for grant aid as employees under the SEP. As their eligibility is based on their age (i.e., 35 years and over) and their duration of unemployment (i.e., being unemployed for at least 3 years) it is useful to identify the current population of persons on the Live Register meeting these criteria. Based on figures for April 2003 there are 15,371 persons on the Live Register meeting these criteria. Numbering 10,844, the majority of qualifying persons are men. If the current number of persons on the SEP qualifying by virtue of Live Register status is expressed as a proportion of the total eligible population on the Live Register the resulting figure is 7.3%.

3.4 The Broader Policy Context

A range of policy documents and associated initiatives over the past decade or so have seen the objective of social inclusion being included among their primary objectives. Most notably, the *National Development Plan 2000-2006* identifies securing social inclusion as one of its four primary objectives. Also, in the context of the recently launched National Anti-Poverty Strategy - as laid out in *Building an Inclusive Society* - a wide range of commitments are made with a view to securing social inclusion. While little specific reference is made in these recent policy documents to the specific role of the social economy or to the SEP as a tool of wider national policy in the area of social inclusion the objectives of the programme lend themselves to being considered in this manner. In this regard, and as stated above, it is of note that the recent NESC report cites “social economy programmes” as an element of activist welfare policy. Moreover, in its discussion of the what it terms a “Developmental Welfare State” it identifies one of the characteristics of this as a *greater diversity of service provider - public, semi-public, private, non-profit, trade union and community and voluntary sector - and a more integrated system of planning and monitoring* (p. 164).

3.5 Conclusions

From the above discussion it is clear while the SEP was designed and introduced in the context of a period of unprecedented economic and employment growth it is currently operating in a context of economic slowdown and a restrictive approach to public expenditure. This climate can be expected to prevail over the medium term. Aspects of the economic climate that can be identified as influencing the manner in which the SEP was designed include then prevailing concerns about labour shortages with this influencing the setting of eligibility criteria concerning age and duration of unemployment. Clearly this has changed.

A further factor highlighted in the above discussion is that in the current and medium term economic context there is a need to see the operation of the social economy - and the SEP as

an policy instrument to support this economy - in the broader context of national policy goals in the area of social inclusion. In this regard, attention is drawn to the objectives of the SEP in the areas of combating disadvantage and acting as a tool to provide services in localities and to people experiencing social exclusion. This view of the rationale for the SEP brings to the fore the enterprise dimension of the programme and its potential to act as a tool of welfare policy. It also, however, requires that the operation of the SEP, and in particular the services and activities of enterprises funded under the programme, be examined within a framework that considers issues related to the effectiveness and quality of the services provided together with issues related to the value for money resulting from the provision of such services via a programme such as the SEP. These issues are taken up further in Chapter 6 in the context of considering the implications of the views and experiences of key stakeholders regarding the current operation of the SEP presented in the following chapter.

Chapter 4

The Social Economy Programme: Stakeholders' Perspectives

4.1 Introduction

Central to the terms of reference for this evaluation is the requirement to review the operation of the SEP from the perspective of key stakeholders in the programme. The four groups of stakeholders identified are the Local Social Economy Working Groups (LSEWGs), FÁS personnel in Community Service Units, Proposer Groups / Enterprises funded by the SEP, and employees in SEP funded enterprises. This chapter presents the results of the surveys of these groups and also includes the results of a survey of managers of enterprises funded by the SEP.

In presenting the survey results concerning three of these groups (i.e., LSEWGs, FÁS personnel, and Proposer Groups / Enterprises funded by the SEP) the primary focus is on presenting their assessments of the success of the SEP in relation to its stated objectives and, related to this, presenting their assessments of the adequacy and appropriateness of elements of the design of the SEP in relation to securing the objectives of the programme. For both of these areas quantitative assessments are presented together with the results of a qualitative analysis of the comments and recommendations made by respondents to the surveys. Other areas addressed in presenting the results of the surveys of LSEWGs and FÁS personnel concern their reasons for not recommending / approving applications for the Social Economy Business Plan Grant (SEBPG) and for not recommending / approving business plans seeking grant-aid from the programme. In the case of Proposer Groups / Enterprises funded under the SEP the survey results are used to profile the sectors of business activity in which enterprises are engaged, to examine prior levels of involvement in Community Employment (CE) and the Job Initiative (JI) programme, and to examine factors related to the sustainability of the enterprises.

In the case of the surveys of managers of enterprises funded by the SEP and enterprise employees the common focus is on examining their experience of their job, in particular their levels of job satisfaction. For employees in enterprises funded by the SEP the results of the survey are used to provide a profile of grant-aided employees, to examine their experiences of training and participation in decision-making, and to provide data on the income levels being obtained. For managers the results of the survey are used to examine perceptions of their managerial competencies for their positions, their participation in training, and to examine the income levels being obtained.

In the concluding section of this chapter a synthesis of the main findings is presented focusing on issues identified in the terms of reference for the evaluation and emphasising areas in which a degree of consistency is found in the perspectives of the various stakeholders regarding the operations of the SEP to date.

4.2 Local Social Economy Working Groups

In terms of getting the SEP up and running one of the key actions taken was the establishment of LSEWGs. These groups were seen as playing an important role in promoting awareness of the programme and in considering applications for grant support as well as making recommendations to FÁS with regard to approval for funding under the SEP. Other functions included developing local social economy plans to strategically guide the selection of enterprises recommended for grant aid and engaging in the ongoing monitoring and evaluation of the SEP at local level.

From the responses to the survey of LSEWGs as well as from interviews with personnel from nine LSEWGs (undertaken as part of the case study procedures) it is clear that following their establishment LSEWGs set about actively promoting the SEP by a variety of means including holding workshops, seminars and public meetings, meeting potential Proposer Groups, and conducting information campaigns in local press and radio. The promotion of the SEP was done both collectively through events and activities undertaken by the LSEWGs and individually by members of working groups. The latter were drawn from a wide range of organisations including local partnership companies, LEADER groups, ADM funded community groups, statutory organisations (particularly local authorities, health boards, and vocational education committees), FÁS, the social partners including local business representatives, communities of interest, and the local voluntary and community sector. On average the number of personnel in the LSEWGs responding to the survey was 12 with the chair generally being held by the manager of the local partnership company / ADM funded group. Based on the responses of the LSEWGs responding to the survey the average number of meetings held was 18 with the range being a minimum of five and a maximum of 40.

This section examines the actions of the LSEWGs, presents their perspectives on their role in implementing the SEP and documents their assessments of the success of the SEP in relation to its main objectives. It should be noted that as this section is based on the questionnaire responses of just 20 of the 51 LSEWGs surveyed (i.e., 39% of LSEWGs) the quantitative indicators of the operations of the working groups and of the views expressed may not be fully representative of all LSEWGs. What is likely to be the case, however, is that the trends and perspectives presented do reflect the range of issues arising for LSEWGs in their role in implementing the SEP and the range of views present among all working groups in relation to assessments of the operation of the SEP.

In interpreting the response rate to the survey it should be noted that the response rate itself reflects one aspect of the operations of LSEWGs. That is, the level of activity of most LSEWGs appears to have declined substantially following their initial role in promoting awareness of the SEP and in assessing applications for grant aid under the SEP. It would also appear to be the case that the cap on expenditure in the SEP has also operated as a restrictive factor in the continued activity of at least some LSEWGs. Additionally, from feedback obtained during the course of the survey there is evidence that the request to respond to the survey questionnaire was the reason for a number of LSEWGs convening a meeting following a period of relative inactivity. Finally, it should be noted in interpreting the data presented in this section that, despite similarities of structure and in the composition of members of LSEWGs, the internal dynamic and processes associated with the operations of LSEWGs varied substantially from one group to another. This is in part reflected in the wide variation in the number of meetings held across the 20 working groups responding to the survey.

4.2.1 LSEWGs: Local Planning and Local Priorities

Based on the survey data just over half (i.e., 55%) of the LSEWGs did not prepare a formal plan to guide the development of the SEP in their localities. More specifically, 55% of the LSEWGs responding to the survey stated “No” in response to the question “Has the Working Group completed a Local Strategy Document?” Among LSEWGs stating that they did not prepare a local strategy document all stated that, in the absence of a formal plan, they did identify priorities for the selection of enterprises to be supported by the SEP and / or identified sectors or communities of interest that would be prioritised in decision making regarding applications for funding under the SEP. In the case of LSEWGs actually preparing formal local strategy documents there was considerable variation in the coverage, scope and detail presented. It should also be noted that all LSEWGs reported taking specific actions to secure the involvement of communities of interest experiencing disadvantage in the operation of the SEP. Such actions varied from making specific contact with local groups actively working with specific communities of interest (e.g., older people, members of the Traveller Community, people with disabilities) to the inclusion of representatives from local groups among the membership of the LSEWG.

Table 4.1
Priorities Identified in the Plans of LSEWGs

	<i>1st</i> <i>Priority</i>	<i>2nd</i> <i>Priority</i>	<i>3rd</i> <i>Priority</i>
Socially Disadvantaged Groups	25.0	7.1	9.1
Childcare	15.0	14.3	0.0
Essential Social Services	15.0	0.0	0.0
Community Groups with SEP Potential	10.0	7.1	0.0
Disadvantaged (Low Employment / Income) Communities	10.0	7.1	0.0
Services for the Elderly	5.0	21.4	0.0
Tourism Promotion	5.0	0.0	9.1
Isolated Rural Communities	5.0	0.0	0.0
Alternative Agricultural Enterprises	5.0	7.1	0.0
SEP Support Service	5.0	0.0	0.0
LDSIP Target Groups	0.0	7.1	0.0
Disadvantaged Youth	0.0	7.1	0.0
Rural Transport	0.0	7.1	27.3
Environmental Services	0.0	7.1	9.1
Training Services	0.0	7.1	0.0
Community Enterprise	0.0	0.0	9.1
Arts / Craft Sector	0.0	0.0	9.1
Development of Natural Resources	0.0	0.0	9.1
Low Income Small Holders	0.0	0.0	9.1
People with Disabilities	0.0	0.0	9.1

Analysis of the documentation submitted by LSEWGs as well as of responses to the survey questionnaire shows that a wide range of priorities for SEP support were identified (see Table 4.1). Overall, it can be seen that priorities were identified in relation to particular sectors (e.g., arts and crafts, tourism, the environment) and with reference to particular communities of interest / target groups (e.g., the elderly, people with disabilities). Overall, however, there

is an emphasis on developing the SEP as a means to respond to the needs and circumstances of “socially disadvantaged groups”. Over and above this, the other main priorities identified by the LSEWGs include childcare, “essential social services”, and services for the elderly. For LSEWGs operating in rural areas priorities in the areas of rural transport, low income small holders and alternative agricultural enterprises (including organic growing and farming) were identified.

4.2.2 LSEWGs: Application Assessment and Reasons for Not Recommending

Approval

LSEWGs considered between six and 35 applications for the SEBPG with the average number of applications considered being 19. In the case of one third (i.e., 32%) of the LSEWGs all applications for the SEBPG were recommended for approval. Overall, the approval or success rate of applications for the SEBPG is estimated at approximately four in five (i.e., 78.9%). Among LSEWGs not recommending applications for the SEBPG the main reasons for not recommending approval are listed in Table 4.2.

Table 4.2
LSEWGs’ Reasons for Not Recommending Approval of Applications for the Social Economy Business Plan Grant

	<i>1st</i>	<i>2nd</i>	<i>3rd</i>
	<i>Reason</i>	<i>Reason</i>	<i>Reason</i>
No Legal Structure / Lack of Clarity Concerning Ownership	23.1	10.0	0.0
Lack of Community Based Structures and Representation	15.4	20.0	0.0
Poorly Presented Application	15.4	0.0	0.0
More Appropriate Funding Source Elsewhere	15.4	0.0	16.7
Not Considered Sustainable	7.7	10.0	50.0
Not Eligible for SEP	7.7	10.0	0.0
Low Capacity / Poor Track Record of Applicant Group	7.7	30.0	16.7
Overlap with CE	7.7	0.0	0.0
Proposed Enterprise not a Priority in Social Economy Plan	0.0	20.0	16.7

Table 4.3
LSEWGs’ Reasons for Not Recommending Approval of Social Economy Business Plans For Grant Aid

	<i>1st</i>	<i>2nd</i>	<i>3rd</i>
	<i>Reason</i>	<i>Reason</i>	<i>Reason</i>
Not Considered Sustainable	57.1	27.3	0.0
No Response to Requests for Further Information	14.3	0.0	0.0
Lack of SEP Funds	14.3	0.0	0.0
Presence of Known Financial Difficulties	7.1	0.0	0.0
Lack of Community Involvement and Representation	7.1	18.2	0.0
Not Eligible for SEP Support	0.0	27.3	25.0
Low Capacity / Poor Track Record of Applicant Group	0.0	18.2	0.0
Proposed Enterprise not a Priority in Social Economy Plan	0.0	9.1	50.0
No Legal Structure	0.0	0.0	25.0
No Legal Structure	0.0	0.0	25.0

The main reasons LSEWGs provided for not recommending applications for the SEBPG for approval concerned issues related to the legal structure / ownership of the proposed enterprise, the lack of community based participation in the Proposer Group / enterprise, ineligibility for SEP support, and the availability of a more appropriate funding source apart from the SEP.

The number of applications for grant aid from the SEP on the basis of business plans submitted to the LSEWGs varied from four to 20 with the average number being 13. One quarter (26%) of LSEWGs recommended approval for full grant aid in the case of all the business plans submitted to them. Overall, the approval or success rate of the business plans submitted seeking approval for grant aid is estimated at approximately four in five (i.e., 83.7%). The reasons for not recommending approval for grant aid are listed in Table 4.3 which shows that the major reason for not recommending approval concerned the lack of sustainability of the proposed enterprises. Among the other reasons noted are: the enterprise not being among the priorities of the LSEWG; and, the enterprise not being eligible for support from the SEP. Small proportions of business plans were not recommended for approval by the LSEWGs for reasons such as a failure of Proposer Groups to respond to requests for additional information and concerns about the “poor track record” or financial capacity of the Proposer Groups.

4.2.3 Satisfaction Levels Among LSEWGs Regarding their Role in Implementing the SEP

Among the main functional responsibilities of LSEWGs are considering and making recommendations regarding applications for funding under the SEP, monitoring the implementation of the SEP at local level, and evaluating the progress and impact of the SEP at local level. Procedurally, the manner in which LSEWGs are involved in monitoring the SEP at local level varies from one LSEWG to another. Among the more active LSEWGs, particularly those providing various forms of ongoing support to enterprises, much of the monitoring is done through direct contact with projects and obtaining feedback on the operations and progress of enterprises through this contact. A second and more formal aspect of the monitoring role involves the LSEWG receiving updates from FÁS personnel concerning the progress of the enterprises funded. The latter is mainly in the area of financial indicators. Pending the full implementation of a systematic monitoring procedure by FÁS there is limited information being generated that is of relevance to supporting the role of the LSEWGs in the area of evaluating the SEP at local level, particularly in relation to the performance of the enterprises funded or the manner in which they are contributing to local development objectives. Regarding this a number of LSEWGs pointed to the need to establish procedures supportive of their role in monitoring and evaluating the SEP at local level together with the adoption of social auditing at enterprise and local levels.

Reflecting the above, the majority (i.e., 65%) of LSEWGs stated that they were at least “satisfied” with their role in assessing and making recommendations regarding applications for support from the SEP (see Figure 4.1). However, approximately one third (i.e., 30%) stated that they were at least “dissatisfied”, with the main reason for this dissatisfaction being related to the cap on funding in the SEP and the constraint and “frustration” that this precipitated in terms of not being able to follow through on expectations raised at a local level.

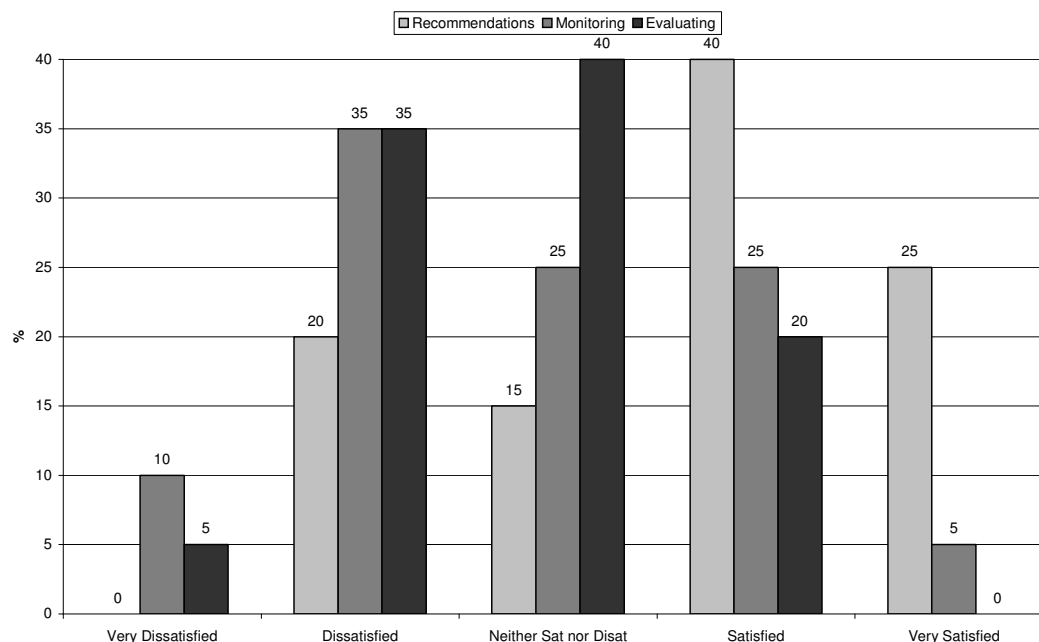


Figure 4.1 Satisfaction Levels Among LSEWGs Regarding Their Role in Implementing the SEP

Levels of satisfaction expressed by LSEWGs in relation to their role in monitoring and evaluating the SEP at local level are low. Just one in three (i.e., 30%) LSEWGs reported that they were at least “satisfied” with their role in relation to monitoring and just one in five (i.e., 20%) stated that they were at least “satisfied” in relation to their role in the area of evaluating the SEP at local level. The levels of dissatisfaction arising in relation to the latter two areas reflect a range of factors including the lack of protocols and procedures to support the role of the working groups in these areas, the lack of information on operational (as apart from financial) progress, and the lack of expertise and resources on the part of working groups to discharge these roles.

4.2.4 LSEWGs’ Assessments of the Success of the SEP

LSEWGs are divided in terms of their assessments of the success of the SEP in relation to achieving its objectives (see Figure 4.2). In general, the majority of LSEWGs rate the SEP as at least “successful” in terms of achieving its objectives in the areas of “promoting the emergence and consolidation of the social economy”, “regenerating urban and rural communities”, and “promoting equal opportunities between men and women”. Though with respect to each of these objectives a minority of LSEWGs rate the programme as at least “unsuccessful”, particularly in the area of “promoting the emergence and consolidation of the social economy” (i.e., 40%).

Two main reasons were cited for the latter assessment: the lack of funding for the full implementation of the SEP as planned; and, the lack of emphasis on (or confusion between) the “enterprise development” dimension of the SEP and its role in providing employment for the long-term unemployed and other categories of people experiencing disadvantage in the labour market. This, in part, is reflected in the low proportion (i.e., 25%) of working groups

rating the SEP as at least “successful” in terms of “generating employment that is sustainable and of high quality”. Among the reasons cited by working groups for the more limited success of the SEP with respect to this objective are the low likelihood of sustainability being achieved in the case of many enterprises without ongoing support from the SEP and the low wage levels being obtained by employees.

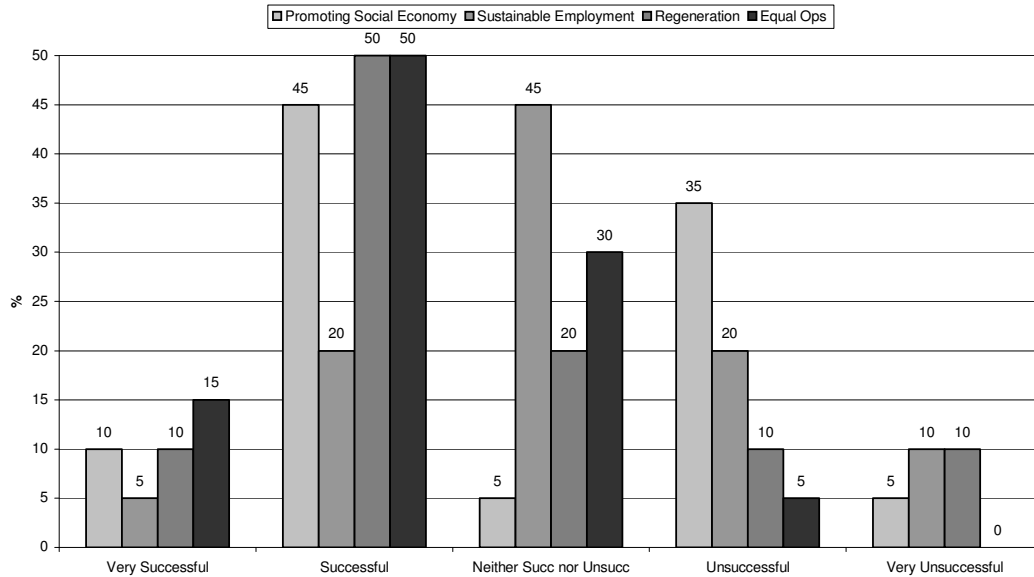


Figure 4.2 LSEWGs' Assessments of the Success of the SEP in Relation to Programme Objectives

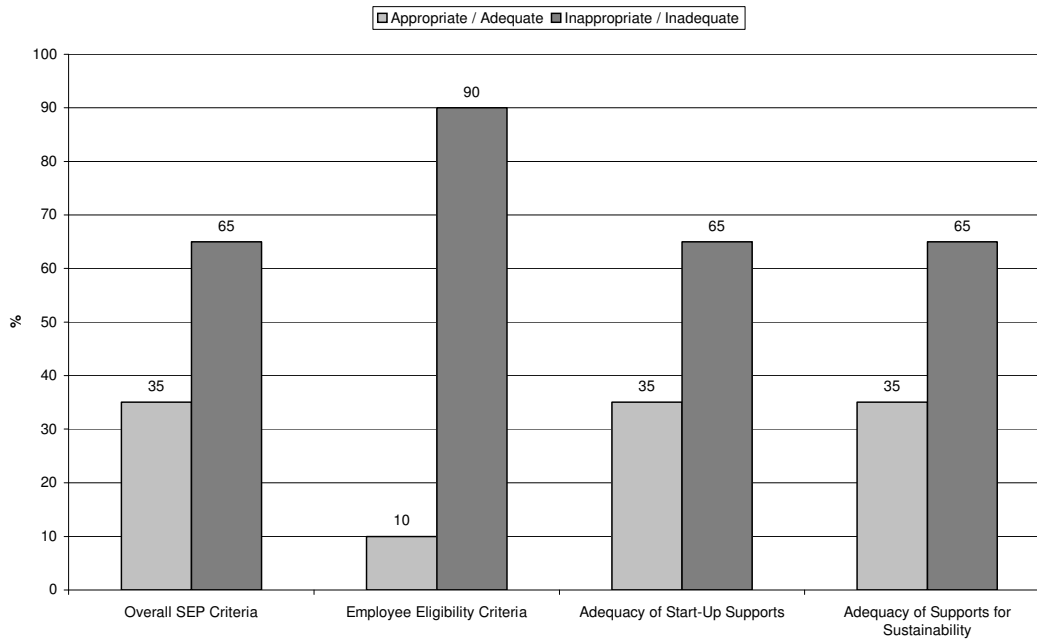


Figure 4.3 Assessments of LSEWGs Concerning the Appropriateness / Adequacy of SEP Criteria and Supports

4.2.5 LSEWGs' Perspectives on the Design and Operation of the SEP

In contrast to the mostly favourable view of the working groups regarding the success of the SEP in achieving its objectives, the majority of working groups consider that the package of supports available under the SEP, and the eligibility criteria for grant aided employees in particular, are not appropriate to supporting the development of social economy enterprises (see Figure 4.3). In addition, approximately two thirds of working groups consider that the package of supports available under the SEP is neither adequate to support the start-up and establishment of social economy enterprises nor adequate in the context of supporting the sustainability of social economy enterprises. The reasons for these assessments and the recommendations made by working groups to address the limitations they observe in the SEP are examined below.

4.2.5.1 Views of LSEWGs on the Overall Adequacy of the SEP to Support the Development of Social Economy Enterprises

Two thirds of working groups consider that the overall package of supports available under the SEP is not, as it currently stands, appropriate to supporting the development of social economy enterprises. Three main reasons were offered for this assessment. They are:

- the narrow pool of labour and the absence of skilled labour available to the enterprises due to the age and duration of unemployment eligibility criteria in operation with respect to obtaining grant aid for employees. This is seen as having a knock-on effect on the capacity of the enterprises to operate effectively and to result in them having to devote considerable time to training employees;
- the limited formal involvement of relevant statutory bodies (particularly local authorities and health boards) in the actual operation of and provision of resources to social economy enterprises; and,
- the incapacity of the markets in which many enterprises are providing services to provide the levels of revenue to support the sustainability of social economy enterprises.

Table 4.4
Recommendations of LSEWGs in Relation to Overall SEP Criteria

	<i>1st</i> <i>Priority</i>	<i>2nd</i> <i>Priority</i>	<i>3rd</i> <i>Priority</i>
Change / Relax Employee Eligibility Criteria	23.1	0.0	0.0
Ensure Programme Meets Needs of Sector	23.1	0.0	33.3
Require Formal Involvement of Statutory Sector	15.4	25.0	0.0
More Emphasis on SE and Less on ALMP	15.4	8.3	0.0
Increase Funding to SEP	15.4	16.6	66.6
Ensure the SEP is Rural Proofed	7.7	0.0	0.0
Criteria for Enterprise Types Need to be Clarified	0.0	25.0	0.0
Build Capacity of Community and Voluntary Sector	0.0	16.7	0.0
Increase Duration of Support to Five Years	0.0	8.3	0.0

The specific recommendations made by the working groups to address these limitations of the SEP are presented in Table 4.4. Not surprisingly the major focus (and the first priority in terms of action) of the recommendations concerns changing existing criteria governing the

categories of people eligible for grant aid as employees under the programme, tailoring the operation and design of the SEP more to the needs of social economy enterprises, and ensuring the formal involvement of organisations in the statutory sector. Almost all working groups recommended increasing the resources available under the SEP, though in the majority of cases this was not their first priority. Smaller numbers of working groups recommended that there is a need to ensure that the SEP is rural proofed (i.e., that its design criteria do not disadvantage rural areas), that there is a need for more systematic development of the capacity of the community and voluntary sector to operate the SEP, and that the actual definitions / criteria relating to the current three-way classification of enterprises needs to be clarified.

4.2.5.2 Views of LSEWGs on the SEP's Eligibility Criteria Concerning Grant Aided Employees

With the exception of two working groups all others responding to the survey of LSEWGs stated that current eligibility criteria governing the categories of people qualifying for grant-aid as employees are inappropriate in the context of supporting social economy enterprises. The main reason for this assessment concerned the restrictions these criteria placed on enterprises in terms of recruiting employees with the skills and experience relevant to the operations of the enterprises established and the difficulties experienced by enterprises in simply recruiting employees.

Table 4.5
Recommendations of LSEWGs in Relation to Employee Eligibility Criteria

	<i>1st</i> <i>Priority</i>	<i>2nd</i> <i>Priority</i>	<i>3rd</i> <i>Priority</i>
Reduce Age Criterion	77.8	5.9	10.0
Require a Programme of Training for Employees	11.1	0.0	0.0
Allow Recruitment from Live Register	11.2	0.0	0.0
Increase 10% Category	0.0	11.8	40.0
Reduce Duration of Unemployment Criterion	0.0	58.8	30.0
Increase Wage Grant	0.0	11.8	10.0
Provide Greater Flexibility of SEP in Rural Areas	0.0	11.8	0.0
Clarify Secondary Welfare Entitlements of Employees	0.0	0.0	10.0

From the recommendations made by the working groups in respect of this limitation of the SEP it is clear that the age criterion is seen as causing the greatest difficulty for enterprises (see Table 4.5). More generally, it should be noted that no working group recommended that the eligibility criteria for grant aiding employees should be unrestricted. From the overall mix of recommendations made regarding this issue the main inference that can be drawn is that working groups favoured a move toward enabling enterprises to recruit employees from a wider pool of eligible persons including persons not in receipt of the various welfare payments identified in the existing eligibility criteria.

4.2.5.3 Views of the LSEWGs Regarding the Adequacy of the SEP in Supporting the Start-Up of Social Economy Enterprises

Two thirds of the working groups surveyed indicated that they considered the package of supports currently available under the SEP inadequate in the context of supporting the start-up of social economy enterprises. The main reasons provided for this assessment included:

the unrealistic assumption that many groups and organisations operating in the social economy sector have the necessary capital (including working capital) to effectively start-up enterprises; and,
the assumption that groups and organisations in the social economy sector have the range of skills and expertise available to them to effectively manage both the start-up and development of enterprises.

Table 4.6
Recommendations of LSEWGs in Relation to Improving Support
for Enterprise Start-Up

	<i>1st</i> <i>Priority</i>	<i>2nd</i> <i>Priority</i>	<i>3rd</i> <i>Priority</i>
Increase Capital Grant	23.1	11.1	0.0
Provide Greater Flexibility in Rural Areas	23.1	0.0	0.0
Increase Wage Grant	15.4	11.1	0.0
Provide More Supports Prior to Actual Start-Up	15.4	22.2	0.0
Provide Grant Aid for Set-Up Costs	7.7	0.0	42.9
Increase Manager Grant	7.7	22.2	0.0
Establish Dedicated Support Agency	7.7	0.0	0.0
More Emphasis on SE and Less on ALMP	0.0	22.2	14.3
Provide Training / Support in using Social Auditing	0.0	11.1	0.0
Appoint Dedicated SEP Support Workers	0.0	0.0	28.6
Increase Emphasis on Quality of Services Delivered	0.0	0.0	14.3

The recommendations made by LSEWGs in relation to supporting the start-up of social economy enterprises are presented in Table 4.6. In the main the recommendations referred to the need to increase the level of grant aid in respect of capital costs and miscellaneous start-up costs (e.g., recruitment, advertising, induction training), to ensure that the specific circumstances of enterprises in rural areas are acknowledged in the operation of the SEP, and that the level of grant aid in respect of employees is increased. A number of working groups pointed to the need to provide training for directors and managers prior to the actual start-up of operations. Lower down in terms of priority were recommendations to increase the manager grant, to appoint dedicated SEP support workers, and to ensure a greater emphasis on the development of product / service quality.

4.2.5.4 Views of the LSEWGs Regarding the Adequacy of the SEP in Supporting the Sustainability of Social Economy Enterprises

Two thirds of the working groups surveyed indicated that the supports provided by the SEP were not adequate in the context of ensuring the sustainability of the enterprises established under the programme. The major concerns of the working groups in this regard are that:

- there is confusion between the enterprise development aspect of the SEP and its role as an ALMP in providing employment for the long-term unemployed and other persons experiencing disadvantage in the labour market;
- there is a weakness of management capacity in the area of enterprise development as apart from “simply administering an established business”;

- there is no formal mechanism to secure resources from various statutory organisations to support the development of social economy enterprises operating within their sphere of operations and / or their geographic locations; and,
- enterprises are constrained by their lack of capacity to recruit skilled workers in areas central to the operation of their enterprises.

Table 4.7
Recommendations of LSEWGs in Relation to Increasing the
Capacity of the SEP to Support Sustainability

	<i>1st</i> <i>Priority</i>	<i>2nd</i> <i>Priority</i>	<i>3rd</i> <i>Priority</i>
More Emphasis on SE and Less on ALMP	23.1	0.0	0.0
Increase Managerial Capacity (by increasing manager grant)	23.1	18.2	0.0
Provide Greater Flexibility in Funding Package	15.4	0.0	0.0
Provide Grant Aid for Employment of Key Skilled Workers	15.4	18.2	0.0
Require Formal Involvement of Statutory Sector	7.7	18.2	12.5
Increase Funding Period to Five Years	7.7	0.0	25.0
Appoint Dedicated SEP Support Workers	7.7	0.0	0.0
Provide More Supports Prior to Actual Start-Up	0.0	9.1	0.0
Adopt a Phased Approach to grant Aid	0.0	9.1	0.0
Develop Networks of Enterprises	0.0	9.1	0.0
Increase Emphasis on Quality of Services Delivered	0.0	9.1	0.0
Increase Funding to SEP	0.0	9.1	0.0
Provide Training for Directors of Enterprises	0.0	0.0	25.0
Increase Grant for Overheads	0.0	0.0	12.5
Provide Crisis Intervention Service	0.0	0.0	12.5
Review Package of Secondary Welfare Entitlement	0.0	0.0	12.5

The recommendations made by working groups to address the limitations of the SEP in the area of supporting sustainability are listed in Table 4.7. In terms of overall programme design it is recommended that greater emphasis be placed on the role of the SEP in actually supporting the sustainability of enterprises in the social economy sector rather than linking the operations of the SEP to providing employment for people experiencing disadvantage in the labour market. Allied to this is the call for the more formal involvement of the statutory sector in resourcing the SEP. In terms of the more operational issues two of the recommendations are directed at enhancing the management capacity and skills base of social economy enterprises. All of the other recommendations made tended to be of lower priority or were made by just one or two working groups.

4.2.6 LSEWGs' Assessments of the Main Benefits and Limitations of the SEP

Despite identifying particular limitations in the current design of the SEP, LSEWGs cited a range of benefits arising from the SEP (see Table 4.8). These benefits are mainly seen in terms of:

- enabling the provision of essential services;
- the structure of the package of supports available under the SEP as a support to the social economy sector;
- the role of the programme in aiding the regeneration of rural areas through the provision of employment opportunities where such opportunities are very limited and by providing local services (e.g., transport);
- providing employment for persons experiencing disadvantage in the labour market; and,
- raising the debate regarding the nature of the social economy and about how organisations operating in the social economy sector should / could be resourced by public policy.

Other benefits identified - though of secondary or tertiary importance - are the role of the SEP in building local social capital and introducing a “business ethic” to organisations operating in the community and voluntary sector.

Table 4.8
The Main Benefits of the SEP as Identified by LSEWGs

	<i>Primary Benefit</i>	<i>Second Benefit</i>	<i>Third Benefit</i>
Provision of Essential Services	36.8	6.7	14.2
The Funding Package for the SE Sector	21.1	6.7	7.1
Raising the Debate Regarding the Social Economy	15.8	0.0	0.0
Aiding the Regeneration of Rural Areas	10.5	20.0	0.0
Providing Employment for the Long-Term Unemployed	5.3	13.3	49.2
Increasing Local Social Capital	5.3	6.7	21.4
Job Creation	5.3	6.7	0.0
Introduces Business Ethic to Sector	0.0	26.7	0.0
Increased Skills Among Long-Term Unemployed	0.0	13.3	7.1
Introduces the Need for Social Auditing	0.0	0.0	7.1

Table 4.9
The Main Limitations of the SEP as Identified by LSEWGs

	<i>Primary Limitation</i>	<i>Second Limitation</i>	<i>Third Limitation</i>
Cutback in SEP Funding	40.0	44.5	36.3
Restrictive Eligibility Criteria	30.0	5.6	26.7
Confusion with ALMP	10.0	11.2	13.3
Inadequate Support for Start-Up of Enterprise	15.0	5.6	6.7
Low Wages of Employees	5.0	0.0	0.0
Bureaucratic Administration of SEP	0.0	11.1	6.7
Company Directors with Limited Experience	0.0	16.7	0.0
Not Rural Proofed	0.0	5.6	0.0
No Formal Involvement of Statutory Sector	0.0	0.0	6.7
No Business Mentoring Programme	0.0	0.0	6.7

Many of the limitations of the SEP as seen by LSEWGs have already been identified in the terms of their views on specific aspects of the current operation of the SEP (see Table 4.9). However, when asked to identify the “main limitations” of the SEP all working groups responding to the survey at some point referred to the adverse impact of the “cutback” in programme funding and in one case to “the demise of the scheme” (see Box 4.1 for three illustrative comments regarding this).

Box 4.1

Illustrative Comments from LSEWGs on the Adverse Impact Arising from Limiting the Funding Available Under the SEP

I have chaired the working group since its establishment. Membership is drawn from a wide range of organisations and members have given a huge time commitment to the process. ...Over the period 2001 / 2002 a very good LWG was developed in which members worked hard and attended monthly meetings. A level of trust was built up between members, co-operation was high, and the benefits of the programme were beginning to be felt in the area. ...And then the programme was turned on its head in early 2003. ...It is no exaggeration to say that the events of early 2003 did great damage to the LWG, and in particular to members of the group. The credibility of the programme was destroyed, and local belief in the programme has been badly affected.

I find it alarming that you can devise a whole questionnaire based on the social economy programme and did not once mention that the programme had been shelved. In our case we had to tell groups awaiting approval that the scheme had closed. Apart from the wasted effort in helping groups get to approval stage and apart from the obvious frustration and dejection felt by the groups concerned it just seems short-sighted and misguided to devise and implement a new scheme only to abandon it after a couple of years. In my opinion at least half of the survey should have been given over to the impact caused by the scheme's demise particularly on groups awaiting approval.

It was wholly unhelpful that the budget ran out. The programme was launched not as a labour market initiative but rather a means to assist communities to become sustainable through the development of much needed local service provision. However, the experience since then demonstrates a lack of vision to roll-out the new programme in the manner it was intended.

Over and above this issue of the limitation due lack of funding, the main other limitations of the SEP were seen to derive from its restrictive eligibility criteria in relation to the categories of persons eligible for grant aid as employees, the operational difficulties arising for enterprises resulting from the SEP also being operated as an ALMP for the long-term unemployed, and the lack of adequate support for the start-up of enterprises.

4.3 FÁS Personnel

FÁS personnel were involved in a number of ways in supporting the roll-out of the SEP, including holding membership of LSEWGs, resourcing LSEWGs with information regarding the SEP, processing applications for grant-aid on foot of recommendations from LSEWGs, and administering the contractual relations with Proposer Groups and the enterprises established under the programme. Through the nine case studies undertaken as part of this review of the SEP, it was possible to establish the role of FÁS personnel in a number of individual enterprises. For many, it would seem that the primary role of FÁS personnel (in this case personnel from Community Service Units) was processing contractual documentation, monitoring financial returns, and also processing payments. In some areas, FÁS personnel - mainly at local management level - were involved in establishing and chairing LSEWGs. Also, due to their positioning in local communities FÁS personnel (from Employment Services) were involved in recruiting for individual enterprises. The provision of other forms of ongoing support and the developing of formal monitoring procedures using performance indicators does not appear to have developed. This will be discussed in Chapter 6.

This section is based on a survey of FÁS personnel working in Community Service Units with direct responsibility for the SEP. In presenting their views regarding the operation of the SEP the structure of the section follows that used in relation to LSEWGs presented above. That is, this section examines the views expressed by FÁS personnel concerning the success of the SEP with respect to its core objectives and the adequacy of programme design in relation to securing programme objectives. Again, recommendations, benefits and limitations of the programme are represented.

4.3.1 FÁS Personnel: Application Assessment and Reasons for Not Recommending Approval

As outlined in Chapter 2, the decision to grant or refuse funding is combined between the LSEWGs and local FÁS personnel. LSEWGs (or a sub-committee of each) will have had all applications presented to them. If they recommended an application for approval for a SEBPG, FÁS personnel still held responsibility for the final decision to approve the application for grant aid. Should FÁS personnel disagree with the LSEWG's decision, they informed the working group in writing of the reasons for their decision. This section examines the reasons for refusing grant-aid in respect of SEBPG and for full grant-aid in respect of social economy business plans.

As can be seen from Table 4.10 there is no single reason predominating for applicants being refused grant-aid for the SEBPG. The main reasons for refusal were the lack of understanding of the terms and conditions of the SEP, not being eligible for funding under the SEP, and plans not being assessed as sustainable.

The order, in which these reasons are presented, reflects the process that local FÁS personnel broadly use in assessing applicants for funding:

Does the application meet the basic terms and conditions of the SEP?

Is the Proposer Group eligible for SE funding?

Is the plan sustainable across 3 years?

Once an application has overcome these issues they are disapproved for funding on the basis of having made a poor application, because the Proposer Group was considered to lack experience of applying for and managing funds, or because there was no funding available for supporting additional applications for the SEBPG.

Table 4.10
FÁS Personnel: Reasons for Refusing Applications for
Social Economy Business Plan Grant

	<i>1st</i> <i>Reason</i>	<i>2nd</i> <i>Reason</i>	<i>3rd</i> <i>Reason</i>
Lack of Understanding of the Terms and Conditions of SEP	18.75	11.11	10.53
Not Eligible for SEP	18.75	7.41	0.00
Not Considered Sustainable	12.50	18.52	15.79
Poorly Presented Applications	12.50	14.81	26.32
Inexperience of Voluntary Groups in Applying for Funds	9.38	11.11	0.00
Lack of SEP Funding	9.38	7.41	5.26
More Appropriate Funding Source Elsewhere	9.38	3.70	0.00
Non-response to Information Requests	3.13	7.41	5.26
No legal Structure / Lack of Clarity on Ownership	3.13	3.70	15.79
Lack of Community Based Structures & Representation	3.13	0.00	0.00
Low Capacity of Proposer Group	0.00	7.41	10.53
Pressure from Partnership Companies	0.00	3.70	5.26
Lack of Training for FÁS Personnel re Application Process	0.00	3.70	0.00
Overlap with CE	0.00	0.00	5.26

Table 4.11
FÁS Personnel: Reasons for Refusing Social Economy Business Plans for Grant Aid

	<i>1st</i> <i>Reason</i>	<i>2nd</i> <i>Reason</i>	<i>3rd</i> <i>Reason</i>
Considered Unsustainable	32.26	26.09	35.71
Poor Quality of Business Plan	22.58	26.09	0.00
Lack of SEP Funding	16.13	8.70	14.29
Not Eligible for SEP	12.90	4.35	0.00
Lack of Understanding of the Terms and Conditions of SEP	6.45	8.70	7.14
Low Capacity of Proposer Group	3.23	13.04	14.29
Lack of Community Based Structures & Representation	3.23	0.00	7.14
No Legal Structure	3.23	0.00	0.00
Proposed Business to Enter an Already Crowded Business Market	0.00	4.35	14.29
More Appropriate Funding Source Elsewhere	0.00	4.35	0.00
Demand Deficient Seen as a Drain on FÁS Funding	0.00	4.35	0.00
Non response to Information Requests	0.00	0.00	7.14

A similar process is used in assessing business plans for grant aid: LSEWGs would recommend a business plan for funding approval with FÁS personnel making the final decision on approving potential projects. As can be seen from Table 4.11, the reasons differ from those provided for refusing grant-aid in respect of the SEBPG. Lack of sustainability and the poor quality of business plans accounted for at least half of the reasons for refusing grant aid in respect of business plans.

Apart from these issues, the lack of funds within the SEP and ineligibility for funding account for the majority of remaining applicants being refused grant-aid in respect of their business plans. The fact that a lack of funds is cited as the main reason for not approving business plans by one in six FÁS personnel indicates that a number of projects had developed sustainable plans that fell within the terms and conditions of the SEP. The inability of these groups to move forward due to a lack of funds in the SEP budget was no doubt damaging for local groups involved in the application process but also a point of frustration for all involved in supporting grant applications.

4.3.2 FÁS Personnel: Assessments of the Success of the SEP

FÁS personnel are divided in their assessment of the success of the SEP in achieving a number of its core objectives (see Figure 4.4). A majority consider that the SEP is successful in “regenerating urban and rural communities” and in “promoting equal opportunities between men and women”. However, less than one in three (i.e., 29%) consider that the SEP is at least “successful” in “promoting the emergence and consolidation of the social economy” and also in “maintaining the potential of the social economy to generate employment that is sustainable and of a high quality”. Clearly there is a large number of FÁS personnel who consider that the SEP is “neither successful nor unsuccessful” with respect to both of these objectives.

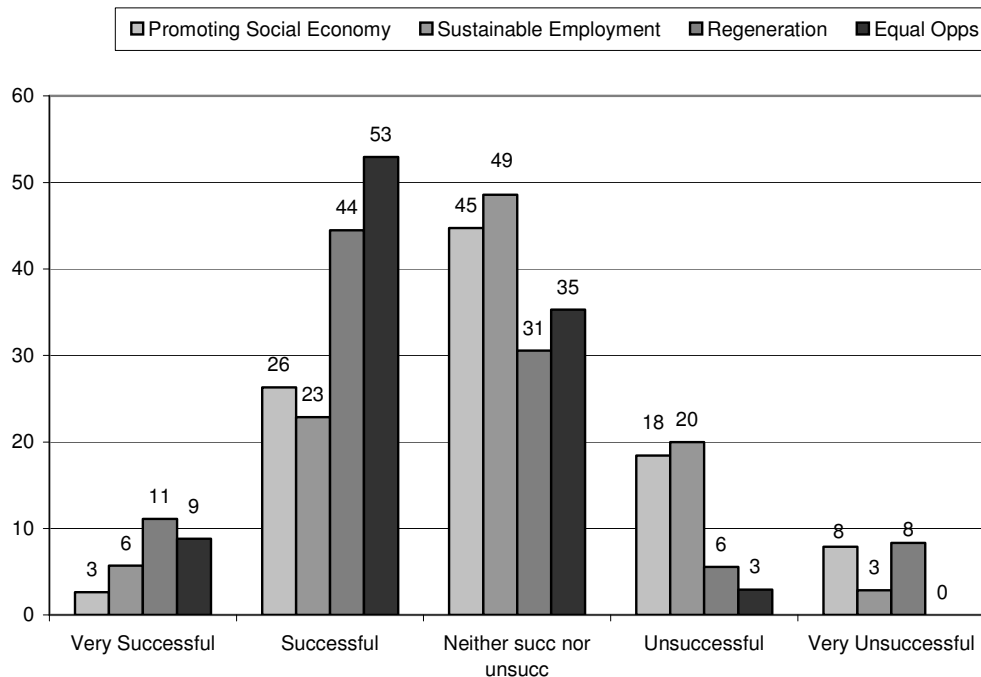


Figure 4.4 Assessments of FÁS Personnel Regarding the Success of the SEP in Relation to Programme Objectives

4.3.3 Perspectives of FÁS Personnel on the Design and Operation of the SEP

From Figure 4.5, it is clear that almost two thirds (i.e., 63%) of FÁS personnel responding to the survey do not consider that “the operation of the SEP supports the development of social economy enterprises”. Similarly, three quarters (i.e., 76%) of the personnel questioned consider that the employee eligibility criteria are inappropriate to achieving the objectives of the programme.

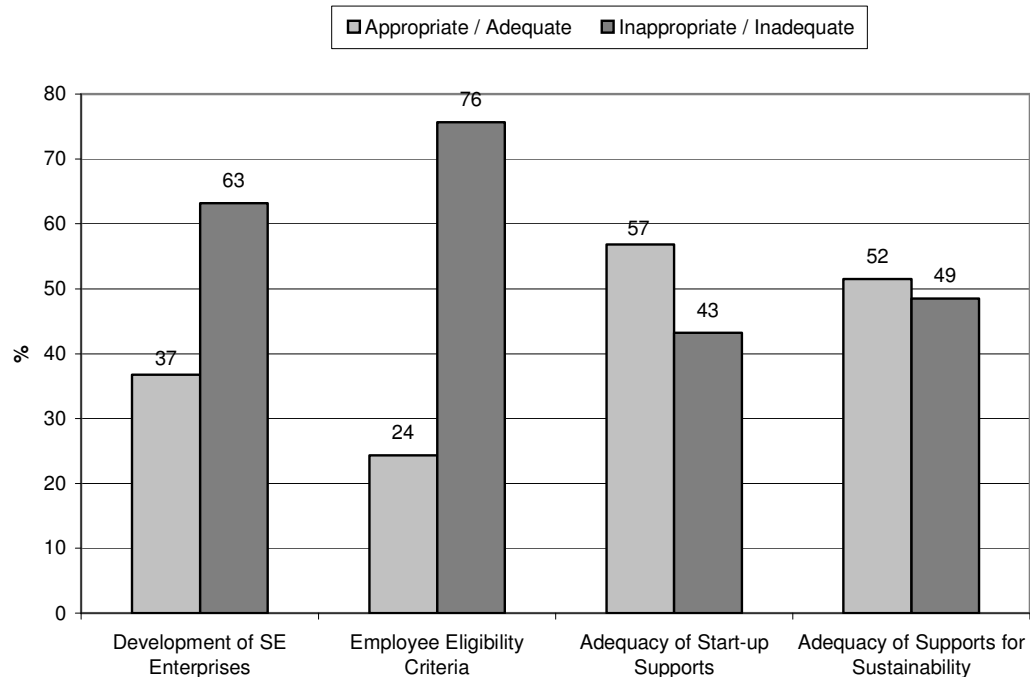


Figure 4.5 Assessments of FÁS Personnel Concerning the Appropriateness / Adequacy of SEP Criteria and Supports

As FÁS personnel are directly involved in both the initial start-up of enterprises and in providing ongoing support to them, it is of particular interest to find that only 57% of personnel consider that the SEP, as a whole, has adequate supports for the start-up of enterprises. This falls to just over half (i.e., 52%) of FÁS personnel in respect of the package of supports aimed at supporting the sustainability of SE enterprises.

4.3.3.1 Views of FÁS Personnel on the Adequacy of the SEP to Support the Development of Social Economy Enterprises

As stated above, just under than two-thirds (i.e., 63%) of FÁS personnel do not consider that the overall package of supports available under the SEP is appropriate to support the development of social economy enterprises. Three main reasons were provided for this:

- the employee eligibility criteria are considered far too rigid. It was felt that a committed complement of personnel is necessary in any new social economy enterprise and that the eligibility criteria should allow for staff to be drawn from all age groups, regardless of the length of time in receipt of a welfare payment;
- there should have been more start-up training provided for both managers and employees in enterprises supported under the SEP. A strong focus should be placed

- on management courses for those starting social economy enterprises. Also, the time that is wasted in the initial year providing essential training damages the potential success of any enterprise involved in the social economy; and,
- the administrative element of the program is overly cumbersome. Many respondents mentioned the difficulties resulting from the lack of experience on the part of enterprise managers in the provision of quarterly statements.

Table 4.12
Recommendations of FÁS Personnel in Relation to the Supporting
the Development of Social Economy Enterprises

	<i>1st</i> <i>Priority</i>	<i>2nd</i> <i>Priority</i>	<i>3rd</i> <i>Priority</i>
Change / Relax Employee Eligibility Criteria	23.8	4.8	7.7
Provide More Start-up Training	14.4	9.5	15.4
Reduce the Levels of Administration / Bureaucracy In SEP	14.3	4.8	7.7
Simplify the Draw down of Funds	9.5	19.0	7.7
Make Social Economy more like Community Employment	9.5	4.8	0.0
Increase Wage Grants	9.5	0.0	0.0
Improve Methods to test Viability of Enterprises	4.8	4.8	0.0
Commit to Maintaining the SEP	4.8	0.0	0.0
Provide More Support to FÁS Staff	4.7	14.3	7.7
Provide Training for Directors of Enterprises	4.7	9.5	23.1
Provide More Support Staff to Enterprises	0.0	14.3	7.7
Integrate FÁS SEP with Third Sector / Local Authorities	0.0	9.5	7.7
Encourage More Commitment from Management Committees	0.0	4.8	0.0
Alter Funding Approval to an Annual Basis	0.0	0.0	7.7
Fund More Experienced Groups	0.0	0.0	7.7

The main recommendations made by FÁS personnel to address the limitations they identified are provided in Table 4.12. The priority for FÁS personnel is the expansion of current eligibility criteria. This would improve enterprises' chances of obtaining staff with particular skills and experience that would support the growth of new enterprises. The provision of training prior to establishing an enterprise is also seen as a major opportunity in focusing the skills of managers and employees on the task of establishing and effectively running a sustainable business. The reduction of administration and bureaucracy within the programme would also free up more time for personnel in management positions to focus on the needs of the growing enterprise.

Smaller numbers of FÁS personnel considered that funds should be more freely available, that the SEP should have been run more like CE, and that wage grants need to be increased to attract more qualified employees.

4.3.3.2 Views of FÁS Personnel on the SEP's Eligibility Criteria Concerning Grant Aided Employees

As is shown in Figure 4.5, just over three quarters (i.e., 76%) of FÁS personnel consider that current eligibility criteria are inappropriate to sustaining viable enterprises under the SEP. Central to the reasons for this assessment is the view that the use of such restrictive criteria is having an adverse impact on the capacity of enterprise to recruit employees with the necessary skills and experience to contribute to the effective establishment and development of the enterprises. Thus, while current eligibility criteria are designed to reintroduce people who are long-term unemployed back into the labour market, there is the view among FÁS personnel that the acquisition of suitably qualified employees should take precedence in the operation of employee eligibility criteria.

Table 4.13
Recommendations of FÁS Personnel in Relation to Employee Eligibility Criteria

	<i>1st</i> <i>Priority</i>	<i>2nd</i> <i>Priority</i>	<i>3rd</i> <i>Priority</i>
Remove Age Criteria	28.6	21.1	0.0
Prioritise Skills Base	28.6	5.3	0.0
Reduce Duration of Unemployment	17.9	31.6	0.0
Increase 10% Category	10.7	26.3	0.0
Allow Recruitment for Live Register	3.6	5.3	0.0
Broaden Scope of Criteria to Reflect the Diversity of Enterprises	3.6	0.0	0.0
Clarify Whether Focus of the SEP is on Labour Market Intervention or Social Economy Support	3.6	0.0	0.0
Encourage Progression from CE to SEP	3.6	0.0	0.0
Adopt More Structured Approach to Training	0.0	10.5	25.0
Make Allowance for Secondary Benefits in Eligibility Criteria	0.0	0.0	25.0
More Flexibility Needed in Rural Areas	0.0	0.0	25.0
Increase Wage Grant	0.0	0.0	25.0

The recommendations made by FÁS personnel regarding the issue of employee eligibility criteria are presented in Table 4.13. As can be seen these mainly address the issue of increasing the possibility for enterprises to acquire suitably skilled employees. Through reducing the age and the duration of unemployment criteria and increasing the 10% category in relation to non-eligible employees, FÁS personnel consider that the scope for recruiting suitable employees can be increased. Few, however, recommend allowing open recruitment from the Live Register.

4.3.3.3 Views of FÁS Personnel on the Adequacy of Start-Up Supports

As noted above, 57% of FÁS personnel consider that the package of supports available to support the start-up of enterprises is inadequate. The main reasons underlying this assessment focus on the low level of support and training actually provided to Proposer Groups and enterprises prior to actual approval for start-up. Other reasons cited with a degree of

frequency concerned the lack of dedicated support workers with the relevant experience in enterprise development, the lack of a requirement for “up-front” funding from Proposer Groups to match funds from the SEP, and the shortage of capital available to many enterprises.

Table 4.14
Recommendations of FÁS Personnel in Relation to Improving
Supports for the Start-Up of Enterprises

	<i>1st</i> <i>Priority</i>	<i>2nd</i> <i>Priority</i>	<i>3rd</i> <i>Priority</i>
Provide More Support Prior to Actual Start-up	17.6	0.0	0.0
Provide Relevant Training Prior to Start-up	17.6	0.0	0.0
Increase Wage Grant	11.8	0.0	0.0
Appoint Dedicated / Experienced Enterprise Development Workers	11.8	0.0	0.0
Require that Proposer Groups Provide Matching Funding	11.8	0.0	0.0
Increase Managers Grant	5.9	0.0	0.0
Provide Financial Resource to Cover Start-up Costs	5.9	0.0	0.0
Provide Support / Training for Use of Social Auditing	5.9	0.0	0.0
Provide Resources for a Support Agency	5.9	0.0	0.0
Develop Links with Other Funding Sources	5.9	0.0	0.0
Increase Capital Grant	0.0	100.0	0.0
Focus More on Operational Development of Enterprises	0.0	0.0	100.0

As can be seen from the recommendations made in relation to supporting the start-up of enterprises (see Table 4.14) approximately one third of FÁS personnel point to the need for increased supports and training prior to actual start-up. This is seen as necessary to ensure that the first year of funded activity is not hampered by the absence of skills necessary to actually get to terms with running and developing the enterprise. Over and above this, smaller numbers pointed to the need to increase the wage grant to enable recruitment of suitable personnel, to require an input of matching funding from Proposer Groups (particularly to cover miscellaneous cost arising during the first year of operations), and to provide dedicated enterprise support workers with the experience to make a contribution to the actual development of the enterprise.

4.3.3.4 Views of FÁS Personnel on the Adequacy of Support to Aid Sustainability

FÁS personnel responding to the survey were almost equally divided in their assessments of the adequacy of the package of supports available under the SEP to support the sustainability of enterprises. Among the 52% that considered the programme was inadequate in this area the main reason cited was the restricted time period for which funding was provided. With regard to this, personnel were pessimistic about the chances of survival of many enterprises in the absence of some form of on-going financial support. This point is reflected in the finding that the majority of personnel prioritised increasing the duration of funding in their

recommendations as to how to increase supports relevant to ensuring the sustainability of enterprises (see Table 4.15).

Table 4.15
Recommendations of FÁS Personnel in Relation to Improving Supports
to Enhance the Sustainability of Enterprises

	<i>1st</i> <i>Priority</i>	<i>2nd</i> <i>Priority</i>	<i>3rd</i> <i>Priority</i>
Provide Funding for Longer Period	57.9	0.0	0.0
Increase Involvement of Statutory Sector	10.5	0.0	0.0
Build More Supports in Programme Delivery	5.3	33.3	0.0
Develop Links with Other Sources of Funding	5.3	33.3	0.0
Increase Manager Grant	5.3	0.0	0.0
Prioritise Support for Social Economy, Less on ALMP	5.5	0.0	0.0
Provide Training for Directors of Enterprises	5.3	0.0	0.0
Provide Training Prior to Start-Up	5.3	0.0	0.0
Focus More on Operation Development of Enterprise	0.0	66.6	0.0

Apart from recommending the provision of funding for a longer time period, the other recommendations made with a view to enhancing sustainability concerned increasing the involvement of the statutory sector in the resourcing of enterprises operating in the social economy, facilitating enterprises to make links with other sources of funding, and providing more enterprise development related supports to enterprises.

4.3.4 Views of FÁS Personnel on the Main Benefits and Limitations of the SEP

Among the main benefits of the SEP as identified by FÁS personnel is the provision of essential services to local communities through the work of enterprises funded under the programme (see Table 4.16). This along with the provision of funding to businesses trying to establish themselves in the social economy sector accounts for almost half of the primary benefits identified by FÁS personnel. The two other major benefits identified include job creation and increasing the skills of the long-term unemployed recruited via the SEP.

Table 4.16
Views of FÁS Personnel on the Main Benefits of the SEP

	<i>Primary Benefit</i>	<i>Secondary Benefit</i>	<i>Tertiary Benefit</i>
Provision of Essential Services	24.3	25.0	38.9
Funding Package for the Social Economy Sector	24.3	12.5	0.0
Job Creation	16.2	18.8	5.6
Increased Skills Among Long Term Unemployed	8.1	6.3	27.8
Promotes New Community Businesses	8.1	3.1	0.0
Increases Local Social Capital	5.4	9.4	5.6
Bridging Gap Left by CE	5.4	6.3	0.0
Aiding the Regeneration of Rural Areas	5.4	6.3	0.0
Enables a Focus on Local Needs	2.7	0.0	0.0
Introduces Business Ethic to Sector	0.0	6.3	5.6
Positive Impact on Local Moral	0.0	3.1	5.6
Assists Local Groups to Become Involved in Policy Formation	0.0	3.1	0.0
Raised the Debate on Social Economy	0.0	0.0	11.1

Table 4.17
Views of FÁS Personnel on the Main Limitations of the SEP

	<i>Primary Limitation</i>	<i>Secondary Limitation</i>	<i>Tertiary Limitation</i>
Criteria too rigid and narrow	20.0	30.0	4.8
Confusion with ALMP	17.1	13.3	4.8
Uncertain future of SEP	17.1	10.0	14.3
Inadequate Support for Start-Up of Enterprises	8.6	0.0	0.0
Company Directors with Limited Experience	5.7	6.7	14.3
Cutback in SEP Funding	5.7	3.3	0.0
Continued Support to Deficient Demand Businesses	5.7	0.0	14.3
No Business Mentoring Programme	2.9	6.7	19.1
Bureaucratic Administration of SEP	2.9	6.7	4.8
Low Wages	2.9	6.7	4.8
Competing with private sector businesses	2.9	6.7	0.0
Lack of Alternative Funding Source	2.9	3.3	9.5
Lack of training support for FÁS officers	2.9	0.0	4.8
Recognise the Dependency of Groups on Funding	2.9	0.0	0.0
No Formal Involvement of Statutory Sector	0.0	3.3	4.8
Lack of Integration between SEP and Third Sector Activities	0.0	3.3	0.0

A wide variety of limitations in the SEP were identified by FÁS personnel, though just three limitations account for over half of all the primary limitations identified (see Table 4.17). Almost all FÁS personnel - counting primary, secondary and tertiary limitations together -

consider that among the main limitation of the SEP is the rigid nature of the eligibility criteria. This has already been noted above where the actions seen as required to address it are also presented. Approximately one fifth consider that there is confusion between the SEP acting as an aid to the social economy sector and it being an active labour market programme for the long-term unemployed. In the current context, it is also of note that approximately one third of FÁS personnel considered that the uncertainty over the future of the SEP as a whole is currently limiting the development of the programme.

4.4 Proposer Groups / Operational Enterprises

Proposer Groups sponsoring enterprises under the SEP span a wide range of local, community, voluntary and development groups. A number of relevant features of these organisations are presented in this section. As the main activities and services of Proposer Groups are broadly similar to the enterprises they established under the SEP this section profiles the activities and services of the operational enterprises and provides a summary of their main characteristics. The experiences and views of Proposer Groups / operational enterprises regarding the SEP are examined under the headings previously used in relation the LSEWGs and FÁS personnel.

4.4.1 Length of Time Established and Income Sources of Proposer Groups

Proposer Groups for the most part are organisations established prior to the introduction of the SEP. Their average length of time in operation is just under 10 years with just over half (i.e., 52.2%) having been in operation for at least eight years. However, in the case of one in four (i.e., 28.4%) Proposer Groups their establishment coincides with the introduction of the SEP in that they have been in operation for at most three years. For these latter organisations the introduction of the SEP is likely to have been a factor in either the establishment of the organisation or the formalisation of the organisation in terms of adopting a legal structure. The case study of CAMCAS in the following chapter describes an instance in which the introduction of the SEP led to the establishment of the Proposer Group in order to apply for support under the SEP and shows how the operations of the Proposer Group and the social economy enterprise established with support from the SEP are broadly one and the same. If the proportion of organisations in operation for at most three years is taken as an indicator of the stimulus provided by the SEP for new entrants to the social economy sector then there is evidence that the programme has acted in this manner in the case of approximately one in four of the enterprises established.

Table 4.18
Proposer Group Involvement with CE and JI by Length of Time Established

	<i>1-5 Years</i>	<i>At Least 6 Years</i>	<i>All</i>
Currently Being Supported by CE	16.0	28.6	23.9
Supported by CE in Past	28.0	57.1	46.3
Never Supported by CE	56.0	14.3	29.8
Currently Being Supported by JI	12.0	11.9	11.9
Supported by JI in Past	8.0	35.7	25.4
Never Supported by JI	80.0	52.4	62.7
Supported by CE /JI Now or in Past	48.0	92.9	76.1
Never Supported by CE / JI	52.0	7.1	23.9

As indicated above the majority of Proposer Groups were in operation at the time the SEP was introduced. For these organisations the introduction of the SEP would appear to have provided an opportunity for them to seek support for their activities and services from a new

source of funding. Analysis of the qualitative data relating to reasons for applying for funding from the SEP indicates that for approximately half (51%) of the Proposer Groups there was a link between applying for funding from the SEP and moving away from CE or JI as a source of funding. This was predominantly the case among the longer established Proposer Groups (see Table 4.18). Overall, approximately three quarters (i.e., 76.1%) of Proposer Groups reported having received support from either CE or JI at some point in the past five years with this figure rising to 92.9% in the case of Proposer Groups established for over five years.

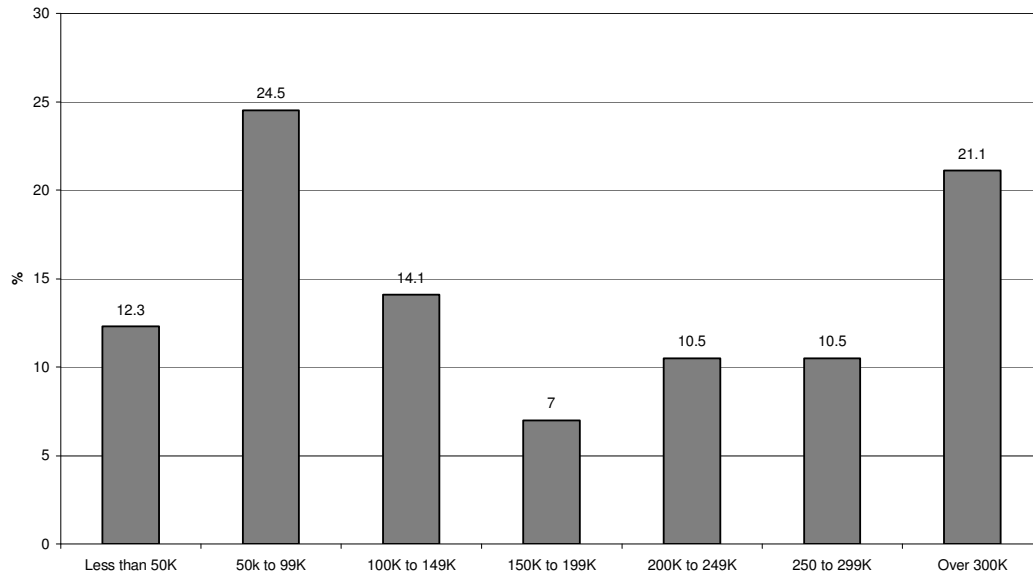


Figure 4.6 Distribution of Income Levels (2002) Among Proposer Groups

Total income from all sources in 2002 among Proposer Groups ranged from €10,000 to €3.34 million with the average income being €263,439 (see Figure 4.6 for the distribution of income levels among Proposer Groups). Just over half (i.e., 51%) of Proposer Groups reported incomes in 2002 of at least €148,000. However, just 7% reported incomes levels in excess of €500,000. When the 2002 incomes of Proposer Groups established during the time the SEP has been in operation are separated out, the average income figure resulting is €114,930. This compares to an average income figure of €289,000 among Proposer Groups established prior to the introduction of the SEP. This suggests that recently established Proposer Groups are primarily reliant on funds from the SEP itself and that for the most part their activities are mainly supported by the SEP.

Analysis of the main sources of income among Proposer Groups showed that for over half (i.e., 56.3%) their primary source of income was either the SEP or another FÁS programme (see Table 4.19). When all three main sources of income are considered it is clear that the majority of Proposer Groups draw their income from public sources. In line with this only a minority of Proposer Groups list revenue from their operations as being among their three main sources of income in 2002 with just over one in five (i.e., 21.9%) listing revenue from their operations as being their primary source of income in 2002.

Table 4.19
Main Source of Income in 2002 Among Proposer Groups

	<i>Primary Source of Income (2002)</i>	<i>Secondary Source of Income (2002)</i>	<i>Tertiary Source of Income (2002)</i>
SEP	32.8	11.7	5.7
FÁS	23.5	11.6	5.8
Revenue from Operations	21.9	36.7	28.6
Health Board	3.1	6.7	2.9
Department of Justice, Equality and Law Reform	3.1	3.3	5.7
Local Authority	1.6	5.0	5.7
ADM	1.6	0.0	0.0
Department of Arts and Tourism	1.6	0.0	0.0
Department of Social and Family Affairs	0.0	3.3	2.9
Department of Community, Rural and Gaeltacht	0.0	0.0	2.9
Údarás na Gaeltachta	1.6	0.0	0.0
Local Vocational Education Committee	0.0	0.0	2.9
Local Partnership Company	0.0	1.7	0.0
Combat Poverty Agency	0.0	0.0	2.9
Donations	1.6	1.7	11.4
Fundraising	0.0	6.7	14.3
Other	7.6	11.6	11.2
Total	100.0	100.0	100.0

4.4.2 Levels of Satisfaction with the Application Process for the SEP Among Proposer Groups

Overall, almost three quarters (i.e., 71.2%) of Proposer Groups were “satisfied” or “very satisfied” with the application process for the SEP with 15.2% stating that they were “neither satisfied nor dissatisfied”. Just 13.6% of Proposer Groups stated that they were either “dissatisfied” or “very dissatisfied” with the application process with the main reason for this being the time it took to move from initial application for the SEBPG to approval for full grant support under the SEP.

4.4.3 A Profile of the Enterprises Established Under the SEP

In line with the requirements of the SEP the vast majority (i.e., 86.6%) of enterprises adopt the legal status of a company limited by guarantee. Just 3% take the form of co-operatives with the remainder being mainly companies limited by share. The length of time they have been in operation ranges from just three months to 26 months, with the average duration in operation being exactly one year. The majority (i.e., 62.7%) of enterprises describe themselves as CBs with a further one third (i.e., 32.8%) describing themselves as DDSEEs. It is notable that the self-classification of enterprises differs from the formal classification enterprises. As shown in Chapter 2, the administrative classification of enterprises funded under the SEP classifies over four in five (i.e., 82%) enterprises as CBs, with just 15% being classified as DDSEEs and only 2% as SEEBPSCs.

Table 4.20
Description of the Activities and Services of Enterprises Funded by the SEP

	%
Elder Care	6.0
Pre-School and Family Services	4.5
Social and Family Services	3.0
Pre and After School Services	1.5
Services for Children with Special Needs	1.5
Services for Lone Parents	1.5
Counselling Services	3.0
Heritage and Genealogy	9.0
Railway Museum	1.5
Tourism and Tourism Marketing	6.0
Operation of Interpretative Centre	1.5
Theatre and Arts Promotion	6.0
Services to Organic Farmers and Organic Farming / Food Production	4.5
Rural Transport	1.5
Transport Services for People with Disabilities	1.5
Provision of Workspace and Enterprise Supports	3.0
Managed Workspace	1.5
Facility Management	3.0
Operation of Multi-Purpose Centre	4.5
Community Resource Centres	6.0
Services to Community Groups	3.0
Community Radio	1.5
Building Repair and Refurbishment	6.0
Energy Conservation	1.5
Waste Collection / Management Services	1.5
Security and Home Supports	1.5
Sports and Local Development	1.5
Market and Coffee Shop	1.5
Garden Centre and Horticultural Training	1.5
Operation and Maintenance of Walled Garden	1.5
Recycling (ink-jet cartridges)	1.5
Abbey and Religious Services (incl. Pilgrimages)	1.5
Sale and Marketing of Fair Trade Products	1.5
Local Landscaping	1.5
Golf Course	1.5
ICT Training	1.5
Total	100.0

4.4.3.1 Activities and Services of Enterprises Funded by the SEP

A full listing of the activities and services provided by the enterprises responding to the survey is provided in Table 4.20. This listing is illustrative of the broad range of activities and services being provided by enterprises funded under the SEP. When taken in conjunction with data from administrative sources on the activities and services of enterprises funded under the SEP it is clear that there are a number of fields in which enterprises are predominantly operating. These fields include:

- personal care and support services (child and elder care, family support and counselling services);
- transport services (in rural areas and for people with disabilities);
- the provision and management of local community, enterprise and recreational (including sports) facilities;
- organic food production;
- tourism promotion and tourism related services and activities (including the operation of tourist attractions);
- environmental services (including energy conservation, recycling, waste management and landscaping);
- the operation of heritage and genealogy services;
- the art and craft sector; and,
- community media (including radio and video production).

What is also clear in this regard is that there is considerable overlap between the fields in which enterprises funded under the SEP are operating and the 17 fields of employment growth identified by the European Commission in its *White Paper on Growth, Competitiveness and Employment*. As discussed in Chapter 2 among the characteristics of these 17 fields is that collectively they are a response to unmet and new needs arising from demographic and social change (e.g., gender equality → childcare, ageing populations → elder care), increased environmental concerns (e.g., the fields of recycling and waste management), and the importance of tourism as a component of the growth in the service sector combined with the growing demand for leisure services. As was also noted in Chapter 2 enterprises operating in these fields tend to be more employment intensive than others. What must also be recognised is that many of the enterprises funded under the SEP (particularly those providing care services) are providing their services to particular groups of people who share a common situation in being unable to pay for the services at market rates.

Table 4.21
NACE Sectoral Classification of Enterprises Funded by the SEP

	<i>NACE 3-Digit %</i>
011 Growing of crops, market gardening, horticulture	6.0
372 Recycling of non-metal waste and scrap	1.5
453 Building installation	7.5
524 Other retail sale of new goods in specialised store	1.5
553 Restaurants	1.5
602 Other land transport	3.0
633 Tourist assistance activities (not elsewhere classified)	10.5
748 Miscellaneous business services	7.5
752 Provision of services to the community as a whole	10.5
804 Adult and other education	4.5
851 Human health activities	6.0
853 Social work activities	10.5
900 Sewage and refuse disposal & similar activities	1.5
922 Radio and television activities	1.5
925 Library, archives, museums & other cultural activities	16.4
926 Sporting activities	3.0
930 Other service activities	7.5

Classification of the enterprises supported under the SEP into the economic sectors in which they operate on the basis of the NACE categories used in official statistical sources shows that they are primarily service enterprises (see Table 4.21). The main sectors in which they operate are tourism related activities, provision of services to the community as a whole, social work activities, and archives, museums and other cultural activities.

4.4.3.2 Employment in Enterprises Funded by the SEP

Total employment in the 67 enterprises responding to the survey is 478 with the resulting average employment figure being seven employees (excluding the enterprise manager). Analysis of employment in the enterprises shows that the ratio of women to men is approximately six to four and that women are more likely than men to be in part-time employment (see Table 4.22). Overall, 37.4% of jobs in the enterprises responding to the survey are part-time. The proportion of women in part-time employment at 47.8% is over double that of men at 20.4%. In terms of age just 12.3% of employees are under 35 years of age, over half (i.e., 57.7%) are in the 35 to 49 year age bracket and 31% are at least 50 years of age.

Table 4.22
Gender, Age and Employment Status Breakdown of Employees
in Enterprises Funded by the SEP

	<i>Full-Time</i>	<i>Part-Time</i>	<i>Total</i>
Men	30.2	7.7	37.9
<i>Under 35 years</i>	1.5	0.8	2.3
<i>35 to 49 Years</i>	15.3	3.1	18.4
<i>50 Plus Years</i>	13.4	3.8	17.2
Women	32.4	29.7	62.1
<i>Under 35 Years</i>	3.5	6.5	10.0
<i>35-49 Years</i>	20.5	17.8	38.3
<i>50 Plus Years</i>	8.4	5.4	13.8
Total	62.6	37.4	100.0

Among the categories of people eligible for grant aid as employees under the SEP are lone parents, people with disabilities and Travellers. In the enterprises responding to the survey almost one quarter (i.e., 23.2%) of employees were identified as lone parents and one in ten (i.e., 10.8%) were identified as people with disabilities. In addition, two employees (corresponding to 0.4% of employees) were identified as ex-offenders.

4.4.3.3 Income and Expenditure in Enterprises Funded by the SEP

Data concerning income and expenditure were available for 52 of the 67 enterprises responding to the survey. The main reason for these data not being available in the case of 15 enterprises was related to the absence of audited accounts in the case of enterprises in operation for less than one year and their reluctance / inability to provide annual estimates of income and expenditure.

Based on income and expenditure data concerning the first year of enterprises' operations average turnover in the enterprises is just over €211,000 with average expenditure being just over €191,000 (see Table 4.23). The resulting average profit is €20,000 representing a margin on turnover of 9.5%. Average grant aid from the SEP is €120,000 amounting to

56.7% of turnover. On aggregate, turnover in enterprises amounted to just over €11 million. If the latter figure is taken as a basis for estimating annual turnover in all enterprises in the SEP (taken as 330 enterprises) the resulting figure is just under €70 million per annum. As this is based on the first year of operation of the enterprises it is likely to be an underestimate.

Table 4.23
Summary Income and Expenditure Figures in €000s for First Year of Operation

	<i>Average €</i>	<i>Median €</i>	<i>Total €</i>
Turnover (All Income)	211.60	191.00	11,003.00
Expenditure	191.56	158.00	9,961.00
SEP Grant Aid	120.00	105.50	6,243.00
Income Other than from SEP	91.60	52.00	4,615.00
Profit	20.04	17.50	1,042.00

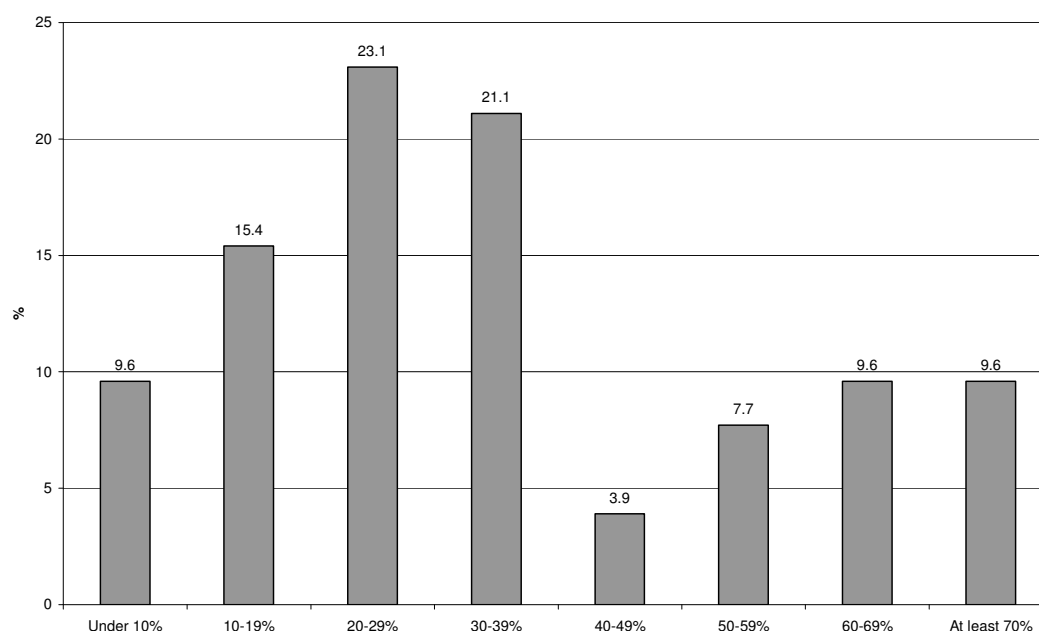


Figure 4.7 Distribution of Percentage of Turnover From Sources Other than the SEP

When the individual performance of the enterprises is examined approximately one in seven (i.e., 13.5%) indicate that they either have made or will make a loss in their first year of operation. The size of this loss ranges from €2,000 to €27,000. Just 5.8% indicate that they will break even during their first year of operation with the remaining 80.8% indicating that they will make a profit of between €2,000 and €75,000.

One indicator of the potential of enterprises to survive in the absence of support from the SEP is the proportion of their turnover obtained from sources other than the SEP. Figure 4.7 presents the distribution of this and shows that in the case of almost half (48.1%) of the enterprises the proportion of their turnover obtained from sources other than the SEP is less than 30%. On the basis of their first year in operation just one in five (i.e., 19.2%) enterprises indicate that at least 60% of their turnover is from sources other than the SEP.

Analysis of the main sources of income other than the SEP reported by enterprises shows that 46.3% of enterprises indicated income from sales as their main source of income. In the case of enterprises not reporting income from sales as their main source of income (apart from the SEP) the main sources identified were public sources (including local authorities, local health boards, and government departments), fundraising, and income from the national and local lotteries. Overall, almost two in five (i.e., 38.4%) enterprises reported income from public sources as their main source of income apart from the SEP with one in ten (i.e., 9.6%) reporting fundraising and 5.7% reporting either the national or local lotteries.

Among enterprises classifying themselves as CBs the proportion reporting that income from sales is their main source of income apart from the SEP is 70%. This figure is substantially higher than the corresponding proportion found among enterprises classifying themselves as DDSEE or SEEBPSCs (i.e., 45.5%). This finding suggests that the revenue base of enterprises influences how they define themselves in terms of the three categories of social economy enterprises identified within the SEP with enterprises whose main source of income is from sales being more likely to see themselves as CBs.

4.4.3.4 Perceptions of Sustainability

From the survey data available it is possible to examine a number of factors concerning the sustainability of the enterprises. First, it should be noted that three in five (i.e., 61.2%) of the enterprises reported experiencing events or circumstances that adversely impacted on their operations since commencing operations. In over four in every five (i.e., 80.5%) cases this setback concerned difficulties related to the recruitment of employees ranging from the time it took to actually recruit employees to difficulties in obtaining employees with relevant skills and experience. The remaining setbacks reported included loss of the enterprise manager, difficulties in securing and / or changing premises, underestimating revenue from the operations of the enterprise, and a cap on recruitment of additional employees due to budgetary constraints in the SEP.

The responses to a number of direct questions concerning the relationship between projections in business plans and actual enterprise performance show that:

- one third of enterprises (i.e., 32.8%) report obtaining an amount of grant aid from the SEP below that anticipated in their business plan;
- almost half (i.e., 46.3%) report that income levels from sources other than the SEP are below those anticipated in their business plan; and,
- one quarter (i.e., 23.9%) report expenditure levels in excess of those anticipated in their business plan.

Despite this almost all enterprises indicated that they were likely to survive until the end of their three years support from the SEP (see Figure 4.8). However, and most likely reflecting the relatively high percentage of enterprises with a high dependence on grant aid from the SEP, almost two in five (38.8%) enterprises stated that were either “unlikely” or “very unlikely” to remain in operation without grant aid from the SEP and a further one third (i.e., 34.3%) stating that they were “unsure” regarding this.

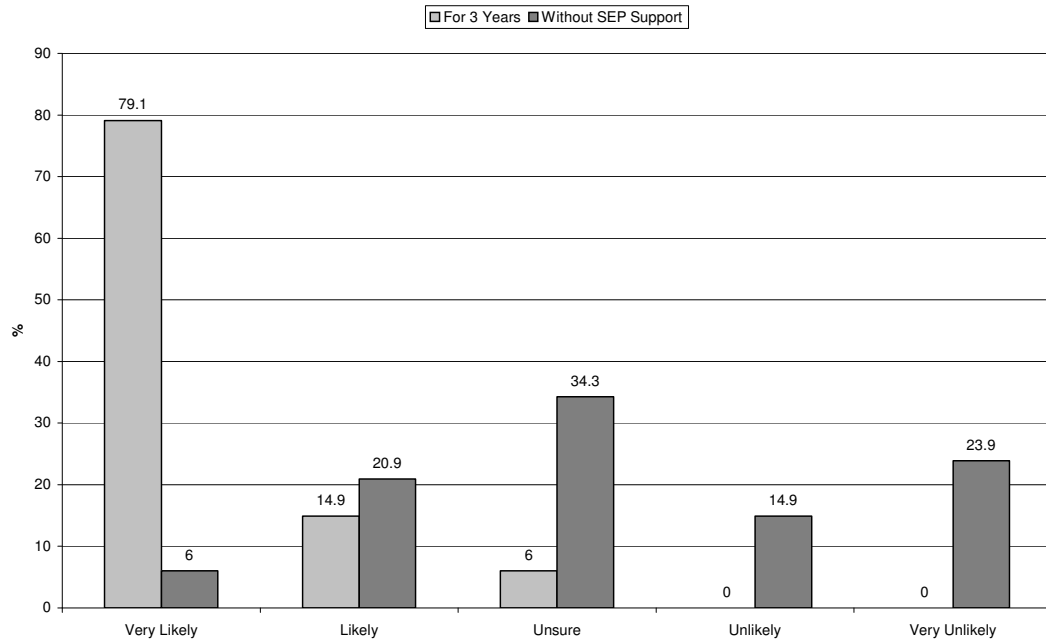


Figure 4.8 Assessments of Survival During the Three Year Period of Support from the SEP and Without Support from the SEP

Using enterprises’ self classifications of themselves in terms of the three types of social economy enterprises supported under the SEP there is evidence that enterprises classifying themselves as CBs assess their chances of being in operation without support from the SEP as better than those enterprises classifying themselves as either DDSEEs or SEEBPSCs. This is best illustrated by the finding that 28.6% of CBs report that they are “unlikely” or “very unlikely” to remain in operation without support from the SEP. The corresponding figure among the DDSEE and SEEBPSC is 56%.

As might be expected the proportion of turnover accounted for by income other than from the SEP is also related to assessments of survival following the three year period of support from the SEP (see Figure 4.9). Among enterprises reporting that at least 40% of their turnover is from sources other than the SEP the proportion reporting that they are likely to survive without support from the SEP is 43.8%. The corresponding proportion among enterprises reporting that less than 20% of their turnover is from income is just 7.1%.

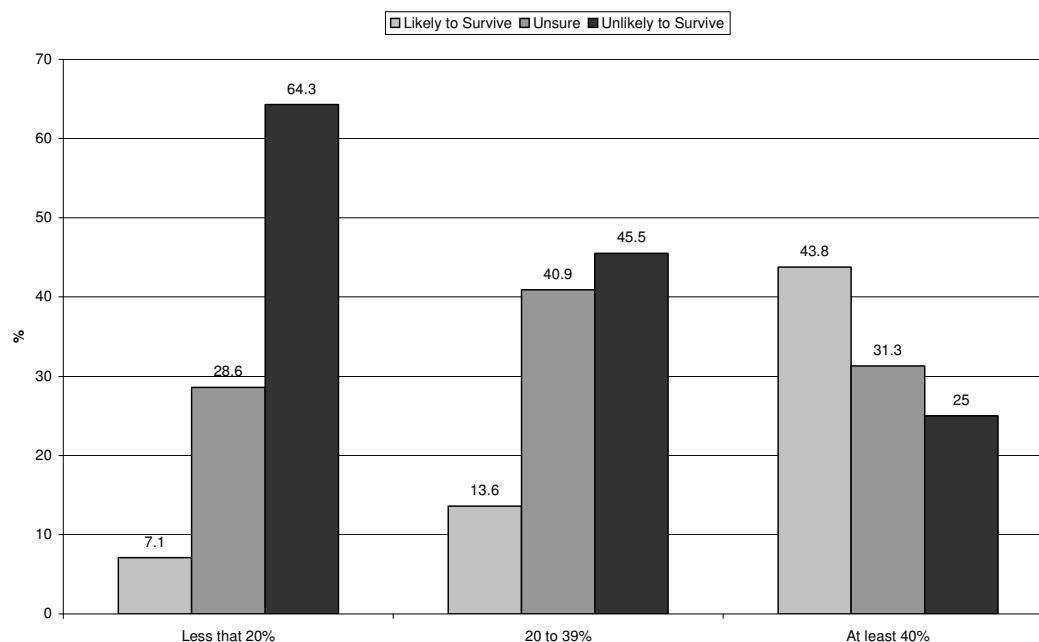


Figure 4.9 Assessments of Survival Following the SEP by Proportion of Turnover Obtained from Sources Other than the SEP

Overall, the findings concerning the sustainability of enterprises currently funded under the SEP indicate that, in terms of their own assessments of their situation, the majority (i.e., 73.1%) are either uncertain (34.3%) regarding their capacity to remain in operation following withdrawal of support from the SEP or indicate that it is at least “unlikely” (38.8%) that they will remain in operation. For almost one quarter (23.9%) of enterprises their assessment is that they are “very unlikely” to remain in operation without support from the SEP. The factors associated with assessments of lack of sustainability include self-classification as a DDSEE, a low proportion of turnover obtained from sources other than the SEP, and having sources of income other than revenue from sales as the main source of income apart from the SEP.

4.4.4 Proposer Groups’ / Operational Enterprises’ Perspectives on the Operation of the SEP

This section examines how Proposer Groups / operational enterprises view the operation of the SEP. As in the case of earlier sections dealing with the views of the LSEWGs and FÁS personnel four aspects of the operation of the SEP are examined: the appropriateness of the overall eligibility criteria, the appropriateness of the eligibility criteria for grant aided employees, the adequacy of the package of SEP supports in supporting the start-up of enterprises, and the adequacy of the package of SEP supports in enabling enterprises to become sustainable. Also, the views of Proposer Groups / enterprises concerning the main strengths and weaknesses of the SEP from their perspective are examined. The findings in relation to these four aspects of the SEP are presented in Figure 4.10.

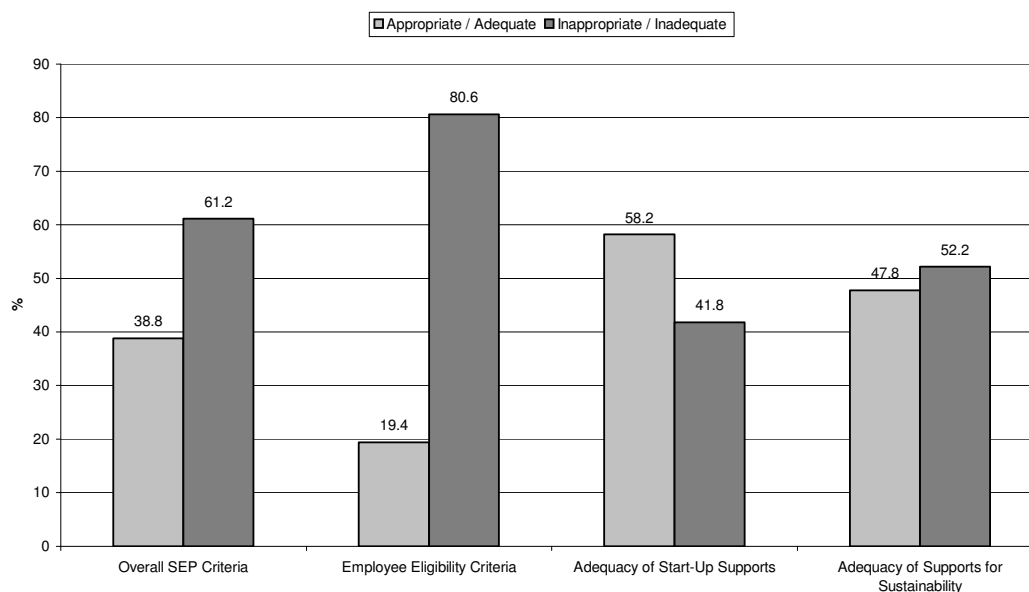


Figure 4.10 Assessments of Proposer Groups / Enterprises Concerning the Appropriateness / Adequacy of SEP Criteria and Supports

With the exception of assessments of the adequacy of the package of SEP supports in supporting the start-up of enterprises, the majority view in respect of the other three aspects of the SEP is negative with this being particularly the case in respect of assessments of the appropriateness of the criteria for grant aided employees. The reasons for these assessments and the recommendations of Proposer Groups / enterprises in relation to the issues of concern to them are examined in the following sections.

4.4.4.1 SEP Eligibility Criteria Overall

Overall, almost two thirds of (61.2%) Proposer Groups / enterprises consider that the eligibility criteria for the SEP are not appropriate to their needs and circumstances. In broad terms, the main factor underlying this assessment of the SEP is related to the eligibility criteria for obtaining grant aid for employees. These criteria are seen as being too restrictive and as giving rise to difficulties in recruiting employees *per se* and also to difficulties in recruiting employees with the skills and experience that are needed to operate the enterprise effectively. Allied to this are issues arising from what is perceived as the low level of wage grant actually available (giving rise to an inability to attract suitably skilled employees) and finding the time and resources to train employees in areas specific to the operations of the enterprise. Over and above this, the other main issues cited refer to the SEP as being “too commercially driven” and being “too short term”.

The recommendations made to address the perceived inappropriateness of programme criteria are listed in Table 4.24. As can be seen the main emphasis is placed on relaxing the perceived restrictiveness of the eligibility criteria for grant aided employees. In general the recommendations assigned to this category referred to both reducing the age criterion and the duration of unemployment criterion. Other recommendations related to employees include increasing the grant payable in respect of employees and allied to this providing the resources to enterprises to recruit skilled employees.

Table 4.24
Recommendations of Proposer Groups / Enterprises in Relation to Overall SEP Criteria

	<i>1st</i> <i>Priority</i>	<i>2nd</i> <i>Priority</i>	<i>3rd</i> <i>Priority</i>
Change / Relax Employee Eligibility Criteria	65.9	22.2	0.0
Increase Wage Grant	2.4	18.5	7.1
Enable Employment of Skilled Personnel	4.9	11.1	14.2
Permit Use of Flexible House of Employment	2.4	0.0	14.3
Adopt a Five Year Planning Period	4.9	0.0	0.0
Allow Retentions of Personnel After Three Years	4.9	0.0	7.1
Make the SEP More Responsive to Needs of DDSEEs	2.4	3.7	0.0
Lessen the Emphasis on Commercial Viability	2.4	7.4	14.3
Ensure that FÁS Provides More Support	2.4	11.1	7.1
Increase the Proportion of OH covered	2.4	3.7	0.0
Allow Inclusion of Companies Limited by Share	2.4	0.0	21.4
Make Payments to Employees Comparable with CE	2.4	7.4	0.0
Provide a Tapered Decrease in Grant Aid	0.0	7.4	0.0
Increase Training Grant	0.0	3.7	0.0
Require that FÁS provides a Recruitment Service	0.0	3.7	0.0
Permit Early Recruitment of Manager	0.0	0.0	7.1

In comparison to the high percentage of recommendations focussed on issues related to the recruitment of employees, the proportions making recommendations in relation to other aspects of the SEP are low. Based on the percentage of Proposer Groups / enterprises making them, the main additional recommendations concern lessening the emphasis on commercial definitions of viability in the operation of the SEP and ensuring that FÁS provides more support to enterprises established under the programme.

4.4.4.2 Employee Eligibility Criteria

Four in five (i.e., 80.6%) of the Proposer Groups / enterprises stated that they considered the eligibility criteria for grant aided employees are not appropriate to their needs and circumstances. The main reason for this assessment is the difficulty experienced - and the actual amount of time spent - by the majority of enterprises in recruiting personnel from such a restricted group of persons allied to the lack of relevant skills and experience among the categories of persons eligible for employee grant aid under the SEP.

The recommendations made by the Proposer Groups / enterprises to address their concerns in the area of employee eligibility criteria are presented in Table 4.25. For the most part these recommendations focus on relaxing the age and duration criteria, increasing the size of the proportion of employees that can be recruited without meeting the eligibility criteria, and providing the resources to employ skilled personnel.

Table 4.25
Recommendations of Proposer Groups / Enterprises in Relation
to Employee Eligibility Criteria

	<i>1st</i> <i>Priority</i>	<i>2nd</i> <i>Priority</i>	<i>3rd</i> <i>Priority</i>
Change / Relax Employee Eligibility Criteria	81.5	12.9	0.0
Enable Employment of Skilled Personnel	9.3	16.1	6.3
Increase 10% Category	1.9	9.7	18.8
Permit Employment of School-Leavers	1.9	3.2	0.0
Increase Training Grant	1.9	9.7	12.5
Permit Use of Flexible Hours of Employment	1.9	0.0	18.8
Require that FÁS Provide a Recruitment Service	1.9	9.7	12.5
Enable Enterprises to Reward Productivity	0.0	6.5	12.5
Provide Funding for Relief Employees	0.0	3.2	12.5

In contrast to the proportion of Proposer Groups / enterprises making recommendations in relation to employee eligibility criteria, the proportions recommending other changes in the operation of the SEP are low and are made as either second or third priorities. The main areas in which recommendations were made include increasing the training grant, permitting more flexibility in relation to the actual number of hours worked by employees, requesting that FÁS provide a recruitment service, and providing funding for the employment of relief employees in the context of absences due to ill health or employees undertaking formal off-the-job training. A small proportion of Proposer Groups also recommended that they be enabled to reward employees for increases in productivity arising from training and experience.

4.4.4.3 Adequacy of the Package of SEP Supports in Supporting the Start-Up of Enterprises

A slight majority (i.e., 58.2%) of Proposer Groups / enterprises stated that the package of supports provided by the SEP was adequate in the context of supporting the start-up of enterprises. Among the minority who considered the package inadequate the main reasons underlying their assessment are as follows:

- inadequacy of capital grant;
- inadequacy of manager grant (too low to attract suitably qualified candidates);
- inadequacy of wage grant (particularly given inflation and rising wages outside SEP funded enterprises);
- inadequacy of support provided by FÁS personnel (particularly in areas of business planning); and,
- overly complicated application procedures.

Running through the comments of Proposer Groups / enterprises who considered that the package of supports for enterprise start-up was inadequate was the view that the needs and circumstances of their enterprises were not understood and that the SEP was not responsive to their situation (particularly in relation to capital requirements and securing management expertise).

Table 4.26
Recommendations of Proposer Groups / Enterprises in Relation
to Improving Support for Enterprise Start-Up

	<i>1st</i> <i>Priority</i>	<i>2nd</i> <i>Priority</i>	<i>3rd</i> <i>Priority</i>
Increase Capital Grant	17.9	10.5	0.0
Increase Manager Grant	14.3	5.3	0.0
Adopt a Five Year Planning Period	14.3	0.0	0.0
Increase Wage Grant (plus index this to inflation)	14.3	10.6	16.7
Require FÁS to Provide More Support	10.7	15.8	33.3
Increase Grant for Overheads	7.1	5.3	16.7
Provide Training to Members of the Proposer Group	7.1	5.3	0.0
Provide Training for FÁS Personnel	3.6	5.3	0.0
Simplify Application Procedures	3.6	21.1	16.7
Allow Employment of Manager to Prepare Plan	3.6	10.5	0.0
Provide Guidelines on Employer Obligations	3.6	5.3	16.7
Provide Guarantee to Banks re Funding	0.0	5.3	0.0

The recommendations made to address the issues identified are presented in Table 4.26. The majority of these recommendations concern increasing the level of grant aid provided by the SEP under a number of headings. However, a number of other recommendations concern procedural issues such as providing training to members of Proposer Groups in business planning and management, permitting the enterprise manager to be employed to assist in the preparation of the business plan for the enterprise, providing Proposer Groups with guidelines concerning their obligations to employees, and simplifying application procedures.

4.4.4.4 Adequacy of the Package of SEP Supports in Supporting the Sustainability of Enterprises

Proposer Groups / enterprises were almost equally divided in their assessment of the adequacy of the package of supports from the SEP to support the sustainability of the enterprises established, though a slight majority (i.e., 52.2%) considered that the package was inadequate. The main reasons seen as contributing to the limitations of the SEP in supporting the sustainability of enterprises are:

- the absence of a longer term planning period linked to the uncertainty of support / grant aid following the initial three years;
- the failure of the SEP to recognise the need for long-term support / grant aid in the case of DDSEEs;
- the low level of grant aid for employees (particularly the absence of indexation to inflation); and,
- the lack of attention paid to the issue of ensuring adequate training for employees and the low level of grant aid for this (linked to this is the difficulty enterprises experience in releasing their employees for formal off-the-job training);

Proposer Groups / enterprises made a wide range of recommendations to address the perceived inadequacies of the SEP in relation to the sustainability of enterprises (see Table 4.27). The main focus of the majority of these recommendations concerns increasing the duration of the planning period / period of support from three to five years, providing a

commitment to on-going support in the case of DDSEEs, and increasing the amount of grant aid in respect of employees. In terms of recommendations that were listed as second or third priorities there is an emphasis on increased support from FÁS (particularly in relation to business development and operational as apart from financial issues), relaxing the restrictiveness of the eligibility criteria for grant aided employees, and increasing the training grant allied to ensuring a more structured approach to the training of employees.

Table 4.27
Recommendations of Proposer Groups / Enterprises in Relation to Increasing the Capacity of the SEP to Support Sustainability

	<i>1st</i> <i>Priority</i>	<i>2nd</i> <i>Priority</i>	<i>3rd</i> <i>Priority</i>
Adopt a Five Year Planning Period	28.6	4.3	0.0
Provide On-Going Support for DDSEE	20.0	4.3	0.0
Increase Wage Grant (plus index this to inflation)	11.5	17.4	7.1
Increase Grant for Overheads	8.6	0.0	0.0
Increase Training Grant	5.7	0.0	21.4
Adopt a Phased Approach to Level of Grant Aid	5.7	4.3	0.0
Require Training Package for Employees	5.7	4.3	7.1
Provide Grant for Technical Assistance	2.9	0.0	0.0
Provide Guarantee to Banks re Funding	2.9	0.0	0.0
Eliminate Income Differences with CE / JI	2.9	4.3	0.0
Increase Capital Grant	2.9	0.0	0.0
Require that FÁS Provide More Support	0.0	17.4	28.6
Increase Manager Grant	0.0	13.0	0.0
Change Employee Eligibility Criteria	0.0	17.4	14.3
Increase Overall Grant Aid in Line with Inflation	0.0	8.3	7.1
Provide More Support for Marketing	0.0	4.3	0.0
Provide Mentoring Service	0.0	0.0	7.1
Provide Manager Development Programme	0.0	0.0	7.1

4.4.5 Proposer Groups' / Enterprises' Assessments of the Main Strengths and Weaknesses of the SEP

Qualitative analysis of responses to an open-ended question asking respondents to identify the main strength / benefits of the SEP showed that four main categories were identifiable. In order of importance the four main strengths of the SEP were seen as:

- the funding package (71.2% referred to this);
- the capacity the enterprise gained to respond to needs of the enterprise's client group / community in terms of the provision of services (12.9% reported this);
- the capacity of the enterprise to provide employment for people experiencing long-term unemployment (11.1% reported this); and,
- the generation of a business ethic among organisations in the community and voluntary sector (4.8% reported this).

In contrast to the relatively narrow range of responses concerning the main strength of the SEP a wide range of weaknesses were identified (see Table 4.28). However, just two

weaknesses account for over half (i.e., 56.4%) of all responses. The first of these concerns the timeframe of the programme and the lack of a long-term funding commitment to enterprises. The second concerns the restrictiveness of the eligibility criteria for the programme particularly the eligibility criteria for grant aided employees.

Table 4.28**Main Weakness / Limitation of the SEP as Identified by Proposer Groups / Enterprise**

	%
Lack of Long-Term Commitment / Three Years Support is too Short	30.6
Restrictiveness of Eligibility Criteria (Mainly for Grant Aided Employees)	25.8
Bureaucratic Administration of SEP	11.2
No Phasing or Tapering of Grant Support	4.8
Low Amount of Grant Aid for Employees	4.8
Lack of Skills and Turnover of FÁS Personnel	4.8
Lack of Guidelines on Obligations of Enterprises	3.2
Emphasis is too Commercially Oriented	3.2
No Formal Involvement of Statutory Sector (e.g. Health Boards & Local Authorities)	1.6
Assumes the Availability of Assets and Working Capital	1.6
No Provision for Relief Employees	1.6
Limited Marketing Support	1.6
No Mentoring System	1.6
No Dedicated Programme of Manager Training	1.6
Image as Another "FÁS Scheme"	1.6

Over and above these two weaknesses considerably smaller proportions of respondents identified other areas as among the main weaknesses of the SEP. A number of these concerned programme implementation including the amount of paperwork and procedures associated with the financial administration of the programme and the lack of skills allied to the rapid changeover of personnel in FÁS. The main weaknesses identified in the level of grant aid concerned the low amount of grant aid for employees and the lack of a phased or tapered structure to the provision of grant aid (e.g., decreasing grant support over time in line with increases in revenue from other sources).

4.5 Managers of Enterprises Funded Under the SEP

This section begins by providing a demographic profile of managers in enterprises funded by the SEP. This is followed by a profile of their previous occupations. Their working conditions and salary levels are then examined as are their views on their capacity - in terms of possessing the necessary skills - to undertake their jobs and their participation in training during their employment as managers. The section concludes by looking at levels of job satisfaction among managers.

4.5.1 Demographic Profile of Managers

The gender breakdown shows slightly more women than men holding the position of manager (i.e., 54.7% and 45.3% respectively). Managers range in age from 24 to 71 years with the average age being 44.7 years. The average age of women - at 42.6 years - is slightly younger than that of men (i.e., 46.8 years). This is also reflected in the higher proportion of men than women aged 50 years and over (see Table 4.29).

Table 4.29
Age Distribution of Managers by Gender

	<i>Men</i>	<i>Women</i>	<i>Total</i>
Under 35 Years	20.6	22.0	21.3
35 to 49 Years	38.2	48.8	44.0
50 Plus Years	41.2	29.3	34.7

Table 4.30
Marital Status of Managers by Gender

	<i>Men</i>	<i>Women</i>	<i>Total</i>
Single	17.6	20.0	18.9
Married	73.5	70.0	71.6
Separated Divorced	2.9	10.0	6.8
Widowed	5.9	0.0	2.7

Table 4.31
Highest Educational Qualification of Managers by Gender

	<i>Men</i>	<i>Women</i>	<i>Total</i>
No Formal Qualifications	2.9	0.0	1.3
Junior / Intermediate Certificate	8.8	17.1	13.3
Leaving Certificate	26.5	19.5	22.7
Third Level Diploma	38.2	43.9	41.3
Third Level Degree	23.5	19.5	21.3

Overall, two-thirds (i.e., 76.1%) of managers are married and the marital status of men and women is broadly similar (see Table 4.30). The main gender difference in the marital status

of managers is the higher proportion of women than men stating that they are separated or divorced and the presence of a small proportion of widowers among the men.

In the questionnaire, managers were asked to state if they belonged to the following categories of people - ex-offender, lone parent, person with a disability, Traveller, refugee. Almost all managers (93.3%) indicated that they did not belong to any of these groups. Four managers (5.7%) stated that they are lone parents and just one manager (1.3%) stated that he had a disability.

Almost two-thirds (i.e., 62.6%) of managers hold some form of a third level qualification while at the other end of the qualification spectrum just 14.6% possess no qualifications higher than the Junior or Intermediate Certificate (see Table 4.31). The remaining one fifth (i.e., 22.7%) have the Leaving Certificate as their highest educational qualification. Despite some variation there is no major systematic difference in the educational qualifications of men and women.

4.5.2 Occupational Profile of Managers

Managers were asked to state the occupation they held prior to taking up their positions in enterprises funded by the SEP. The occupational titles provided were coded to be comparable to national data used in the Quarterly National Household Survey undertaken by the Central Statistics Office (see Table 4.32). As would be expected, at 56%, the proportion of persons holding managerial / administrative positions prior to becoming managers in enterprises funded by the SEP is well above the national share of the workforce employed as managers (i.e., 17.3%). This proportion is similar among men and women. Among managers not coming from a managerial background a variety of previous occupations is found with women being more likely than men to have worked in associate professional and technical occupations, clerical and related occupations, personal and protective occupations, and sales occupations.

Table 4.32
Prior Occupations of Managers by Gender and Comparison with
National Occupational Distribution

	<i>Men</i>		<i>Women</i>		<i>Total</i>	
	<i>CSO</i>	<i>SEP</i>	<i>CSO</i>	<i>SEP</i>	<i>CSO</i>	<i>SEP</i>
Managers and administrators	21.2	58.8	12.0	53.7	17.3	56.0
Professional	10.3	11.8	12.6	-	11.2	5.3
Associate professional and technical	6.6	2.9	12.3	9.8	9.0	6.7
Clerical and related	5.0	-	22.3	9.8	12.3	5.3
Craft and related	22.1	2.9	1.9	-	13.6	1.3
Personal and protective service occupations	7.1	-	14.4	7.3	10.2	4.0
Sales occupations	5.4	2.9	12.2	7.3	8.3	5.3
Plant and machine operatives	13.5	2.9	4.9	-	9.8	1.3
Other occupations	8.9	17.6	7.5	12.2	8.3	14.7

4.5.3 Experience, Skills and Training

Just one in 10 (i.e., 10.8%) managers reported that they had no previous management experience (see Table 4.33). At 17.5%, the proportion of women without prior management experience is considerably higher than among men (i.e., 2.9%). In general, men had longer periods of management experience than women, a factor that may be associated with the higher salaries being obtained by men.

Table 4.33
Management Experience by Gender

	<i>Men</i>	<i>Women</i>	<i>Total</i>
No Experience	2.9	17.5	10.8
1-3 Years	11.8	32.5	23.0
3-5 Years	20.6	15.0	17.6
5-10 Years	20.6	22.5	21.6
10 Plus Years	44.1	12.5	27.0

A small proportion (5.9%) of managers indicated that their previous occupational experience was not relevant to their current positions with a further 13.2% stating that it was just “somewhat relevant”. Reflecting these findings, the majority (i.e., 68%) of managers consider that they possess the necessary skills to manage their enterprises. Men (73.5%) are more likely than women (63.4%) to consider they have the necessary skills base for the job.

Given the substantial minority (i.e., 32%) of managers stating that they lacked the necessary skills for their jobs, it is of note that that managers stating that they lacked the necessary skills for the job were somewhat less likely to have received training that their counterparts possessing the relevant skills. Overall, just under two-thirds (i.e., 62.7%) of managers stated that they received training while in employment as managers of SEP funded enterprises. This proportion was 58.3% in the case of managers stating that they lacked the skills for the job rising to 64% among managers stating that they possessed the skills for their jobs.

Two areas predominated in managers’ references to the skills they lacked in order to manage their enterprises effectively. These areas, in order of importance, are: (i) business development and marketing skills; and, (ii) financial and accounting related expertise. While the manager’s questionnaire did not seek to identify the precise management skills held by managers, analysis of the areas of work undertaken by managers prior to their taking up their posts in SEP funded enterprises indicated that very few had actual experience of being responsible for running a commercially oriented business.

4.5.4 Working Conditions and Wages

Three quarters (i.e., 74.3%) of managers work at least 40 hours per week (see Table 4.34). The average number of hours worked per week is just under 43 hours with 40 hours being the most common number of hours worked.

Table 4.34
Usual Number of Hours Worked per Week by Managers

	<i>Men</i>	<i>Women</i>	<i>Total</i>
Up to 34 Hours	6.0	0.0	2.7
35 to 39 Hours	15.2	29.3	23.0
40 to 44 Hours	33.3	24.4	28.4
45 Plus Hours	45.5	46.3	45.9

Managers' gross salaries range from a minimum of €20,500 to a maximum of €42,000 *per annum*. The average annual salary for managers is €27,341 and, not surprisingly, €25,400 is the most frequently reported salary among managers. The latter figure is identical to the value of the manager's grant under the SEP.

Overall, just under one third (31.1%) of manager's reported receiving salaries lower than the level of the manager's grant under the SEP (see Table 4.35). When combined with the proportion reporting that their salary was equivalent to the manager's grant, almost half (i.e., 47.3%) of manager's reported salary levels at or below the level of the manager's grant. This was particularly the case among women managers. The most probable reason for managers reporting gross salary levels below the level of the manager's grant is that the employer's contribution to PRSI is being funded by this source.

Table 4.35
Managers' Salaries by Gender

	<i>Men</i>	<i>Women</i>	<i>Total</i>
Less than €25,400	26.5	35.0	31.1
€25,400	8.8	22.5	16.2
€25,401 to €29,999	29.4	17.5	23.0
€30,000 and Over	35.3	25.0	29.7

Table 4.36
Comparison of Managers' Earnings with Average Earnings of Managers
in the Industrial Sector (Enterprises < 50 Employees, March, 2003)

	<i>Average Hourly Earnings €</i>	<i>Average Weekly Earnings €</i>	<i>% of National Average</i>
CSO Figures for Industrial Managerial Staff	18.42	790.42	100
Managers in Enterprises Funded by the SEP	12.51	525.78	68

Table 4.36 compares manager's earnings (converted to hourly and weekly earnings) with CSO figures for average managerial earnings in the industrial sector in enterprises with less than 50 employees (March, 2003). This comparison shows that managers of SEP funded

enterprises earn, on average, just over one third less than their counterparts in the private sector.

4.5.5 Satisfaction Levels

Reflecting actual salary levels, two fifths (i.e., 41%) of managers are at least “dissatisfied” with their salary and a further one-quarter (i.e., 27%) are “neither satisfied nor dissatisfied” (see Figure 4.11). Surprisingly, given the gender difference in salaries, the number of men reporting that they are “very dissatisfied” with their salary is three times that found among women.

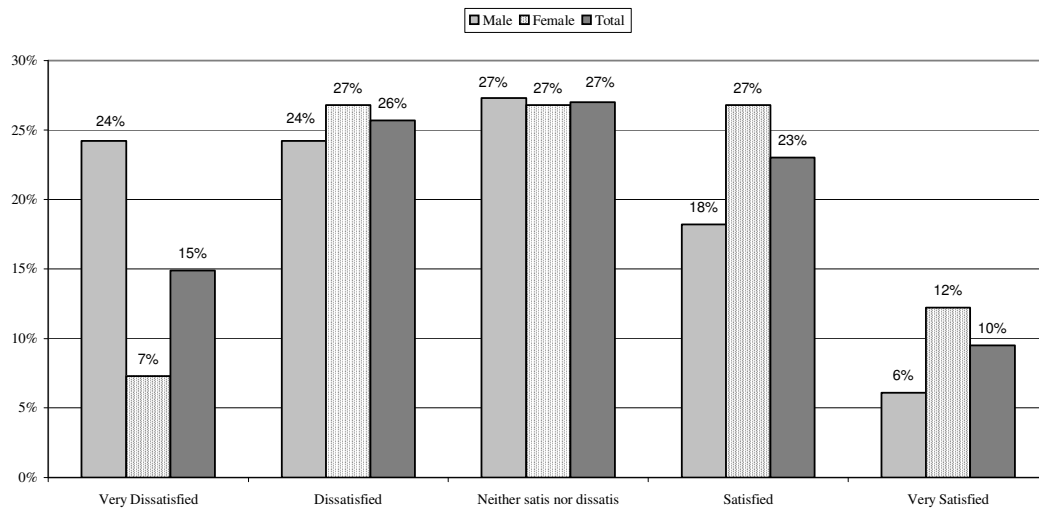


Figure 4.11 Levels of Satisfaction with Annual Salary Among Managers in Enterprises Funded by the SEP by Gender

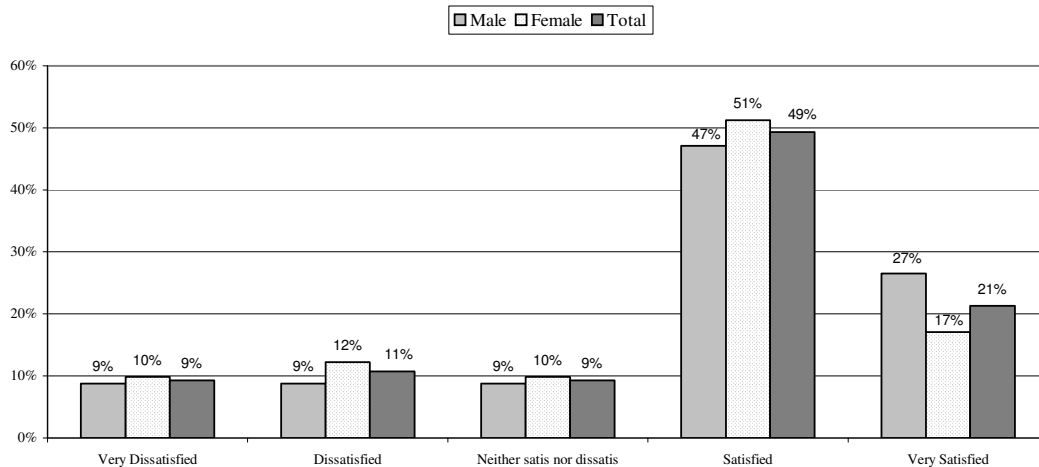


Figure 4.12 Levels of Job Satisfaction Among Managers in Enterprises Funded by the SEP by Gender

Despite, the level of dissatisfaction found with respect to salary levels, the majority (i.e., 70%) of managers in enterprises funded by the SEP state that they are at least “satisfied” with their jobs (see Figure 4.12). However, one in five (i.e., 20%) managers reported that they are at least “dissatisfied with their job”. There is no gender difference with respect to overall levels of job satisfaction.

While levels of job satisfaction can be broadly interpreted as indicating levels of morale within a category of workers, they do not necessarily indicate the likelihood that people will remain in their current employment. The latter decision is likely to reflect a combination of both levels of job satisfaction and the availability of alternative employment. When managers were asked about the likelihood that they would remain in their current jobs over the next year, one-quarter (i.e., 25.3%) stated that they were “unsure” about this and 8% stated that it was at least “unlikely”. Reflecting these figures one in seven (i.e., 14.2%) managers indicated that they were currently looking for another job. If these figures are taken as indicating the level of long-term commitment to the development of the enterprises established with support from the SEP then there is evidence that as many as one in three enterprises could face the loss of their managers. One of the issues that this highlights is that unlike micro enterprises (i.e., enterprises with less than 10 employees) in the private sector, which are typically owner managed, enterprises in the social economy sector rely on “bought-in” management expertise. Noting this, the continuity of ownership and responsibility for enterprise development can be seen as falling to the directors of such enterprises.

4.6 Employees of Enterprises Funded by the SEP

4.6.1 Demographic Profile of Employees

The majority (i.e., 62.5%) of employees in enterprises funded by the SEP are women. As would be expected from the eligibility criteria concerning age, almost 90% of employees are 35 years of age or older (see Table 4.37). Women employees tend to be younger than their male counterparts.

Table 4.37
Age Distribution Employees in Enterprises Funded by the SEP by Gender

	<i>Men</i>	<i>Women</i>	<i>Total</i>
Under 35 years	5.9	14.0	11.1
35 to 49 Years	48.6	63.0	57.6
50 Plus Years	45.5	33.0	31.3

Table 4.38
Martial Status of Employees in Enterprises Funded by the SEP by Gender

	<i>Men</i>	<i>Women</i>	<i>Total</i>
Single	35.0	27.7	30.4
Married	53.1	37.0	43.1
Separated Divorced	9.1	27.2	20.4
Widowed	2.8	8.1	6.1

Less than one third (i.e., 30.4%) of employees are single, with men slightly more likely to be single than women (see Table 4.38). Just over two-fifths (i.e., 43.1%) of employees are married or living with a partner and one fifth (i.e., 20.4%) of employees are separated or divorced. Women are three times more likely to be divorced or separated than men. This reflects the eligibility of persons in receipt of One Parent Family Payment for the SEP and the high percentage of women accessing the SEP under this criterion (see Table 4.39). In contrast, apart from the long-term unemployed, the major category of men accessing the SEP is men in receipt of a disability related welfare payment.

Table 4.39
Status of Employees in Enterprises Funded by the SEP by Gender

	<i>Men</i>	<i>Women</i>	<i>Total</i>
None	74.6	43.5	55.0
Lone Parent	7.1	50.0	34.1
Disability	17.5	6.5	10.6
Ex-Offender	0.8	0.0	0.3
Refugee	0.0	0.0	0.0
Traveller	0.0	0.0	0.0

Table 4.40
Highest Level of Educational Qualification Among Employees by Gender

	<i>Men</i>	<i>Women</i>	<i>Total</i>
No Formal Qualifications	47.9	22.4	32.0
Junior Cert	32.9	35.3	34.4
Leaving Cert	12.1	24.1	19.6
Diploma	5.0	13.8	10.5
Degree	2.1	4.3	3.5

Overall, one third of employees have no formal educational qualifications with men being twice as likely as women to have no formal educational qualifications (see Table 4.40). In general, women employees in enterprises funded under the SEP have higher levels of educational qualifications than men and it is only among women employees that one finds a relatively high proportion possessing a third level qualification.

4.6.2 Previous Occupations of Employees

Looking at the total column in Table 4.41, it can be seen that over four-fifths of employees are found in four occupational categories: clerical and related occupations, personal and protective service occupations, plant and machine operatives, and other occupations. There is a clear gender difference in the occupations held by women and men prior to becoming employed in an enterprise funded by the SEP.

Table 4.41
Former Occupations of Employees in Enterprises Funded by SEP by Gender

	<i>Men</i>	<i>Women</i>	<i>Total</i>
Managers and administrators	2.3	0.9	1.4
Professional	3.9	1.3	2.3
Associate professional and technical	0.0	0.9	0.6
Clerical and related	5.5	38.9	26.8
Craft and related	7.0	2.2	4.0
Personal and protective service occupations	20.3	27.4	24.9
Sales occupations	2.3	6.2	4.8
Plant and machine operatives	15.6	10.2	12.1
Other occupations	35.9	9.7	19.2
CE, JI or other FAS programs	7.0	2.2	4.0

Over two thirds of women formerly worked in a clerical environment and the one-quarter of women found within personal and protective service occupations are primarily women who worked in childcare and catering occupations. For men the divide is between personal and protective occupations and other occupations. Personal and protective occupations relates solely to men working as security guards / caretakers. The other occupational category

concerns men who worked in farming, forestry, fishing, construction and transport. These were positions such as labourers, farmers, farm hands and drivers.

4.6.3 Prior Welfare Status of Employees

Table 4.42 categorises employees on the basis of the type of welfare payment that they were receiving prior to becoming employed in an enterprise funded by the SEP. Employees that were in receipt of an unemployment related payment (i.e., either UA or UB) account for over two fifths (i.e., 41.5%) of all employees and three fifths (i.e., 58.5%) of men. The next largest category comprises employees that were in receipt of a One Parent Family Payment and the majority of these are women. Just over one in ten employees (11.1%) accessed the SEP under the 10% rule. The remaining employees are primarily drawn from persons that were in receipt of a disability related payment.

Table 4.42
Prior Welfare Status of Employees by Gender

	<i>Men</i>	<i>Women</i>	<i>Total</i>
One Parent Payment	4.6	40.5	27.3
Unemployment Benefit	28.5	20.3	23.3
Unemployment Assistance	30.0	11.3	18.2
None	13.8	9.5	11.1
Disability Allowance	8.5	3.6	5.4
Widows / Widower Payment	2.3	6.8	5.1
Disability Benefit	6.2	4.5	5.1
Invalidity Pension	6.2	2.7	4.0
Carers Allowance	0	0.9	0.6

4.6.4 Duration of Unemployment and Experience of Labour Market Programmes

On average, employees were unemployed for just under 32 months or 2.75 years. The average duration of unemployment reflects the criteria in operation for eligibility as grant-aided employees under the SEP. The duration of unemployment ranged from over one fifth (i.e., 22.7%) of employees who had no gap in employment, to over one eighth who had been unemployed for over 8 years (13.6%). On average men were unemployed for 9 months longer (37.85 months or 3.15 years) than women (28.3 months or 2.35 years). The main trend in relation to duration of unemployment by age is the shorter duration of unemployment found among employees under the age of 35 years (see Table 4.43)

Table 4.43
Average Durations of Unemployment by Age and Gender

	<i>Men</i>		<i>Women</i>	
	<i>Months</i>	<i>Years</i>	<i>Months</i>	<i>Years</i>
>35 years	27.33	2.28	16.78	1.40
35 -49	41.51	3.46	30.81	2.57
50 +	36.67	3.06	28.59	2.38

Table 4.44
Employee Involvement in Labour Market Programmes in the Previous Five Years

	<i>Men</i>	<i>Women</i>	<i>Total</i>
Area Allowance	0.8	0.0	0.3
Back to Work Allowance	5.1	2.5	3.4
Cert Training Course	0.0	1.0	0.6
Community Training Workshop	0.8	0.0	0.3
Involved in enterprise or starting your own business	0.8	0.0	0.3
FAS Foundation Course	2.5	3.5	3.1
FAS Specific Skills Training Course	4.2	10.4	8.2
Community Employment	53.4	54.7	54.2
Job Initiative	17.8	11.4	13.8
VTOS	5.1	8.0	6.9
Youthreach	0.0	1.0	0.6
Other	9.3	7.5	8.2

Overall, just 16% per cent of employees in the SEP reported that this was their first experience of a labour market programme. There was no gender difference in this regard. From Table 4.44, it can be seen that by far the most common programme in which employees had participated previously was CE.

4.6.5 Obtaining Employment in Social Economy Enterprise

For all employees, regardless of gender, initial information regarding the SEP came mainly from persons already working in the enterprise in which they became employed, from FÁS personnel, from a family member or friend, or from a community or locally based group (see Table 4.45). In contrast to the numbers citing one of these sources, relatively few employees mentioned other sources.

Table 4.45
Sources that Provided Initial Information about the SEP by Gender

	<i>Men</i>	<i>Women</i>	<i>Total</i>
Someone Working Here	25.9	28.6	27.6
From FÁS Personnel	16.1	12.8	14.1
From Family or Friend	14.0	12.8	13.3
From Community or Local Group	9.8	11.1	10.6
Notice in FÁS	6.3	7.7	7.2
From CFU	4.2	3.8	4.0
Notice in Exchange	4.9	0.9	2.4
From Welfare Personnel	1.4	2.1	1.9
Leaflet at house	0.0	0.4	0.3
Miscellaneous and Not Specified	17.5	19.7	18.8

The reasons that employees were attracted to seeking employment in an enterprise funded by the SEP are quite varied (see Table 4.46). For both men and women, the main reason they applied for employment was due to either interest in the work being offered in the enterprise, to simply get a job, or to return to the workforce. Women are slightly more drawn to employment out of interest in the work, whereas men are drawn to the program primarily for some form of employment. The fact that a CE position was finishing up was cited as the fourth main reason reflects the number of enterprises that may be running concurrent or consecutive SEP and CE projects. Financial reasons, convenience to home and either applying or learning new skills were also cited as reasons for seeking employment.

Table 4.46
Reasons People were Attracted to Working in Enterprises Funded by the SEP

	<i>Men</i>	<i>Women</i>	<i>Total</i>
interest in this type of work	15.9	20.7	18.9
to get a job	26.5	12.4	17.8
get back into the workforce	12.1	10.6	11.2
CE scheme finished	3.0	9.7	7.2
financial reasons	5.3	7.4	6.6
convenience to home location	7.6	6.0	6.6
had relevant skills and training	5.3	5.5	5.4
for training and skills	5.3	5.1	5.2
work experience	1.5	4.6	3.4
no other work available	3.0	1.4	2.0
a new challenge	2.3	1.8	2.0
better conditions nice place to work	1.5	1.8	1.7
working with tourists	1.5	1.4	1.4
to work in a more social environment	1.5	0.9	1.1
it was part-time	0.0	1.8	1.1
other	1.5	0.5	8.3

4.6.6 Profile of Jobs in Social Economy Enterprises

Employee's current occupations are broadly similar to those that they held prior to becoming employed in an enterprise funded under the SEP. Among women, clerical and care related occupations are the predominant occupations while among men, occupations classified under the heading of personal and protective service occupations predominate (see Table 4.47).

Table 4.47
Distribution of Current Occupations Held by Employees by Gender

	<i>Men</i>	<i>Women</i>	<i>Total</i>
Managers and administrators	2.9	2.2	2.4
Professional	0.0	2.2	1.3
Associate professional and technical	2.2	6.5	4.9
Clerical and related	4.3	35.8	24.0
Craft and related	12.9	3.9	7.3
Personal and protective service occupations	43.9	31.0	35.8
Sales occupations	7.2	9.9	8.9
Plant and machine operatives	13.7	0.4	5.4
Other occupations	12.9	8.2	10.0

4.6.7 Working Conditions and Wages

Overall, just under two thirds (i.e., 65.3%) of employees are in full-time employment with men being more likely than women to be in full-time employment (see Table 4.48). The average number of hours worked by full-time employees is 37.7 hours with part-time workers working an average of 20.2 hours.

Table 4.48
Distribution of Full-time and Part-Time Employees in Enterprises Funded by the SEP by Gender

	<i>Men</i>	<i>Women</i>	<i>Total</i>
Full-time Employees	78.9	57.2	65.3
Part-time Employees	21.1	42.8	34.7

Table 4.49
Average Earnings of Full-time and Part-Time Employees in Enterprises Funded by the SEP by Gender

	<i>Full-time €</i>	<i>Part-time €</i>
Men (Hourly Earnings)	7.71	7.58
Men (Weekly Earnings)	293.55	160.40
Women (Hourly Earnings)	7.30	7.34
Women (Weekly Earnings)	270.80	147.04

Table 4.49 summarises average earnings among men and women in full-time and part-time jobs. On average, employees are earning above the minimum wage of €6.35 per hour. However, just under one in five (18.6%) report earning less than the minimum wage with this being more frequent among full-time workers (22.6%) than part-time workers (10.6.7%). This latter finding is likely to be due to one of two factors: (i) employees working a greater number of hours per week than they are actually paid for resulting in the hourly rate going

below the minimum wage; or, (ii) employees working a number of voluntary hours in addition to their paid hours.

Table 4.50
Average Weekly Earnings (Gross) in a Number of Sectors

	<i>Average Hourly Earnings €</i>	<i>Average Weekly Earnings €</i>	<i>Average Number of Hours Worker per Week</i>
Industrial Workers (March 2003)			
All Industrial Workers (Adult Rates & Non Adult Rates of Pay)	12.72	498.90	39.8
Male Industrial Workers (Adult Rates)	13.62	552.10	40.5
Female Industrial Workers (Adult Rates)	10.66	383.07	35.9
Industrial Employees (in Establishments <49)		418.02	
Clerical Employees (in Establishments <49)		472.12	
Construction Workers (March 2003)			
Skilled Workers	17.38	764.98	44.0
Unskilled & Semi Skilled (Adult Rates)	13.76	628.37	45.7
Male Clerical	13.80	567.28	41.1
Female Clerical	11.57	424.24	36.7
Distribution and Business Service Workers (March 2003)			
Average Weekly Earnings for Workers in Distribution and Business Services		578.33	
Average Weekly Earnings for Workers in Accommodation and Catering		356.66	
Average Weekly Earnings for Workers in "Other" Business Services (NACE 74)		616.03	
Public Sector Workers (Excluding Health) (December 2002)			
Average Weekly Earnings All Public Sector Workers		714.86	
Average Weekly Earnings Administrative Civil Servants		634.95	

Comparison with a range of national statistics on average hourly and weekly earnings shows that employees in enterprises funded by the SEP are earning considerably less than their counterparts in the private or public sectors (see Table 4.50). On the basis of a comparison with industrial employees in establishments of less than 50 employees, employees in SEP enterprises are earning, on an hourly basis, approximately 70% of their counterparts in the private sector.

4.6.8 Training Experience

The vast majority (87.1%) of employees consider that they possess the skills to do their jobs. This figure does vary by gender or age of employees. This in part may reflect the finding that the majority (i.e., 64%) of employees have received training since they began working. At 70% the proportion of women participating in training is higher than of men (53.2%).

Table 4.51
Employees Interested in Pursuing Training in Enterprises Funded under the SEP
by Gender and Age

		<i>Yes</i>	<i>No</i>
Male	Under 35 years	85.7	14.3
	35 to 49 Years	65.6	34.4
	50 Plus Years	46.2	53.8
Female	Under 35 years	90.9	9.1
	35 to 49 Years	71.0	29.0
	50 Plus Years	65.5	34.5

Over two thirds (65%) of employees indicated that there were forms of training they wished to pursue. Again, higher proportions of women than men indicated that there are forms of training they wished to pursue (see Table 4.51). Among both men and women interest in training declines with increasing age.

4.6.9 Participation in Decision-Making in the Enterprise

Just under half (46.4%) of all employees stated that they had “a say in how the enterprise was run”. This did not vary by gender. A similar proportion (i.e., 47%) indicated that they were “personally involved in making decisions about how work is organised”. Again, there was no variation by gender.

4.6.10 Satisfaction Levels

Figure 4.13 shows that the majority of employees are satisfied with their training, management, general working conditions and their job overall. There are no differences linked to age or gender in satisfaction concerning these aspects of their employment.

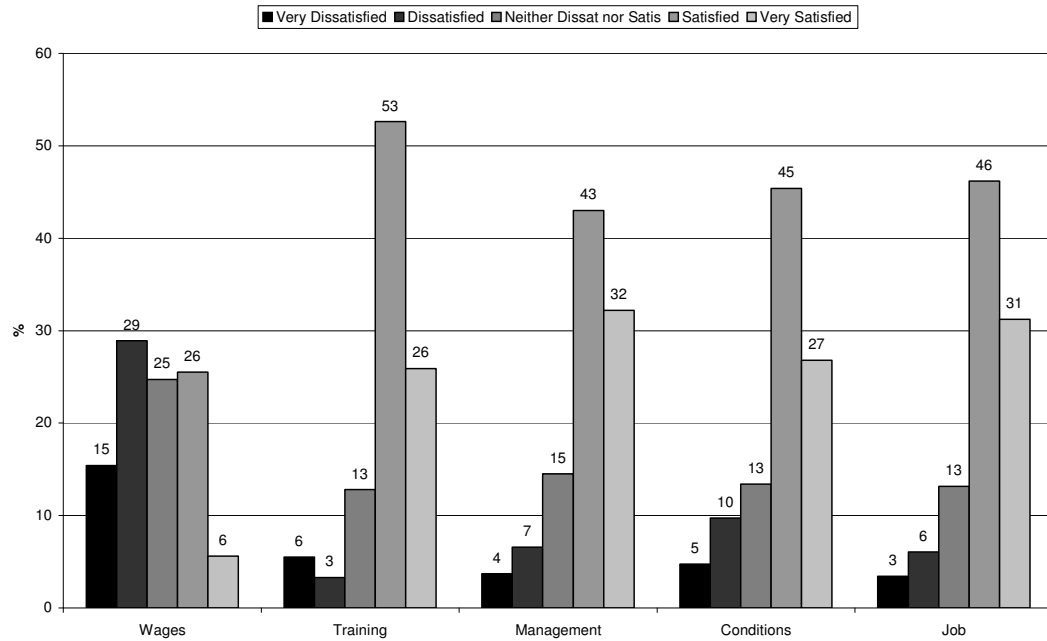


Figure 4.13 Satisfaction Levels Among Employees in Enterprises Funded by the SEP

It is only in relation to earnings that a substantial minority (i.e., 44%) express dissatisfaction. This dissatisfaction seems to be constant across gender and those working on a full or part time basis.

When asked whether they could see themselves in the same job in 12 months time, three quarters (i.e., 75.7%) of all employees felt that this was likely. This figure changed little for employees regardless of their full-time / part-time status, age or gender. This is also consistent with the finding that just one tenth (i.e., 11.5%) of employees are looking for new jobs.

4.7 Synthesis of Main Findings

The proportions of LSEWGs and FÁS personnel rating the SEP as successful in relation to each of its four major objectives are presented in Figure 4.14. This figure shows that approximately two thirds of respondents in each of these stakeholder groups rate the operation of the SEP as “successful” in terms of: (i) regenerating rural and urban communities by providing needed services and employment opportunities for people experiencing disadvantage in the labour market; and, (ii) promoting equal opportunities between men and women. Views are divided concerning the operation of the SEP in promoting the emergence and consolidation of the social economy. With respect to this only a minority of FÁS personnel in Community Service Units rate the SEP as successful while just over half of LSEWGs rate the SEP as successful in relation to this objective. The objective in relation to which both stakeholder groups rate the SEP as least successful concerns the generation of employment that is sustainable. In relation to this objective approximately one in four respondents rate the operation of the SEP as successful.

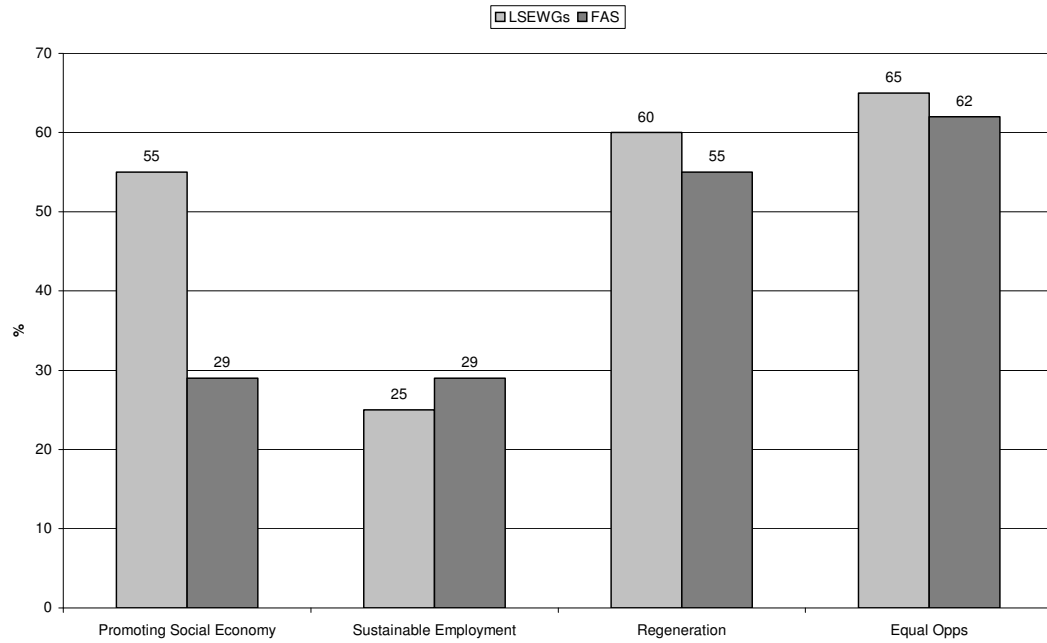


Figure 4.14 Proportions Rating the SEP as Successful in Relation to its Stated Objectives

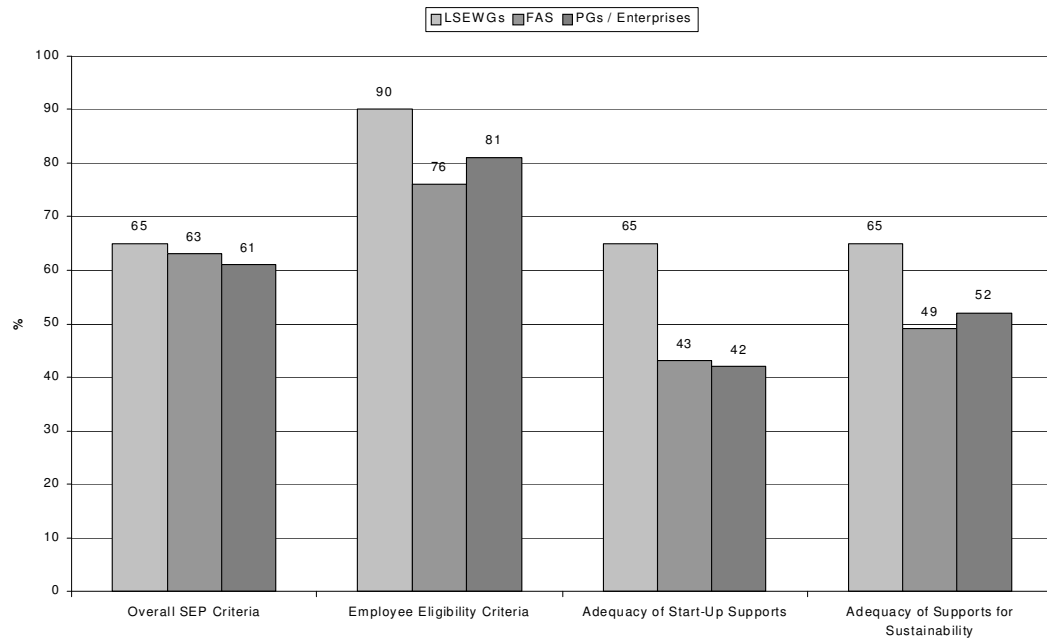


Figure 4.15 Proportions Rating SEP Programme Criteria / Programme Supports as Not Appropriate / Inadequate

Stakeholders’ assessments of the appropriateness of the SEP eligibility criteria and of the adequacy of package of supports for aiding the start-up and sustainability of enterprises are more negative than their views regarding the success of the programme in relation to its objectives (see Figure 4.15). This is particularly the case in relation to the eligibility criteria

governing the categories of people in respect of whom grant aid as employees is available. Across all stakeholder groups there is a consensus regarding the adverse impact of the eligibility criteria on the operation and sustainability of the enterprises. The factors underlying this adverse impact include both difficulties in recruiting employees *per se* and, in particular, recruiting employees with the relevant skills to contribute to the development of the enterprises. The low level of grant aid for wage support as well as a lack of flexibility in this is seen as reinforcing these adverse effects.

When taken as a whole the comments and recommendations of the stakeholder groups point to a number of interlinked weaknesses in the capacity of the SEP as currently designed to meet its objectives. These weaknesses arise:

- at the level of programme objectives, where there is confusion and potential conflict between the objectives of the SEP as: (i) a policy instrument to support the development of enterprises operating in the social economy; and, (ii) an element of active labour market policy aimed at providing employment for and improving the employability of the long-term unemployed and other groups experiencing disadvantage in the labour market. This fault line can be seen as deriving from the continuation of policy practice in supporting the operation of enterprises in the social economy primarily through active labour market policy;
- at the level of programme design, where the same package of supports under the SEP is attempting to interface with: (i) enterprises that have the potential to become sustainable on a commercial basis (i.e.; CBs) and, (ii) enterprises that are operating in markets in which sustainability on commercial grounds is unlikely if not impossible (i.e., DDSEEs). An issue related to this is the apparent lack of clear guidelines to distinguish between so-called CBs and DDSEEs.
- in relation to the eligibility criteria for grant aided employees, where the current criteria are seen as adversely impacting on the capacity of enterprises to recruit employees with the skills and experience necessary to contribute effectively to the development and sustainability of the enterprises; and,
- at the level of the package of supports, where there is the view that the level of grant aid and the duration of grant aid is not commensurate with the needs of many enterprises - particularly enterprises classifying themselves as DDSEEs. Illustrating this are: (i) concerns that the level of grant aid in respect of managers of enterprises established under the SEP is not sufficient to attract (and retain) candidates with the relevant levels of skills and experience to successfully manage and develop enterprises; (ii) concerns that insufficient training and development is provided to key actors including the directors and managers of enterprises, particularly prior to the actual start-up of the enterprise; (iii) concerns that there is insufficient hands-on support provided in respect of areas such as product / service development and quality, marketing, and responsibilities towards employees; and, (iv) concerns regarding the low level of grant aid in relation to capital expenditure.

Despite the weaknesses observed above, all stakeholder groups were able to identify the presence of a range of benefits arising from the operation of the SEP. These benefits include the delivery of what are seen as essential social services, the provision of employment in

localities lacking employment, providing employment for the long-term unemployed, and supporting the development of the social economy sector (including fostering a business ethic in the sector and raising the profile of and policy debate regarding the social economy).

The findings of the surveys of Proposer Groups / operational enterprises and of employees in enterprises funded by the SEP provide an insight into the operation of the SEP from the perspective of two groups of stakeholders that are the intended target groups of the programme and also its primary beneficiaries. Among the findings from these surveys that relate directly to the terms of reference for this evaluation are that:

- in terms of sectoral location, enterprises funded under the SEP are mainly operating in the fields initially identified in the EU's White Paper *Growth, Competitiveness and Employment* (e.g., personal care services; transport services for rural areas and for people with disabilities, the provision and management of local community, enterprise and recreational (including sports) facilities, organic food production, tourism promotion and tourism related services and activities (including the operation of tourist attractions), environmental services (including energy conservation, recycling, waste management and landscaping), the operation of heritage and genealogy services, the art and craft sector; and, community media including radio and video production);
- the majority (i.e., 76.1%) of Proposer Groups had previously been funded by either CE or JI;
- overall a high proportion of enterprises are pessimistic about their chances of survival without continued support from the SEP. This is illustrated by the following figures: one third (i.e., 34.3%) rate the chances of survival as "uncertain", approximately one in seven (i.e., 14.9%) rate their chances of survival as "unlikely, and almost one quarter (i.e., 23.9%) rate their chances of survival as "very unlikely". Factors found to be associated with assessments that survival is unlikely include self-classification as a DDSEE, a low proportion of turnover coming from sources other than the SEP, and having sources of income other than revenue from sales as the main source of income apart from the SEP;
- based on prior welfare status, the profile of grant aided employees is as follows: 41.5% were recipients of either UA or UB, 27.3% were recipients of a One Parent Family Payment, 14.5% were recipients of a disability related payment, 0.6% were in receipt of the Carer's Allowance, and 11.1% were in receipt in no welfare payment. Based on self-classification of membership of particular target groups 34.1% of employees stated that they are lone parents and 10.6% stated that have a disability;
- for just 16% of employees the SEP was their first experience of participating in a labour market programme. In the case of both men and women employees over half (54.2%) had previously participated in CE. Participation in the JI was higher among men (17.8%) than women (11.4%).

The findings from the survey of employees and managers show that - in terms of overall job satisfaction - the vast majority of both groups are satisfied with their employment. However, substantial minorities of both employees (44%) and managers (41%) expressed dissatisfaction

with their earnings. Average hourly earnings of full and part-time employees at €7.71 and €7.58 respectively are approximately 20% above the minimum hourly wage of €6.35. The average hourly earnings of managers of SEP funded enterprises - at €12.51 - correspond to approximately two thirds of the average hourly earnings of managerial personnel in the industrial sector. It is also notable that almost one third of managers reported that their annual salaries were lower than the amount of grant-aid payable for the employment of managers in SEP funded enterprises.

One final feature of the findings of the survey of employees concerns the high proportion committed to staying in their jobs. This is reflected particularly in the finding that only one in ten (i.e., 11.5%) employees stated that they are currently looking for another job. A broad interpretation of this figure is that for the majority of employees (particularly given their durations without employment prior to the SEP and low levels of educational qualification - particularly among men) successfully seeking employment elsewhere is not a realistic possibility.

Chapter 5

Case Studies of Enterprises Funded by the Social Economy Programme

5.1 Introduction

The main objective of the set of nine case studies presented in this chapter is to illustrate the activities and achievements of social economy enterprises based on practical examples of operational enterprises receiving funding from the SEP. It is important to note that the enterprises presented as case studies are not being evaluated in themselves. The focus of the case studies is to improve understanding of the operations of enterprises funded under the SEP and of the nature and range of benefits being generated by such enterprises. With regard to the latter, the set of nine case studies was selected to reflect the diversity of enterprises receiving funding from the SEP in terms of their location, type of business, and the communities that they serve (a summary profile of the nine enterprises selected is presented in Table 5.1 overpage). It should also be noted that the enterprises presented as case studies were selected primarily on the basis that they are broadly representative of enterprises funded by the SEP. In presenting the case studies no independent assessment or inference is made regarding the appropriateness of the enterprises for support under the SEP or the likelihood of their sustainability in the absence of support from the SEP. Any of the comments with regard to the latter issue are primarily based on the perspectives of the Proposer Groups that sought funding from the SEP to establish the enterprises and the management of the enterprises. In the concluding section of this chapter a number of the themes and issues that are raised by the case studies are identified.

5.2 ELSA Security

Social and Economic Context of the Enterprise

Elsa Security operates from a portacabin in the Darndale-Belcamp Village Centre on the north side of Dublin. The Darndale-Belcamp area has been a marginalised and disadvantaged area for many years. High levels of unemployment, crime, drug use and vandalism have left the area in a severely disadvantaged condition. The area is characterised by high levels of local authority housing and high rates of unemployment.

The Proposer Group

Originally the Proposer Group consisted of six members. The Proposer Group has now evolved into the board of directors of the company and this currently has 12 members. The board contains six non-executive directors including a member of the local enterprise agency, a local curate, a school representative, the local primary school caretaker, a community representative and a representative from FÁS. The six executive directors are the original proposers and founders of ELSA Security and they are all worker directors.

Table 5.1
Spatial, Sectoral and Business Type Characteristics of the Nine Case Studies

	Urban City / Inner City / Estate			Towns and Hinterlands			Rural		
	<i>CB</i>	<i>DDSE</i>	<i>PSC</i>	<i>CB</i>	<i>DDSE</i>	<i>PSC</i>	<i>CB</i>	<i>DDSE</i>	<i>PSC</i>
Geographical	<p><i>ELSA Security</i> (Darndale, Dublin)</p> <p>SECURITY SERVICES</p> <p><i>Butler Community Centre</i> (Waterford Town, Waterford)</p> <p>FACILITIES PROVISION</p>	<p><i>Marian Pre-School Centre</i> (Bray, Wicklow)</p> <p>CHILDCARE SERVICES</p>		<p><i>Leitrim Design House</i> (Carrick on Shannon / Manorhamilton, Leitrim)</p> <p>ART / CRAFT PROMOTION AND PROVISION OF RETAIL OUTLET FOR LOCAL ARTISTS</p>			<p><i>Erkina Community Communications</i> (Rathdowney, Laois)</p> <p>PRINTING SERVICES</p>		<p><i>CAMCAS Cavan and Monaghan Community Area Services</i> (Rooskey, Monaghan)</p> <p>BUILDING AND REPAIR</p>
Community of Interest	<p><i>Cork Accessible Transport</i> (Cork City, Cork)</p> <p>ACCESSIBLE TRANSPORT</p>			<p><i>Delta Centre</i> (Carlow Town, Carlow)</p> <p>HEALTH AND RE-CREATIONAL FACILITY</p>	<p><i>Castlebar Care of the Aged</i> (Castlebar, Mayo)</p> <p>CARE SERVICES</p>				

Key CB (Community Businesses); DDSEE (Demand Deficient Social Economy Enterprises); SEEBPSC (Social Economy Enterprises Based on Public Sector Contracts)

All six directors and founders of ELSA Security were previously long term unemployed and had started working in security through the Job Initiative (JI) programme. The Proposer Group initially came together because their employment under JI was ending. Recognising that the services they had been supplying were still needed in the community, the group came together with the help of FÁS to make an application for funding to establish ELSA Security with support from the SEP.

The Proposer Group, as board of directors, is involved in the planning and day-to-day running of the enterprise. The objective of the Proposer Group is to establish ELSA Security as a viable company with a community focus that will provide sustainable employment for its workers. The chairperson stated that ELSA would always be a “community project” even though they must strive to become commercial / profitable. They are striving to be self-sustaining within three years and they aim to be able to provide a decent living wage, thus providing a good standard of living for the staff and their families. Additionally, he noted that among the objectives of the enterprise is for employees to have respect for each other, something he believes they lacked when they were long term unemployed. He believes that through this, respect and trust can be extended to the community.

Getting Started

The original six members of ELSA Security were all long-term unemployed. Their coming together was a result of their employment on a project supported by the JI programme. In their jobs the men were providing security for local schools and churches. When their time on JI finished they recognised that there was still a need for such security services in the area.

Personnel from both FÁS and the Northside Partnership initially assisted the group. However, the group considered that FÁS would have too much control over the business. At this point they began to pursue support from the SEP. External assistance was brought in to help the group establish a Proposer Group for the purpose of grant aid application and to develop a business plan that could be presented to FÁS and the Local Social Economy Working Group.

On start up ELSA Security won a contract with the builder of the Darndale-Belcamp Village Centre to provide security for the building site. The builder went into liquidation early on leaving debts to ELSA Security of €27,000. While they state that this was a major setback it was also a valuable lesson that has made them tougher in their resolve to succeed. It prompted them to gain tighter control of their finances and to ensure that clients meet their obligations concerning prompt payment for services provided.

ELSA Security aims to be a viable company within three years. In this they hope to be able to provide employment after their three years funding is up, especially in regard to those individuals who have taken the step to improve their situation, through the targeting of JI workers. They also aim to provide safer conditions in the area for the local community, schools, churches and local groups.

ELSA Security has received a commitment of €762,465 over a three-year period from the SEP. This figure was committed on the basis of one manager and 20 staff. At present, ELSA Security has 13 employees and one manager. Due to restrictions on the draw down of funds from the SEP, ELSA Security is confined to a maximum of 15 employees under the SEP.

The Operations of the Enterprise

Elsa Security provides security services for schools, churches, building sites, private businesses and at functions and events. Specific services provided include static guards, key-holding, spot-checks, mobile patrols, and opening and closing business premises. While ELSA Security provides security to schools and churches in the local area free of charge, they do charge for their services to schools based outside of the Darndale-Belcamp area.

In their operations ELSA Security liaise with local Gardaí. For example, their installation of CCTV monitors in the Darndale Village Centre has enabled them to provide the Gardaí with assistance and information when crimes do occur. ELSA also provides training, free of charge, to local individuals who wish to gain entry into the security business. They are also involved in providing donations to the community (for social and medical purposes).

In marketing their services they have produced a brochure outlining their services and clients. ELSA Security has recently appointed a member of staff as marketing and promotions manager and this person is currently undertaking training with support from the SEP. ELSA Security has advertised in newspapers, the School Area Planner (Schools in the Dublin Area) and the Garda Yearbook. They have also taken out a quarter page advertisement in the Yellow Pages. ELSA has established credibility in the area of security and this has provided them with valuable business received through word of mouth and the recommendations of satisfied customers recommendations.

Elsa has identified a need for a courier service in the area, as many groups in the Darndale-Belcamp area have stated that courier companies refuse to come into the area. They are currently negotiating with an insurance company in order to start up.

ELSA Security considers that SEP supports them by providing funding which allows them to operate at a competitive level. From the managers perspective funding provides the means to train staff and management to run the business effectively. The social economy programme also provides valuable support and advice through the FAS CSU.

The enterprise has been set up as an Employee Shared Ownership Company and is limited by guarantee with share capital. Elsa Security employs twelve men and one woman. The enterprise is managed very much on an open and transparent basis. Staff meetings are held regularly and they are held very much as a meeting of equals rather than a meeting of management and employees. External assistance is contracted to provide services in the area of financial management of the enterprise. The enterprise ethos is that they are there as a business but are managed and owned by the workers. While a business approach is taken, the enterprise still sees the protection of individuals, both staff and the local community as foremost to its agenda. The estimated turnover of the enterprise during its first year of operations is approximately €250,000.

The Social and Economic Benefits of the Enterprise

ELSA Security has provided many benefits to the community not least of these is the provision of employment to men who were long term unemployed and who, without such an opportunity, may not have had the chance to work in such an environment. The benefits of employment for these individuals extend to their immediate families, with the income from their wage improving their quality of life. The fact that the employees of ELSA Security are

now classed as full time employed means that they now have the opportunity to buy their own houses on the Dublin City Council purchase scheme.

ELSA has also benefited the local community in Darndale-Belcamp by achieving a reduction in the level of vandalism and street crime. ELSA Security's CCTV monitoring room has provided the Gardaí with video footage to aid crime detection. A saving of €30,000 per annum on glazing costs has been made by the Department of Education and Science as a result of their services to a local school. The local population, especially women and senior citizens, also benefit from their operations in that they now feel safer in the area. It can also be seen that ELSA is providing the means for the community to be a community once again. The local school, have for the first time in twenty four years, put on a school play, an event which previously had not taken place because of the fear of vandalism and car crime. This year almost 800 people attended the play over two days. This is now to become a regular event with support from Elsa Security.

The Future of the Enterprise

Elsa Security believes the future of the enterprise is based on securing commercial contracts. They believe this must be addressed before the cessation of SEP funding. In this regard they are setting targets for sales. They believe that at this point they are in training and development mode. While ELSA has appointed an employee to act as sales and marketing manager, they state that if their targets are not reached they will bring in a sales and marketing company. However, they will try to do this in house initially. They consider that their future viability is somewhat threatened by the black market economy. This is due to builders employing very young people to watch over building sites rather than employing a legitimate security service.

In order to be sustainable beyond the three years of SEP support ELSA is currently building up its cash reserves. The long-term sustainability of the enterprise also means addressing a demographic issue in that the current age profile of the staff means that many will be moving towards retirement age in five to 10 years time. This in part reflects the age related eligibility criteria for employees in the SEP. In the future there will be a need to employ younger staff. They also believe that a plan to replace directors, as they near retirement, will also have to be put in place.

5.3 The Butler Community Centre

Social and Economic Context of the Enterprise

The Butler Community Centre was built in 1986 in the Sacred Heart Parish in Waterford City. Its aim is to provide sports, social and recreational facilities to the local community. The Centre is located in the St. Johns Park estate. The population in its catchment area is approximately 8,500 and the area is characterized by high levels of local authority housing with mainly low-income families.

The Proposer Group

The Proposer Group for the Butler Community Centre is the management committee of the Centre. At present, there are seven individuals on the committee with the possibility that this

number will increase to 10 in the near future. The committee consists of a local person who works for Enterprise Ireland, a retired Garda, a worker from Waterford Crystal, three housewives, a local authority official and the parish priest.

When the Centre was built in 1986 its original management committee operated the Centre at a loss creating financial difficulties that threatened the future operation of the Centre. The present management committee came on board in an effort to save the Centre and make it viable. This occurred through implementing changes in the management structure, dealing with debts accrued over previous years, and securing support from the Community Employment (CE) programme.

The objective of the current management committee (Proposer Group) is to ensure that the Centre is there for the benefit of the community at affordable prices. As such the Proposer Group and the Butler Community Centre see themselves as one entity with the objectives and achievements of each being inter-linked. In applying for funding from the SEP the management committee hoped to put the Butler Community Centre on a secure footing. However, they believe this is proving far more difficult than had originally been thought. For example, the management committee had initially planned to launch a full childcare facility in the Centre. However, since receiving funding from the SEP several childcare providers have opened in the area and the plan is no longer viable. This was in the original business plan but has now been dropped. The management committee also has plans to develop an all weather football pitch at the rear of the building. This plan, which was developed in conjunction with Waterford City Council two and a half years ago, is currently on hold. It is estimated that the pitches when finished will provide essential revenue for the operations of the Centre (approximately €50,000 *per annum*)

The management committee hopes to use the support from the SEP to provide better services to the community than was previously possible, such as increases in the number of youth groups using the Centre. The SEP is also providing employment to people in the area. They also hope to be able to improve the fabric of the building through increases in grant aid and revenue. This year with the help of funding the main hall will have a new floor laid. The committee believes that while funding from the SEP is available the Butler Community Centre will remain viable.

Getting Started

The Butler Community Centre has been in operation since 1986. However, it is only since receiving funding from CE initially and currently from the SEP that the Centre has acquired the capacity to operate effectively. Before this a lack of revenue meant that the Centre had to operate with practically no staff. The main aim of the Centre is to provide, promote and develop recreational and sporting activities in the local community. The Centre did have plans to develop a childcare facility but, as noted above, these plans have now been shelved. The main goal of the Centre at this point is the development of two all weather football pitches. Waterford City Council had agreed to secure the entire Butler Community Centre site in return for a section of land on which they planned to build local authority housing on. The agreement was reached two and a half years ago but as of yet the site has not been secured and the building of the pitches cannot begin. The Butler Community Centre believe that if they are to achieve some form of viability by the end of the three year period of

funding from the SEP, the development of these pitches is vital. The Butler Community Centre has received a commitment of €292,000 from the SEP.

The Operation of the Enterprise

Apart from funding from the SEP, the main source of revenue to support the operations of the Centre arises from the rental of its facilities. Table 5.2 lists the facilities provided by the Centre and provides an indication of the groups using these facilities.

Table 5.2

List of Facilities Provided by Butler Community Centre

<i>Facility</i>	<i>Activity and Groups</i>
Main hall and Stage	Local sports groups/ Youth discos Irish Dancing / local schools
Weights Room	Spartan Weight Lifting Club
Playschool (room)	Local enterprise
Kitchen	Staff, Senior Citizens groups, Performances
Changing Rooms	Sports and performance groups
Front room	Health Board Child Nurse (clinic)
Office	Money Advice Bureau Service (MABS)
Senior Citizens room and Party Room	Local senior citizens, committee and families
Room 1	Seansado (Second Chance: Women's development group)
Room 2	Girl guides and drama groups / classes
Tennis Courts	Local Community

The Centre has a different pricing policy depending on who is using the facilities. The main hall and stage cost €25 per hour before 4pm and €35 per hour after 4pm. There are concessions for community and voluntary groups at €15 per hour. Rooms within the Centre cost €15 per hour, however community and voluntary are provided with these at a rate of €9 per hour. The Centre also gives reduced rates if more than one hour is booked at a time.

Including grant aid from the SEP, the Centre had a turnover of €185,970 in its first year of operation with support from the SEP.

The Centre has one female employee and three male employees excluding the manager. Staff meetings are held once a month and more informal meetings are held regularly. The manager carries out staff reviews on a six monthly basis. The reviews are used to identify the training needs of staff in respect of their jobs.

As noted above, the plan to construct two new all weather pitches is presently on hold. The management committee believe that the development of the all-weather pitches is a large part of the solution to becoming viable in the future. At present, there is no marketing strategy. This will be developed when the all weather pitches are constructed.

The Social and Economic Benefits of the Enterprise

The management believes that the enterprise has enabled a valuable community resource to be provided. The beneficiaries of the Centre include local community and voluntary groups, senior citizens, youth clubs, and young mothers. The operation of the Centre has acted as a springboard for many other groups in the area. Without the Centre groups such as Seansado (a local women's group) could not offer the opportunity to women who wish to make positive changes in their lives, such as gaining access to training and returning to work. The Centre also offers space for businesses in the locality to operate such as a local childcare provider. The benefits to these groups indirectly extend to the rest of the community.

The provision of employment is also identified as a benefit arising from the operation of the Centre. It was also stated, by the FÁS liaison officer for the Centre, the chair of the Proposer Group and the manager of the enterprise that the Butler Community Centre is, for the first time, running as a viable operation due to the support of the SEP.

The Future of the Enterprise

As stated earlier, the management committee and enterprise manager consider that the long-term viability of the Butler Community Centre is linked to getting the all-weather pitches up and running. At present this largely depends on Waterford City Council. The management also believes that further funding beyond the three years is vital in order to remain viable. The Butler Centre's capacity to increase revenue from renting its facilities is limited due to the fact that they are constrained in what they can charge due to the market they are catering for (i.e., mainly low income families and groups). In this they feel the three-year term of social economy funding is not enough. They believe it is not possible for a social economy enterprise such as the Butler Centre to become self-sustaining in the long term due to the nature of the market in which they are operating. While the management has made applications for National Lottery funds they have been refused on each occasion. However, they state that they will continue to make such applications.

The management committee considers that they must recruit members who have backgrounds in business, marketing, PR and accounting, in order to provide the necessary advice and help to drive the Centre into the future as a profitable and viable enterprise. Efforts to do this are currently underway.

The management committee also believes that the Waterford City Council has a responsibility to provide more facilities for the area. The Butler Centre has approached the council for funding for their Centre without success.

5.4 Cork Accessible Transport**Social and Economic Context of the Enterprise**

There is considerable evidence that compared to their able-bodied peers, people with disabilities are restricted in their access to employment, education and normal day-to-day activities such as shopping due to an inaccessible transport system (buses and taxis that do not cater for people with physical disabilities).

A review of literature established the need for an accessible transport system in Cork. The Southern Platform of the Disability Federation of Ireland carried out a survey which identified transport as one of the biggest non-health related issues for people with a disability in Cork city. The report also estimated that at least 10% of the population of Cork city (12,300 people according to Census 2002) are faced with some disability. The Disability Federation consider that the lack of transport is a cause of the high unemployment rates found among people with a disability. The dearth of accessible transport is also cited as a major factor in the social isolation experienced by people with a disability.

Although there are five wheelchair licences provided in the Cork city area these taxis have been reported as avoiding their target group in preference for the larger pool of able-bodied clients. Even when taxis are available, the cost is considered prohibitive as the high levels of poverty amongst people with disabilities places this service beyond their reach.

The Proposer Group

The Proposer Group is the Centre for Independent Living (CIL) in Cork. This is a consumer led organisation run by and for people with a physical disability. Its main aim is to empower and enable people with disabilities to achieve independent living, choice and control over their lives and to achieve full and active participation as equal citizens in society. The first Centre for Independent Living was founded in Dublin in 1992. Since then a number of different centres have been established around the country. One factor that assisted this development was the availability of funding from the Community Employment programme.

Independent Living is both a philosophy and a movement of people with a disability who work towards securing equal rights and opportunities, self-respect and self-determination. Independent Living aims to enable people with a physical disability to be in control of and have choice in their lives. This involves securing the provision of accessible housing and transport and access to personal assistants.

Some media attention has been paid to the issue of transport for the disabled in RTE's "Nationwide" programme and the consumer programme "Streetwise". CIL carried out a phone survey and established that the vast majority of people with disabilities in the Cork region would increase their activities if a reliable form of accessible transport was put in place.

The provision of a transport initiative within Cork city allows for greater accessibility to services for members of the physically disabled community. This provides individuals with physical disabilities access to training and education as well as cultural, social and recreational activities. For the Proposer Group this provides a much-needed service to those with physical disabilities in Cork whilst also removing a major exclusive barrier for independent living in Cork.

Getting Started

The provision of accessible transport had been a priority of CIL in Cork for a number of years prior to their receiving funding from the SEP. Also, while they were involved in providing accessible transport prior to receiving funding from the SEP, the level of service was limited due to financial constraints. To address this a proposal for funding from the SEP was put

forward by a coalition of interest groups in the greater Cork area. The Centre for Independent Living was represented along with members of Muscular Dystrophy Ireland, Accessible Transport Users Cork and the Cork Cheshire Home.

It was noted by the LSEWG that CIL had applied for funding on numerous occasions at both national and local levels. In recognition of the lack of transport available to members of the disabled community in Cork the LSEWG considered that the SEP would be able to provide the necessary funding. The funding received from the SEP allowed CAT to provide salaries for its staff. Additional funding was received from the Southern Health Board (£53,000 or €67,310) to cover the purchase of two vans. Some small corporate donations were also received at the outset of the enterprise; these were once off payments. The cost of insurance upkeep of the vehicles was seriously under budgeted, and an agreement has been reached between the enterprise and FÁS at a local level to include these costs within the SEP funds.

It was decided that Cork Accessible Transport would be based at the same address as the Centre for Independent Living and the costs of maintaining the building are split between both organisations. The infrastructure of CIL supports Cork Accessible Transport through administrative support.

The Operations of the Enterprise

The sole service of this enterprise is the provision of accessible and affordable transport in the Cork city area for people with physical disabilities. In terms of marketing this new service to people with physical disabilities, CIL was well positioned. Due to the involvement of many different interest groups, the target group was already identified and primed for the service. New users are made aware of the service by advertising in both the Cork City Partnership and in the newsletter for the Disability Federation of Ireland. As a limited service was in operation from CIL, many people were already aware of the service being provided.

The pricing structure for this service has had to be as affordable as possible whilst also providing revenue to contribute to the sustainability of the enterprise. Cork Accessible Transport runs the service as a travel club. This requires all service users to become members of the club. Once membership has been confirmed, bookings will be taken from individuals. People can book the vans in advance stating their pick-up and drop-off points. On a monthly basis, members of the club are invoiced for their subscription based on their use of the service. The minimum charge for use of the van is €5 within a 6-mile radius. Once a trip goes beyond 6 miles, prices increase in accordance with distance travelled.

There are a total of 9 staff members in Cork Accessible Transport, one female manager and 8 male drivers. Of these eight, five were formerly in receipt of an invalidity pension, one was in receipt of a disability allowance, and the remaining two were recipients of Unemployment assistance.

The Social and Economic Benefits of the Enterprise

Among the main benefits arising from the operation of the enterprise is the removal of the inequality experienced by people with a physical disability in relation to access to transport and the consequent improvement in their quality of life. People using the service have become more active within their local community and this has had many additional benefits

including the reduction of social isolation, improved psychological well-being and enhanced lifestyles. Also, the profile of the physically disabled has been increased. Interaction between able-bodied and people with a disability allows for both communities to recognise the needs and diversity of each group. This improves relationships between communities and allows for a more equitable society.

A specific outcome of the service is that it has enabled people with a physical disability to pursue third level education. Due to the focus on accessibility to third level education in recent years, a large number of service users are going to and from University College Cork.

As a result of the service, people with a physical disability have been enabled to engage in the labour market. Many individuals with physical disabilities are highly skilled and have traditionally been kept out of the labour market due to an inaccessible transport system. Due to the work of Cork Accessible Transport, full and part-time employment is increasingly becoming an option.

Disability groups note the amount of work done in recent years to provide disability friendly shopping facilities. Accessible and affordable transport allows people with disabilities to actually use these facilities. This has the added benefit of providing more active consumers to the local economy.

The independence acquired by service users allows people with a physical disability to organise when and where they wish to visit (depending on the level of use) and allows them to engage with their community when and where they want. These are choices that are available to most people living in Cork city and it is the opinion of both CIL and Cork Accessible Transport that members of the physically disabled community in Cork should have the same options and choices as their able-bodied peers.

The Future of the Enterprise

Local commitment to the service among members of the disabled community in Cork is high but increases in the numbers using the service would place the enterprise in a more sustainable position. As mentioned earlier, a number of potential users are unable to use the service to its full capacity because of a lack of resources. In the view of Cork Accessible Transport, until the need for accessible transport is recognised by members of Cork's business and political communities the future of this enterprise remains uncertain. The LSEWG and FÁS recognise the continuing need for this service. However, as only a maximum of 30% of the cost of the overall service can be recouped through turnover, continued and alternate sources for funding are essential to the ongoing provision of an accessible transport system in Cork.

5.5 The Marian Pre-School Centre

Social and Economic Context of the Enterprise

The Marian Pre-School and Family Centre has been in operation since September 1983. It is situated in the Little Bray area on the north side of Bray town and it serves a large portion of the local authority housing estates in the area. A high proportion of families in the catchment area of the Centre are dependent on welfare payments. Also, a report produced by GAMMA,

in 1998, noted that there was a stark contrast evident in the distribution of wealth within the town of Bray. The Rathmichael and Bray Number 1 districts were rated as 10 (i.e., being the most disadvantaged) while the other two District Electoral Divisions were rated as 1 and 2 (i.e., the most prosperous). The Marian Centre regards the Rathmichael and Bray No. 1 districts as its core market.

The Proposer Group

The Marian Centre has always endeavoured to combat social exclusion. The Centre's core mission is to make learning and education available to people in the community that need it most. The original aim of the group was to provide the highest possible standard of childcare services, helping children to develop "cognitively, socially, emotionally and physically, at their own pace, with loving care and support". At an early stage, the Centre realised that to secure the long-term viability of the service they would have to engage in the provision of a more integrated service. A new source of financial aid was necessary to achieve this.

As well as a more integrated service it was felt that employees working with the support of other FÁS supported programmes (i.e., CE and JI) that had been accessed by the Centre needed more continuity in their employment if the quality of service was to be maintained and improved.

Getting Started

Before the Centre became funded by the SEP it was already receiving funding under CE and JI.

The objectives set out by the Centre were to provide a quality childcare service by continuing the existing services but also by enhancing and developing those services. Under the Bray Partnership Plan, the Marian Centre had the necessary credentials for their own local plan and in September 2001 their business plan was recommended for a manager and eight employees. Currently, the SEP supports the wages of seven employees and one manager. Other expenses such as capital expenditure, training, overheads and accountancy fees are also paid with financial support from the SEP. This funding accounted for around 33% of all the Marian Preschool and Family Centre's income in the past year.

The efforts of the chairperson of the Proposer Group, the development officer and FÁS staff have also played a key role in supporting the enterprise. They established a local network support group for all managers from different enterprises in the region to meet and discuss their progress and they act as advisors to the pre-school when needed.

The Operations of the Enterprise

The pre-school offers an affordable service to parents in the Little Bray district. The services include a pre-school morning and afternoon club, Homework clubs, Early Bird Breakfast Clubs and a summer school running over the course of two weeks in July. One of the most important functions of these services is that they incorporate a structure and routine into the children's daily schedule.

A nominal fee of just €10 per week is required from each family taking part each week. The high demand for this service is due in part to its low price. If families fail to meet the cost for a week the children are still invited to come along.

Promoting activity and raising awareness of the service among the target audience has always been successfully achieved through word of mouth recommendation. The continued existence of waiting lists for places is testament to its effectiveness in this regard.

The amount of revenue being generated has varied with a surplus for the year ended on the 31st October 2002 of €3,356 compared with the deficit of €1,378 for the previous accounting period. Ongoing evaluation is carried out by quarterly reviews to ADM; questionnaires to parents, children, teachers and staff; monthly meetings of the management committee, regular staff meetings and regular reviews of the attendance levels at the Centre.

The Social and Economic Benefits of an Enterprise

Support from the SEP has enabled the Marian Centre to provide a degree of long-term security for its staff. This has been important in the securing the provision of quality services to its clients. The children, the parents, local schools and the community as a whole are all beneficiaries of the services of the enterprise. The children are being provided with a safe, structured and secure environment to learn at an affordable price. The consequential improvement in child nutrition that accrues from the development of the breakfast club is an equally important benefit. In addition to this parents are secure in the knowledge that their children are being cared for while they work. The educational and economic advantages of early school learning and socialising, and the integrated and continuing range of child support services offered, all develop a positive attitude towards school. Employment opportunities for the SEP funded staff have facilitated them to further their education by attaining childcare qualifications.

The Future of the Enterprise

The potential to continue to grow and develop the service is perhaps the greatest opportunity and challenge that faces the Centre in the future. Before the Centre was funded by the SEP a lack of funding threatened the quality of the service provided as well as the sustainability and the ultimate survival of the project itself.

At present, one of the main concerns of the Centre regarding its future viability is the uncertainty of the resources required to continue to employ their staff in the absence of support from the SEP. In the view of the Centre's management, sustainability should come through the value of their work being recognised and resourced by relevant government departments. To secure this recognition rather than having to introduce higher fees is seen as the main challenge ahead.

5.6 Leitrim Design House

Social and Economic Context of the Enterprise

The emergence and development of the art and craft sector in County Leitrim over the past decade or so reflects the interaction of a number of factors. First, there was a level of inward

migration to the county by individuals with arts and craft skills. These artists and craft workers were attracted by the quality of the environment and the comparatively low cost of using Leitrim as a base for production. Allied to this was the presence of indigenous artists and craft producers most of whom were producing on a small scale. Second, in the absence of more mainstream sources of employment many unemployed people in Leitrim availed of the Back to Work (Enterprise) Allowance Scheme to support the establishment of micro businesses in the craft sector. Third, both the local Enterprise Board and Partnership Company have acted strategically to support the development of the art and craft sector as a means to promote employment and social inclusion.

Among the specific factors creating the basis for the eventual establishment of the Leitrim Design House in September 2000 were the actions taken by the Leitrim County Enterprise Board in 1996 on foot of research on the nature and scale of art and craft based enterprises in the county. That survey estimated Leitrim's share of the national craft market represented at 1% in the mid 1990s. It pointed to the diverse skill base in the county and the predominantly small-scale nature of the operations of craft producers. The consultation with local artists and craft producers undertaken as part of the research also highlighted the vulnerability of the sector due to the absence of business skills with approaches to marketing being particularly weak.

In response to results and recommendations of the research on the sector, the Leitrim County Enterprise Board launched the *Leitrim Arts and Crafts Initiative* in November 1996. This initiative prioritised the promotion of job creation and regeneration through the development of the art and craft sector and rolled out a series of actions to strategically support the development of the sector. One of these actions was the establishment of *Visual Leitrim* as a cluster based support structure for artists and craft producers based in the county. A central element of this initiative was the establishment of a collaborative marketing organisation that produced a product portfolio from among its members to be marketed under the brand image *Visual Leitrim*. Over the period 1997 to 2000, Visual Leitrim provided its members with local, national and international marketing opportunities, product design and support services, and facilitated prospective members to meet the product criteria for inclusion in the Visual Leitrim portfolio.

The Proposer Group

A review of structure and ownership of *Visual Leitrim* in mid 1999 resulted in the establishment of Leitrim Design House in September 2000. Coincident with the establishment of Leitrim Design House was the launching of a new brand for craft items under the name of *Leitrim Design House* with the *Visual Leitrim* brand now applying specifically to fine art pieces and commissioned works.

Leitrim Design House is a non-profit taking company limited by guarantee without share capital and no dividends payable. It has a six member board of directors comprised of four producer representatives and two representatives of Leitrim County Enterprise Board. Its objectives are as follows:

- *to promote and develop the art, design and craft sectors within County Leitrim*
- *to promote and encourage excellence in design and production*

- *to foster, encourage and assist artists and craftspeople to develop strong, sustainable businesses*
- *to enhance and develop training opportunities for the sector*
- *to advise and offer efficient, skilled and dedicated support to artists and craftspeople in the areas of marketing, exhibitions, strategic business management and training and education*
- *to develop a quality brand for County Leitrim products, raise public and corporate awareness of our skills and competence*
- *to establish Leitrim as a centre of excellence for art and giftware products synonymous with quality.*

Getting Started

Consultations with artists and craftspeople who were members of *Visual Leitrim* had established their desire for a permanent exhibition and sales outlet in the county. In response to this Leitrim Design House opened an outlet in the newly developed Market Yard in Carrick on Shannon in December 2000. This was followed in 2003 with a second outlet in Manorhamilton.

The application for support from the SEP identified the need for dedicated personnel to support the operations and development of the Leitrim Design House particularly in respect of staffing for its two outlets and providing marketing and technical support services to its members. The total number of staff required was one full-time and four part-time gallery assistants, an information officer and a technical support co-ordinator. While the business plan for the enterprise was approved for grant aid under the SEP, budgetary constraints have meant that funding is now unavailable for the recruitment of the latter two workers.

The Operations of the Enterprise

The Leitrim Design House provides a range of product and market development services for its members including two local retail outlets, gallery space, website promotion, mentoring and product development support, and external marketing and promotion. Member artists pay a fee of €100 per year to access these supports.

Apart from grant aid from the SEP the main sources of revenue to support the operations of Leitrim Design House come from sales commissions, display fees paid by members in respect of the costs of participating in trade and retail showcases, exhibition fees, and facility rental. A limited amount of grant aid is also provided by Leitrim County Enterprise Board. During its first year of operation turnover was approximately €178,000 with almost €70,000 of this being provided by grant aid from the SEP.

Currently the Leitrim Design House employs a manager and four personnel (two-full and two part-time) with support from the SEP. These workers report directly to the manager of the enterprise who in turn reports to a management committee comprising members of the board of directors and four member producers. Currently, there are approximately 60 producer members affiliated to Leitrim Design House.

The Social and Economic Benefits of the Enterprise

The economic and social benefits of the enterprise arise on a number of levels. In relation to the overall economic development of County Leitrim the operations of Leitrim Design House are providing two additional tourism attractions, enhancing the attractiveness of Leitrim as a production base for artists and craft producers, and contributing to the development of the art and craft sector as a source of sustainable employment in the county. More directly, the Leitrim Design House currently employs four personnel and a manager with support from the SEP. These personnel, in turn, provide a range of services supporting the sustainability of the businesses of the producer members. It is of note that a substantial number of the current members were formerly unemployed.

Benefits also arise to the local population in terms of access to exhibitions, workshops and demonstrations that are based in the outlets established with support from the SEP.

The Future of the Enterprise

Among the factors identified as adversely influencing the sustainability of the enterprise are declining consumer expenditure in the current economic climate and the lack of financial resources to recruit additional personnel to work in the areas of marketing and product development. Also, a high proportion of traded income is currently coming from commission on direct sales from the two outlets. With regard to the latter, there is also a marked seasonality in sales with business being slack in the January to May period.

Among the actions that Leitrim Design House is taking to underpin the sustainability of the enterprise are diversifying the range of its services (e.g., providing wedding list and gift services, renting gallery space), advising producer members on the production of a medium priced / affordably priced range of products to attract more discretionary purchases, and pursuing the establishment of web-based marketing and on-line sales. In addition, Leitrim Design House is currently involved in promoting a project with the support of the European Union's EQUAL Initiative in collaboration with the Leitrim County Enterprise Board and the Craft Council of Ireland. This project has the potential to increase the supply of member producers and thereby widen the product range on offer to the market.

5.7 The Delta Centre**Social and Economic Context of the Enterprise**

The Delta Centre was initially established as a parent and friends support group in 1989. At that time there was a gap in services in Carlow aimed at adults with moderate to severe learning difficulties and voluntary work initially provided the impetus to establish the Centre. A disused factory was purchased and converted into a centre that now houses a restaurant, garden centre, multi-sensory unit and training facilities. The original concept was to create an environment addressing the development, education, learning, training and activation needs of people with learning disabilities in Carlow.

The Proposer Group

The Delta Centre is a voluntary organisation committed to providing focused services to adults with learning disabilities and their families in the Carlow region. This is done through the provision of training, respite, residential care, and multi-sensory services to adults with

learning disabilities. The aim of the centre is to provide encouragement and support for adults with learning disabilities to develop to their full potential and improve their quality of life. The Centre has a development plan that is divided into four main areas.

The Centre: The actual centre itself consists of a catering unit (dining room and kitchens), the multi-sensory unit and meeting rooms. All of the administrative and management staff are located within the main building. The catering facility provides employment to a number of adults with learning disabilities. As the Delta Centre is located within an industrial estate, this catering service is aimed at attracting lunch-time custom from people working in the area. The potential of the centre to act as a conference or meeting centre is also being marketed to local businesses. The multi-sensory unit is also located within the centre and is available to all adults with any form of learning disability. Its aim is to provide a simple and basic stimulation of primary senses to both calm individuals and promote a sense of trust and improved communication between staff and trainees.

Residential Care: The Delta Centre has two houses providing full-time residential care to adults with learning disabilities. These houses employ the majority of the Centre's staff (25 individuals) with assistance from the Community Employment programme. This service also extends to providing respite to local families and has been recently expanded to include a retirement home for adults with learning disabilities.

Garden Centre and Crafts: This was developed over a number of years. Initially the Delta Centre began with a glasshouse and potting shed. This was followed by building art and woodwork spaces for clients of the centre. Initially these spaces were aimed at expanding the skills base of persons engaging with the Delta Centre. The commercial aspect of these ventures was realised and since 2000, the Centre has run a garden centre and shop that sell the products produced across these two areas.

Multi-Sensory Gardens: This will be the fourth area of work that the Delta Centre aims to develop and is the area currently funded by the SEP. It is planned that this will run independently for the period of funding from the SEP and eventually will integrate adults with learning disabilities into its daily work. A certain crossover will occur between this and other services being offered by the Delta Centre.

A rehabilitative training programme provides training in catering, horticulture, woodwork, IT, literacy and self-advocacy. This prepares trainees with the skills to undertake a community placement promoting their independence and integration into the community. Many individuals go on to become employed in the community benefiting both the trainees in developing a sense of independence but also benefiting the local market by providing a professional service which also supports equal opportunities policies.

The Proposer Group is essentially the core organisation of the Delta Centre. The plan for a multi-sensory garden was in existence for a number of years before receiving support from the SEP. The original concept behind the application for funding from the SEP was to build multi-sensory gardens that would meet a number of goals for the organisation. The garden would not only be a public garden with a wide variety of plant life but also include a children's playground, sensory theatre and water fountains. It was recognised by the Proposer Group that funding for other services could have been secured from the SEP. It was the sustainability element of both the multi-sensory gardens and the general focus of the

programme towards this end that encouraged the group to seek funding. The primary aim of the Proposer Group is the development of a spectacular tourist attraction for the Delta Centre that will generate income independently of fundraising. The multi-sensory element of the enterprise would also facilitate the growth and maturation of the gardens whilst also offering visitors a different experience than that of most public gardens. Although it was not intended to involve individuals with learning disabilities in the development stage, it is hoped that they will eventually be involved in the upkeep of the gardens, which will promote further employment opportunities for trainees within the centre. It is expected that with the success of the gardens, a solid funding base will become available to provide necessary services to individuals with learning disabilities in the Carlow area.

Getting Started

Many trips to visitors' gardens throughout the country were carried out to develop a sense of what the gardens would need and also to establish visitor patterns. It was decided by the Proposer Group to approach Gordon Ledbetter (designer of the National Gardens in Co. Wicklow) in an attempt to establish the scale of the work required to develop and create multi-sensory gardens. On hearing of the project, Mr Ledbetter offered his services as a designer and consultant for no fee. His interaction with the project has not only raised its profile on both a local and national level but also encouraged other reputable designers to become involved.

Trainees from the Delta Centre carried out market research in local supermarkets, aimed at establishing the local interest of individuals in visiting the proposed gardens. Other areas were also addressed for the provision of income. Local businesses were approached as the Delta Centre offers a unique environment for seminars, providing multi-sensory experiences, conference rooms and restaurants. This also would promote interaction between local businesses and the centre, whilst highlighting the potential of people with learning disabilities in the area.

Carlow Tourism is promoting the annual Carlow Floral Festival Trail in an attempt to draw tourists into the county. The multi-sensory gardens are integrated with these tourism plans, and the tourist office is an important source of marketing to potential visitors.

The objectives of the gardens are to promote tourism in the Carlow area through the provision of 12 gardens all focused on different primary senses in the body (this reflects and integrates the County Tourism plan to make Carlow the "Floral County" of Ireland) and to create an attraction that is fully accessible to all people who have disabilities, learning or otherwise. The eventual creation of employment opportunities for trainees in the Delta Centre is another important factor for the Proposer Group.

The Operations of the Enterprise

As the centre is still in construction, this section will highlight the current work practices within the gardens and also identify the main products and services that will be provided on completion. Twelve gardens are proposed as part of the original plan. This enterprise is half way through its funding period with five gardens completed. The eligibility criteria for recruiting employees under the SEP resulted in recruitment difficulties that delayed start-up. Environmental factors and seasonal weather conditions also have influenced progress.

Including the manager there are currently seven people employed. Only two of these individuals previously worked in a horticultural environment. Filling the manager's role initially presented a problem. The salary offered for the post was the main barrier in attracting someone qualified for the role. Although the Delta Centre is a well-developed and diverse organisation, none of the current members of staff could have taken over this role. Budgetary restraints would have also made it difficult to supplement the salary of a trained professional. Due to the interest of a former local businessman in the enterprise, the position was filled for the minimum salary offered. Once the full staff complement was met, it was necessary to train all of the staff in health and safety issues as well as the use of some heavy machinery. The skills of all the staff have been developed through the individuality of each garden and the different materials used for each garden. The training of staff in woodworking, stonewall building, slab laying, landscape gardening and horticultural procedures has greatly increased their knowledge and skills base.

The manager of the programme oversees all of the work in the gardens. The focus of the team is to complete tasks on a weekly basis. The group as a whole decides the allocation of work for each individual, reflecting the skills of each worker whilst also exposing each employee to all of the tasks available. Staff are also encouraged to interact at the levels of design, creativity and planning the future for each individual garden. The flat management structure within the Delta Centre allows for a relaxed environment. The infrastructure of the Delta Centre, which was already in existence, handles the majority of the administration associated with the SEP and deals with all marketing and public relations issues for the gardens.

Without funding from the SEP it would not have been possible to start this enterprise. Although the local health board provided the land adjacent to the centre, funding from SEP was necessary to secure personnel to carry out the development work. During the first year of operation, the total cost of the work undertaken amounted to just over €128,500. The contribution of the SEP toward this was just over €115,500. Small scale grant aid from a number of sources covers the balance. As this project will take three years to complete, revenue will not begin to be generated until the middle of 2005.

The Social and Economic Benefits of the Enterprise

As the Delta Centre has already developed a garden centre and restaurant, the operation of the gardens will not only draw in additional visitors to these services but will also highlight the work being done both for and by people with learning disabilities. The multi-sensory gardens will be integrated fully with the existing enterprises operated by the Delta Centre. Visitors will be encouraged to use the restaurant and also to visit the garden centre that will sell plants and products used in the multi-sensory gardens. The anticipated increase in turnover will be used to fund services needed for individuals with learning disabilities provided by the Delta Centre.

The development of the multi-sensory gardens is also providing a means of reintegrating a number of people who were previously long-term unemployed back into the workforce.

Local artists will be invited to display their works in both the centre and the gardens. It is also hoped that the use of the centre by local businesses, wedding parties, school tours and

other community groups will highlight the needs of people with learning disabilities whilst also creating a positive environment for all members of the community to mix.

When finished, the gardens will provide an additional tourism attraction - up to 30,000 visitors are expected annually from local, national and international locations - and thereby contribute to local economic development.

The Future of the Enterprise

Continued funding from the SEP is seen as essential to complete the gardens. Although the SEP has provided the necessary funding to employ staff, the development of the electronic and technical elements of the multi-sensory gardens needs additional funding.

An increase in volunteerism and securing additional funding from both the public and private sector sources are seen as possible ways of speeding up the work on the development of the gardens and thereby helping to complete the gardens within the planned time period of three years.

A new entrance is needed for the centre and gardens. The project is currently situated at the rear of an industrial estate. A new entrance from the main road behind the project has been proposed. Without a visible entrance that can accommodate all types of vehicles and the provision of parking facilities, the potential of the gardens to attract visitors will be diminished.

The staff who have been trained over the past 1.5 years are seen as an extremely beneficial to the project. Should funding be lost at the end of three years, or the staff let go, a major setback for the project would occur. The training of new staff would slow the completion of the project. Also, as it is planned to integrate people with learning disabilities into the operation of the gardens, it would be beneficial for the centre to retain current staff for a further two years in an advisory/training role. Their familiarity with the workings of gardens - both the technical elements of the multi-sensory equipment and also the upkeep of the variety of plant life - is seen as essential to the success and viability of the gardens.

5.8 Castlebar Care for the Aged Programme

Social and Economic Context of the Enterprise

The focus of the Castlebar Care for the Aged Programme is primarily on the provision of a range of necessary services for older people living both within the town and in close proximity to the town (i.e., a 10 mile radius). The programme developed from the voluntary work traditionally carried out by the parishioners of the Church of the Holy Rosary in Castlebar. The Care for the Aged Programme has amalgamated its work with the local social service unit of the health board and hopes to keep a strong local element in the provision of care and services to older members of the community.

The Proposer Group

The Proposer Group for this enterprise was established for the sole purpose of acquiring funding from the SEP. Services for the elderly and socially disadvantaged groups had

previously been in existence in Castlebar and members of the Proposer Group had been involved in voluntary work with the elderly since 1975. During that time services for elderly members of the community were mainly organised by the clergy, most notably the Sisters of Mercy. A number of people from local parish groups also worked on a voluntary basis, providing a wide range of services (meals on wheels, laundry, home visits, house cleaning and repairs) to the elderly in Castlebar. During the past number of years voluntary input has declined substantially as have the number of vocations to orders such as the Sisters of Mercy. This was seen as potentially undermining the capacity to meet the needs of older people living in Castlebar. The Proposer Group was formed to acquire funding to ensure the provision of services to the elderly and other groups in Castlebar.

Getting Started

As this enterprise was already operating on a voluntary basis a working infrastructure was already in place. The Proposer Group had also been involved in the work of the social services as their work involved the same client group. Due to this, it was decided to integrate the work of both groups to ensure that there was no duplication in the delivery of services. At the moment Castlebar Care of the Aged provides a meals on wheels service, laundry service, drop in centre, transport service, and social outings.

The cost of these services, to the provider, is varied but the transport service is the most expensive due to increases in insurance cover and the cost of vehicle maintenance. It is feared that this service will be lost in the coming months and this will seriously impair the work of the organisation. For a number of older people who suffer from mobility problems, this is an essential service.

The Operations of the Enterprise

This project has a total of 10 full-time staff members (i.e., a manager and 9 employees). Five of the employees are men and four are women. The Proposer Group for the enterprise remains heavily involved in its daily operations and has assumed the role of a board of directors. The board makes all financial decisions which are communicated to the manager. The manager's role is to ensure the delivery of services that are relevant to meeting the needs of the client groups of the enterprise and to provide these services in an efficient manner.

The clients of the service are identified through the work of district nurses in the local health board and the employees of the enterprise visit all people identified as in need of support. These visits are initially social and are designed to overcome any fears or embarrassment that might be experienced by clients in seeking help. The individuals contacted are invited to attend social events held in the centre in Castlebar. For people with transport difficulties, a minibus collects them from their homes. By introducing clients to the service slowly, it is hoped to show older people the services on offer and to let them choose those services meeting their needs.

This service is run seven days of the week for 365 days of the year. The reliability of this for older people in the area is exceptional and is considered better than what could be expected from formal services provided by health board personnel. As all of the services offered require some form of payment a small turnover is generated. Members of the team who have

an understanding of the financial circumstances of individual clients generally assess the level of charge.

During its first year of operation the cost of the services provided amounted to approximately €250,000 with grant aid from the SEP coming to €186,000. The gap between the cost of services and SEP grant aid is being addressed by income from room and hall rental in the centre from which the enterprise operates. A small amount of money is raised through fundraising. However, these sources of income are insufficient to meet the full extent of the gap between the cost of the service and the level of grant aid from the SEP.

The Social and Economic Benefits of the Enterprise

This service allows older people to remain living in their own community and contributes to maintaining and improving their health and psychological well-being. This, in turn, is seen as promoting social activity for older people and reducing levels of social isolation. This enterprise also plays a role in parish and community work through incorporating the work of local volunteers. Through the provision of a subsidised service that allows nearly 200 older people to remain living in their homes, the local health board does not have to finance carers or beds in county (geriatric) hospitals. Services such as meals on wheels, laundry and home repairs are all necessary and, without this enterprise, it is the view of the Proposer Group that the local health board would have to become more directly involved in the provision of such services at a considerably higher cost.

The Future of the Enterprise

Organisations such as the Castlebar Care of the Aged have always operated largely on the basis of the voluntary input of local individuals. Even with the provision of staff under the SEP, the declining number of individuals volunteering threatens the capacity to provide many essential social services to the elderly, particularly in rural areas.

In the view of the Proposer Group without funding from the SEP the services provided by Castlebar Care of the Aged would have ceased. In the past the local health board had been in a position to bolster the funding of such enterprises but this is seen as increasingly unlikely in the present environment. The sustainability of the enterprise is seen as being dependent on securing a long-term funding commitment for its operations. This is seen as particularly necessary in the context of developing services to cater for the growth in the number of older people in the population.

5.9 Erkina Community Communications

Social and Economic Context of the Enterprise

Erkina Community Communications (ECC) is the offspring of Erkina Development Association (EDA). EDA is a rural development association. The name Erkina is taken from the local river Erkina. The region consists of 11 communities and is known as the Erkina region. The population of the region in 1996 was 4,609, representing approximately 10% of the population of Laois. The Erkina region has suffered from the effects of rural isolation including depopulation and lack of employment opportunities outside of agriculture. Similar to other disadvantaged rural areas the local labour force had lower levels of educational

attainment compared to national or county levels. The Erkina region is broken into 17 electoral divisions, seven of which have levels of social deprivation higher than the national average.

The Proposer Group

The Proposer Group of ECC is EDA and its board of directors. The board currently consists of 11 members. EDA was established in 1996 when the need for an integrated rural development association was identified: "The aim of this committee was the coming together of members working collectively for the common good of the area, giving the area a stronger voice". In November 2001, EDA held a series of workshops in which they sought to identify areas of possible funding to support EDA. Through these workshops an opportunity to establish an enterprise funded by the SEP was identified. Several possible enterprises were identified. However, the enterprise that was considered to have most potential for success was identified as a printing and publishing business that would service the needs of the area. Previous to this EDA had received funding for the "Erkina News", a monthly newsletter that provided information on services and issues to the local community. This was funded by CE. When funding for this ceased the SEP was seen as providing an opportunity to take the newsletter to the next stage.

Through ECC the Proposer Group hopes to provide sustainable employment for a number of people in the area. EDA also hope to "keep a roof over their head" through funds generated by ECC. The premises rented for ECC are also used as a location for EDA to hold board meetings. ECC in many ways acts as a vehicle to keep EDA active, while providing employment and valuable services for the communities of the Erkina region.

Getting Started

EDA sought to access funding for the furthering of EDA itself. In conjunction with Tipperary Institute, EDA began a series of workshops in November 2001. The objective of these workshops was to advance the area development plan for the next five years. Through these workshops eight potential social economy enterprises were identified including; community training, youth development, employment off farm, community social interaction, community communications, rural transport, addressing isolation and environment and recycling.

The projects were evaluated using a three point filtering mechanism (i) are there any technical reasons which would disqualify the project under the social economy? (ii) is there a project which EDA feels confident, competent and best qualified to undertake? and (iii) are there any obvious factors that would preclude the project happening in the timescale allotted? Through this process, community communications was identified as the service that was most feasible and which would also have the best chance of succeeding to secure funds from the SEP. EDA had previously published a newsletter employing several people with support from the Community Employment programme. All of these had been trained in publishing and printing. A business plan was drawn up and submitted to FÁS and the Local Social Economy Working Group. The objective of the enterprise was to "create quality sustainable employment for five people, promote the work of the community and voluntary sector in Laois and to generate income for community projects". ECA secured a commitment of €334,000 over three years from the the SEP. Laois Leader have also funded ECC with a once off grant of €20,500.

The Operations of the Enterprise

ECC provide printing and publishing services to community groups, voluntary organisations, government agencies and, more recently, the private sector. While it is stated in the business plan that ECC will not seek work from the private sector a lack of such services in the region has meant that through word of mouth many private sector businesses have approached ECC seeking use of their services.

Newsletters, leaflets, posters, brochures, letterheads, business cards, compliment slips, CVs and business plans are all designed and printed by ECC. ECC also provide training and information on benefits and entitlements to the unemployed. This is provided under the CAIT initiative. The building is also used for the provision of adult literacy classes and acts as a citizen's information bureau. Internet access is also provided at €4 per hour or \$2.50 per half-hour. ECC print a monthly newsletter entitled *Erkina News*. Advertising space is available in this for any business at €60 per full page, €40 per half page and €25 per quarter page.

ECC obtain much of their business through word of mouth. Similar services are not available within a 30 mile radius, the closest being Kilkenny city. In addition, contracts for work are secured through recommendations from EDA board members, FÁS, and the members of the Local Social Economy Working Group.

ECC employs a total of three men and three women. Staff are trained in all aspects of production. The enterprise is controlled by a Board of Directors (total five people). There are no staff members on the Board. The secretary of the board is also the secretary of ECC and does the books etc. The manager reports directly to the board. There are six staff who report directly to the manager. Operational management is through team building and co-operation. Each week a formal team meeting takes place. Informal meetings take place on a regular basis.

ECC have developed a computer programme for pricing contracts. This prices a job by taking into account overheads, wastage, paper etc. Private sector jobs are priced in the same way as all jobs however the profit margin is higher. All contracts are individually tailored to each customer. Depending on several factors such as, paper size, colour or black ink, number of copies, number of pages in each copy, every job will be priced with respect to a given customer's needs. Erkina feel somewhat disadvantaged in their ability to generate a profit as they have a large outlay on leasing equipment. This equipment is leased from EDA.

Erkina have been in operation since September 2002. At present they are entering into their fourth quarter. In the 1st and 2nd quarter turnover was €67,278.

The Social and Economic Benefits of the Enterprise

The main direct beneficiaries of the enterprise are the six staff members who are funded by the SEP. It is hoped that by the end of year three the employees of Erkina will all benefit through full time permanent employment. Presently all staff funded under the SEP are kept on six month contracts. Staff have also benefited in terms of the training they have received in their employment. This has enabled them to gain particular specialised skills in printing and publishing. In this the Erkina region as a whole benefits with the employment of marginalised groups such as the travelling community, disabled persons, and the long-term

unemployed. Beyond this the Erkina region itself benefits through the opportunity to have a voice linking the region together through a common enterprise.

There are also many community organisations which have benefited through the operation of Erkina such as Errill National School, Ballacolla Tidy Towns, Rossmore / Killeslin Development Association, Ossory Agri Show, Abbeyleix Town Twinning, Borris in Ossery Area development Company and Clonaslee Community Development Association. These groups, among many others, are provided with ECC's services at reduced rates, allowing them to reach their target audiences and increasing the regions sense of community.

The Future of the Enterprise

ECC have established a reputable printing and publishing service operating in a local market. Both the manager and the Proposer Group (now the board of directors) believe that the sustainability of ECC depends upon ongoing grant aid, in particular from the SEP. While some funding has been secured from Laois Leader the board of directors is also on the look out for other potential sources of funding.

The manager believes that for ECC to be sustainable, cash flow must be regular and actual income kept in line with the business plan. Currently, ECC's business plan is being revised. Grant aid for this purpose has been approved. The enterprise believes that how they manage the cost effectiveness of their products and services will impact upon the ongoing success of the business. The manager also stated that to move into the future successfully employees must be kept informed about the state of the company. This she believes will positively impact on morale and ensure that employees do not leave the enterprise.

The Local Social Economy Working Group considers that some form of "step back" funding arrangement should be provided by FÁS. Regarding this, the chairperson stated that if funding was cut after three years and the enterprise was not completely self sustaining, three years of hard work could be lost. In their view sustainability will also depend on ECC's ability to keep their equipment up to date, a factor that could impact on their ability to be competitive in the future. Finally, the Local Social Economy Working Group considers that the future of such enterprises depends on their ability to retain core experienced staff such as the manager, noting that in such rural areas qualified staff can be lost easily.

5.10 CAMCAS (Cavan and Monaghan Community Area Services)

Social and Economic Context of Enterprise

There are three features of the context in which CAMCAS operates that are relevant to understanding its establishment and current activities as an enterprise funded by the SEP. The first is the operation of the Special Housing Aid Scheme for the Elderly (SHASE). Under this scheme, which was established in 1982, health boards can finance the cost of repairs and refurbishment to the homes of elderly people. Finance for undertaking this work is provided when the local health board considers an elderly person to be living in unacceptable accommodation and qualifies for assistance under the scheme. The aid provided is essentially to make a dwelling habitable for the lifetime of the occupant. It can cover items such as roof repair, installation of windows, installation of fireplaces and heating, cleaning and redecoration, provision of sanitary facilities and showers, and the provision of hygienic food

storage. Priority for aid is mainly determined by the state of the accommodation and the threat that this poses to the health and well-being of the elderly person. Where work is deemed to be necessary and aid has been approved the process of securing contractors to undertake the work is by tender.

Second, for a period of almost 20 years, the North Eastern Health Board, FÁS and Saint Vincent de Paul had been involved in refurbishing and making repairs to the homes of elderly people in the counties of Cavan and Monaghan. This work was carried out under the Community Youth Training Programme. The cessation of the latter programme triggered the establishment of CAMCAS.

The third factor concerns aspects of the socio-economic profile of Cavan and Monaghan. Both of these counties are predominantly rural, have unemployment rates that exceed the national average, and contain substantial numbers of elderly people living in unsuitable dwellings.

The Proposer Group

Prior to the introduction of the SEP, CAMCAS did not exist. Essentially, CAMCAS was established as a vehicle to facilitate the operation of an enterprise funded by the SEP. The enterprise was to be based on providing services to maintain and repair housing occupied by the elderly, people with disabilities and other disadvantaged groups and thereby improving the quality of their lives. This social objective was accompanied by the objective of providing employment for people who were long-term unemployed.

CAMCAS is currently structured as a community owned organisation consisting of four identical enterprises funded by the SEP. Each of the four enterprises has been established as a company limited by guarantee and each has secured charitable status. Each company holds a C2 certificate and is in a position to tender for work from the public sector and other sources. Two of the companies are based in Monaghan (North and South) and two are based in Cavan (East and West).

CAMCAS has seven directors. The directors are drawn from local statutory and voluntary organisations. Organisations represented include Saint Vincent de Paul, the Partnership Companies for counties Cavan and Monaghan, Monaghan Voluntary Housing Association, Drumkill Day Care Centre for the Elderly and Kilnaleck Day Care Centre for the Elderly. Operationally, CAMCAS employs a regional manager who co-ordinates and supports the activities of the four constituent enterprises and reports to the Board of Directors. Each of the four companies employs its own manager and personnel. Including both regional and local managers, CAMCAS currently employs 35 people.

CAMCAS is one of the very few enterprises funded by the SEP that is administratively classified as a Social Economy Enterprise Based on Public Sector Contracts. This classification reflects the significant proportion of its traded income coming from the public sector which, in this instance, is represented by North Eastern Health Board.

Getting Started

As indicated above, a key factor leading to the establishment of CAMCAS was the cessation of the Community Youth Training Programme. With the cessation of this programme the local health board found it difficult to ensure that needed repairs to the homes of elderly people were undertaken. Contributing to this situation was the difficulty the health board experienced in securing tenders for small-scale repair and refurbishment work from local building contractors. In effect, and recognising the high level of private sector demand for building contractors prevailing during the late 1990s and up to recently, local contractors were not interested in competing for small contracts. An additional factor contributing to this lack of interest was the time and cost of making estimates and preparing tenders for such work. One consequence of this was the large number of elderly people who were on a waiting list for refurbishment and repair work to their homes. At the time CAMCAS was established the latter amounted to approximately 600 people.

With the lead being taken by the personnel in the local health board and by the local chairperson of Saint Vincent de Paul, CAMCAS was established and successfully sought funding for the preparation of the business plans in respect of each of the four companies. SEP approval for the four companies was secured with the level of grant aid committed per company over a three-year period being approximately €665,000 corresponding to an annual grant of €221,660. This was in respect of a manager and nine employees in each of the four companies.

The Operations of the Enterprise

Operationally, each of the four companies comprising CAMCAS is identical. Each company employs a manager whose responsibilities include visiting the homes of people approved for grant aid under the SHASE, determining the nature and extent of the work required, preparing estimates and pricing the work, and supervising the quality of work undertaken. Each company employs 2 craftpersons and between four and six general operatives. Unlike most other enterprises funded by the SEP, the role of the local managers primarily concerns the technical aspects of the delivery of services. The regional manager is responsible for facilitating the overall business development of CAMCAS, providing administrative support to the four local companies, liaising with the local health board and local authorities who are the main contractors of the services provided by CAMCAS, and reporting to the Board of Directors. Pricing policy is set by the Board of Directors. CAMCAS operates a policy of providing its employees with wages in excess of the wage grant provided by the SEP. The latter reflects the necessity to pay wage rates commensurate with acquiring employees with the skills to do the work.

The actual services provided by CAMCAS are varied and include all of the following: dry lining and insulation of walls, draught proofing, replacing doors and windows, providing heating systems, installing security systems, undertaking internal and external decoration, providing level access showers and ramps for people with disabilities, and repairing roofs and gutters.

Almost all of the work of CAMCAS to date has been carried out for the North Eastern Health Board in respect of people approved for grant aid under SHASE. In this regard, a contribution toward the cost of such work is required from people approved for grant aid with this contribution being held by the local health board. More recently, CAMCAS has begun to

undertake work under two schemes operated by local authorities. The relevant schemes are the Essential Repairs Grant (which is concerned with ensuring that local authorities continue to provide acceptable accommodation for their tenants) and the Disabled Persons Reconstruction Grant (which is concerned with ensuring that people with a disability have accommodation that is assistive to their needs).

Since commencing operations in September 2002, CAMCAS have completed approximately 120 contracts in respect of work approved under the SHASE. The turnover of each of the four companies during their first full year of operation is approximately €250,000 with that for CAMCAS overall reaching €1,007,000.

The Social and Economic Benefits of the Enterprise

CAMCAS generates benefits for three main categories of people (i) the elderly and people with disabilities whose dwellings have been brought up to an acceptable standard; (ii) the local health board who have been put in a position to ensure that their responsibilities in respect of the SHASE are being discharged; and, (iii) the employees of the company. With regard to the first of these groups the benefits arising lie not alone in the improvements to their accommodation but also in the contribution that such improvements make to improving their general quality of life and health status. For the health board, the benefits resulting from the improved accommodation of the elderly and people with a disability extend to the better health of the people concerned and their increased capacity to live independently thereby relieving the health board of the cost of providing residential care. For employees, CAMCAS is providing employment at rates in excess of the wage grant provided by the SEP in areas where local employment opportunities are limited.

The Future of the Enterprise

To date, the main source of traded income for CAMCAS is from contracts secured from the North Eastern Health Board in respect of work approved under the SHASE. These contracts have been secured on the basis of competitive tendering. The pricing policy of the enterprise currently involves providing a discount in respect of contracts secured from the North Eastern Health Board with the basis for this discount being grant-aid from the SEP. This policy has two consequences. For the health board there is a saving in its expenditure under SHASE or, more accurately, there is the capacity to undertake more work within the budget for SHASE thus assisting in reducing the backlog of clients waiting for refurbishment of their homes. For CAMCAS, the operation of this pricing policy has been beneficial in the short-term in that it has enabled the company to secure contracts. In the medium term, however, the operations of the company will require that traded income is sufficient to meet the operating costs of the company. Pursuing this will involve examining a number of options including charging the full cost of the work to its main client, increasing the number of contracts secured from other sources at rates sufficient to be sustainable, and tendering for work currently being undertaken mainly by the private sector.

Currently, CAMCAS is considering these options. In doing so it is aware of the need to document the social and economic benefits arising from its operations through the use of social auditing while also being aware of the changed environment in which it operates. One feature of the changed environment is the likely re-emergence of interest among small building contractors in securing contracts from the local health board.

5.11 Conclusions

The case studies presented in this chapter provide an insight into how the SEP is being used to support the operations of a diverse range of enterprises and illustrate the nature of the economic and social benefits arising from the operations of such enterprises. They also highlight a number of issues that have a bearing on understanding the role and effectiveness of the SEP in relation to its objectives of promoting the development of the social economy and providing sustainable employment.

First, the case studies show that it is possible to distinguish between enterprises whose market or customer base is confined to particular groups in the community and enterprises whose products / services are marketed to the public in general including private businesses. In the case of the former group of enterprises the market in which they operate is for the most part geographically defined, contains a finite number of potential customers, and comprises potential customers - or at least a substantial proportion of potential customers - who do not have the resources to pay for the services provided at commercial rates. Particular examples of enterprises operating in such markets are the Marian Pre-School Centre, Castlebar Care of the Aged, and Cork Accessible Transport. Examples of enterprises whose market is the general public are Leitrim Design House and the multi-sensory garden enterprise of the Delta Centre. In terms of the classification of enterprises currently used in the SEP, the former group of enterprises falls broadly into the category of Demand Deficient Social Economy Enterprises while enterprises in the latter group fall into the category of Community Businesses.

What the case studies illustrate with respect to this issue is the reliance of the former group of enterprises on some form of continued public support to ensure their sustainability and thereby the sustainability of employment in these enterprises. The sustainability of enterprises in the latter group is generally unconstrained by a defined geographical market or the limited resources of their customer base. In these cases, sustainability can potentially be secured through effective product development and marketing, increasing market share, and increasing turnover. Currently, the SEP provides the same package of support to these very different types of enterprises.

Second, the scale and nature of the package of social and economic benefits arising from the operations of the nine enterprises presented as case studies varies with this variation tending to overlap with the nature of the markets in which they operate. Based on the case studies, some enterprises (e.g., Leitrim Design House and the multi-sensory garden enterprise of the Delta Centre) have the potential to generate benefits in the area of making a contribution to local economic development. In both cases this is linked to the stimulation of local tourism. In the case of other enterprises, the end beneficiaries are primarily confined to groups of people experiencing inequality and / or disadvantage in their lives and living circumstances (e.g., Cork Accessible Transport, Marian Pre-School Centre).

Third, the enterprises vary in the extent to which their sustainability raises issues concerning the possibility or necessity of their entering into competition with private sector enterprises. In the case of both CAMCAS and ELSA Security this issue has already arisen to a degree while in the case of ERKINA Community Communications and Leitrim Design House this is a potential issue for the future. Linked to this is the extent to which the sustainability of these enterprises will require them to move from operating in tightly defined geographical markets

(where currently there is an absence of competitors but finite demand) to operating over a wider geographical area where potential competitors in the private sector are operating.

Chapter 6

The Social Economy Programme: Overall Conclusions and Recommendations

6.1 Introduction

The terms of reference of this evaluation require that it makes recommendations with respect to a number of areas concerning the future direction and operation of the SEP (e.g., appropriateness of objectives and eligibility criteria, role of other entities in supporting the programme, future levels of demand for funding, and the criteria for second round funding). While an important input to addressing this task is provided by the main findings of the evaluation as presented in Chapter 4, these findings - which are essentially stakeholders' assessments of the operation of the programme to date - need to be situated with reference to a number of issues that bear on understanding the current position and contribution of the SEP - and more broadly the social economy - within national policy contexts and in the current economic / labour market / fiscal climate. Among the relevant national policy contexts are the recently re-launched National Anti-Poverty Strategy, the *White Paper on a Framework for Supporting Voluntary Activity and for Developing the Relationship Between the State and the Community and Voluntary Sector*, and the social inclusion objective of the *National Development Plan 2000-2006* (NDP 2000-2006). With respect to the current economic / labour market / fiscal climate of the SEP, pertinent issues include the restrictive budgetary context reflecting the downturn in recent economic performance and the onset of increases in unemployment, particularly long-term unemployment.

The first section of this concluding chapter takes a broad-brush approach to identifying the priorities arising from a number of national policy contexts and situates and assesses the potential role of the SEP with respect to these priorities, in particular the central place of securing social inclusion in the objectives of the National Development Plan 2000-2006. Against this backdrop the main benefits and limitations of the SEP are identified and the main conclusions of the evaluation are presented. The final section identifies three options with respect to developing the social economy and within which to consider the future direction of policy in this regard.

6.2 Situating the SEP in National Policy Contexts

Among the four primary objectives of the National Development Plan 2000-2006 is "promoting social inclusion". Emphasising the centrality of this objective the NDP 2000-2006 notes that "*if the fruits of Ireland's recent economic progress are to be more widely spread, the promotion of social inclusion as a key objective of socio-economic development must form a central component of the Plan* (p. 188)". In Chapter 10 of the NDP reference is made to the social economy programme as one of a range of measures being adopted to

secure social inclusion. The indicative level of planned investment in the programme for the period 2000-2006 was identified as €270.5 million. As shown in Chapter 2, at €55.5 million over the period 2001 to 2003, actual expenditure in the SEP is substantially below that originally envisaged in the National Development Plan 2000-2006.

In assessing the operation of the SEP to date against the yardstick of its contribution to social inclusion, the key questions arising include: *does the SEP contribute to social inclusion?* and, if so; *in what way?* and, if not; *why not?* Findings pertinent to answering these questions include performance indicators showing that - at the end of May 2003 - 335 enterprises were operational employing 2,257 persons (comprising 1,945 employees and 312 enterprise managers). More generally, from the profile of the enterprises established, there is evidence that many enterprises are addressing equity issues in the context of market failure and are delivering services to people at risk of or actually experiencing social inclusion. A number of the case studies in the previous chapter illustrate this aspect of the SEP.

However, four issues arise pointing to caution in concluding that the SEP *as currently operated* necessarily and directly contributes to social inclusion. First, the majority of the enterprises providing social services in disadvantaged areas and benefiting people at risk of or experiencing social exclusion are insecure and unlikely to be viable in the absence of some form of continued public support (either from the SEP or other sources). Second, there are enterprises in the SEP that are mainly generating public goods or are engaged in activities that are only indirectly related to securing social inclusion (e.g., environmental services, organic production, tourism promotion). Third, for a significant minority of employees wage levels are low and reflecting the incapacity of enterprises to make additional contributions to their earnings they are paid the minimum wage. Fourth, given the current absence of a systematic approach to social auditing in the SEP, it is not possible to directly quantify either the level or quality of benefits resulting from the operations of enterprises funded under the SEP. The latter is a particularly significant issue if the equity dimension of market failure is seen as providing a strong basis for the continued development of the SEP and if the primary contribution of the SEP to achieving social inclusion is seen as deriving from the services and products provided by enterprises supported by the programme.

The relationship between the State and the Community and Voluntary Sector, including the funding aspects of this relationship, has recently been examined in the *White Paper on a Framework for Supporting Voluntary Activity and for Developing the Relationship Between the State and the Community and Voluntary Sector* (2000). It acknowledges the substantial contribution of the sector both in terms of employment and in terms of the delivery of a range of services contributing to the quality of life in general as well as to promoting social inclusion in particular. It estimated that 52% of the sector's funding comes from public sources with programmes such as CE being a significant element of this funding. Significantly, in the context of the commitment in the White Paper to supporting the sector, it notes that: "*It is intended that the Social Economy Programme will have a strong emphasis on the economic and social development and regeneration of disadvantaged communities by supporting imaginative, locally based initiatives. The innovative aspect of the programme is that while the social economy model has a joint product - the provision of services to disadvantaged communities and the employment experience to individuals distanced from the labour market - the primary emphasis is on the community rather than the individual.*" Among the issues arising from this policy context is the extent to which the SEP does in fact

give “*primary emphasis to the community rather than the individual*” and enable the delivery of social services to disadvantaged communities.

Among the findings of the evaluation pertinent to addressing this issue is the substantial consensus found among stakeholders concerning the confusion and potential conflict between the SEP’s objective of supporting the development of social economy enterprises and its employee eligibility criteria which substantially confine enterprises to recruiting from a narrow pool of labour and an even narrower skills base. As noted in Chapter 4, the majority of enterprises experienced difficulties in recruiting suitably skilled employees and the operation of restrictive employee eligibility criteria (reinforced by a low level of wage support) was seen as compromising sustainability. More generally, the absence of an emphasis on the relevance, level and quality of services being delivered by enterprises operating with the support of the SEP tends to reinforce the view that the programme is more concerned with its objective concerning the employment of people experiencing disadvantage in the labour market than with enabling relevant and sustainable high quality services to be delivered by social economy enterprises to disadvantaged communities and disadvantaged people.

Arguably, in this context, if the SEP is to effectively act as a support to enterprises engaged in what are recognised as needed and valued services, the more appropriate funding mechanism would take the form of a contract for service. This would shift the funding mechanism from being a wage subsidy (with recruitment restrictions) to being a fee for the delivery of specified services to specified consumers. A logical corollary of this is that the SEP would be more sectorally confined in its operations and defined more in terms of what are currently termed Demand Deficient Social Economy Enterprises. Also, it would bring into play the recommendation of the *Partnership 2000 Social Economy Working Group Report* that: *Existing local government and local development structures to be charged within existing policy frameworks with developing more active and strategic supports for the social economy* (p. 57). In this context it is notable that a recent review by the Scottish Executive examining its policies to promote the social economy concluded that the financial infrastructure of the kind necessary to underpin successful economic activity in the social economy sector is weak and that there is a need to widen the access of enterprises operating in the social economy to public funding from a range of sources (Scottish Executive, 2003).

Arising from analyses presented in the recent NESC report - *An Investment in Quality: Services, Inclusion and Enterprise* - the welfare system is seen as containing three overlapping elements: “*tax and social welfare, the provision of social services, and activist social and welfare policy*” (p. 107). The latter element is seen as containing three elements: “*active labour market policies (ALMPS), local and community development initiatives and social economy programmes*” (p. 107). More generally, in terms of the evolution of the welfare system in Ireland the report favours the development of a greater diversity of service provider. It is with respect to the latter issue that the report envisages a role for the “non-profit” and “community and voluntary sector”. While not discussing the precise mechanisms as to how this diversity of service providers will be resourced, one possible route is through developing enterprises operating in the social economy. What is not explored in the report, however, is the appropriate or most effective mechanism to support the delivery of services provided by the not-for-profit and community and voluntary sectors.

6.3 The Benefits and Limitations of the SEP as Currently Operated

The results of the stakeholder surveys point to a number of the main benefits and limitations of the SEP as it is currently operated (see Box 6.1). With regard to both of these issues there is also considerable agreement across the stakeholder groups. The main benefits of the SEP are seen as the provision of essential or needed services for disadvantaged communities and people experiencing disadvantage, the provision of employment opportunities for people experiencing disadvantage in the labour market, and the fact that a “package” of funding exists to support the establishment of enterprises in the social economy.

Box 6.1
Summary of the Three Main Benefits and Limitations of the SEP
Identified by Stakeholder Groups

	<i>LSEWGs</i>	<i>FÁS Personnel</i>	<i>Proposer /Groups / Operational Enterprises</i>
Benefits	1. Provision of essential services 2 Funding package for the social economy sector 3 Regeneration and provision of employment for people experiencing disadvantage in the labour market	1. Provision of essential services 2. Funding package for the social economy sector 3 Job creation	1. The funding package 2. Provision of needed services 3. Provision of employment for people experiencing disadvantage in the labour market
Limitations	1. Cutback in SEP funding 2. Restrictive eligibility criteria 3. Confusion with active labour market programme	1. Restrictive eligibility criteria 2. Confusion with active labour market programme 3. Uncertain future of the SEP	1. Absence of a long-term commitment to enterprise development 2. Restrictive eligibility criteria 3. Administrative complexity of SEP

Set against these benefits, however, is the fact that current eligibility criteria are seen as limiting the success of the programme, that the current funding climate is seen as creating uncertainty, and there is confusion and potential conflict between the operation of the SEP as an active labour market programme and its role as a policy instrument to promote the development of the social economy. In addition, and understandably as they are recipients of funding, Proposer Groups / operational enterprises identify the main limitation of the SEP as the absence of a long-term commitment to funding enterprises established with support from the programme. This weakness is reflected in the prevalence of pessimistic assessments of enterprise survival in the absence of support from the SEP, particularly among enterprises classifying themselves as Demand Deficient Social Economy Enterprises.

Taking into consideration the wide range of comments and recommendations made by stakeholder groups a number of additional areas in which the operation of the SEP can be identified as weak include the following:

- despite specifically recognising the presence of differences between enterprises operating in the social economy in terms of the financial capacity of Proposer Groups and the different capacities of enterprises to generate streams of revenue from trading, the SEP provides essentially the same package of supports to all enterprises in terms of the level of grant aid and the duration of grant aid. The findings of the survey of Proposer Groups / operational enterprises and the set of nine case studies confirm the weakness arising from this approach in that both highlight the difficulties and issues arising from providing enterprises that have different financial, market, and operational characteristics with essentially the same package of financial and other supports. A related weakness in this regard is the absence of a clear framework and an associated set of procedures to address issues concerning the sustainability of enterprises following their initial three years of support from the SEP, particularly in respect of the criteria that should apply.³
- there is a relative over-engagement with matters related to administering the financial aspects of the programme compared to matters related to the operational development of enterprises funded by the SEP. Related to this is the weakness of supports focusing on the development of operational aspects of enterprises in areas such as service / product development, marketing, quality standards, pricing policy, and operational efficiency. Again, it must be recognised that the operational and development issues facing enterprises trading in markets with the capacity to pay commercial rates for services are different from enterprises predominantly engaged in the provision of what are seen as essential services.
- unlike owner managed micro-enterprises, enterprises funded by the SEP are heavily reliant on the competencies and commitment of bought-in managerial expertise. Regarding this, many Proposer Groups consider the level of grant aid in respect of managers as being too low to attract and retain suitably qualified and experienced candidates. Among the issues arising from this is the relative lack of attention paid by the SEP to the role, responsibilities, and anticipated contributions of directors of enterprises funded by the SEP; and,
- there is a lack of systematic strategies to develop networks of support among enterprises (either at the level of directors or managers);

Taking the limitations cited in the context in which the SEP currently operates, one of the major limitations it is possible to identify concerns the absence of a more formal involvement of public sector organisations, particularly at local level, in the funding of enterprises established with support from the SEP. Among the consequences of this is that programme costs are mainly covered by expenditure under the heading of active labour market

³ As initially presented it was envisaged that enterprises needing further support from the SEP subsequent to their initial three years of support would apply for continued support on the basis of a new business plan that would be assessed using procedures identical to those applied to the initial application for support. The criteria and levels of grant aid payable in this regard were not elaborated in detail, however.

programmes while programme benefits are accruing to a range of government departments and statutory agencies. In this regard, it is of note that while many of the relevant public sector entities are represented on Local Social Economy Working Groups, their role does not extend to becoming directly involved in supporting enterprises that they consider are making worthwhile contributions to local development. This need for the involvement of public sector organisations, particularly at local level, in actually resourcing enterprises operating in the social economy was acknowledged in the form of a recommendation in the *Partnership 2000 Social Economy Working Group Report*. This is particularly pertinent in the context of addressing the issue of how best to resource enterprises initially established with support from an active labour market programme in the longer term. This is considered further below.

6.4 Main Conclusions Regarding the Performance and Impact of the SEP

The primary basis for assessing the performance and impact of the SEP in this evaluation is provided by the experiences and views of the stakeholder groups reported and summarised in Chapter 4. On the basis of the assessments provided by these groups, together with the analysis of the SEP presented in Chapter 2 and the review of its current operational context presented in Chapter 3, a number of broad conclusions related to the terms of reference for this evaluation can be drawn. These conclusions are presented below.

1. Programme expenditure to the end of 2003 amounts to €55.5 million inclusive of the €31.5 million allocation for 2003. Expenditure to date is thus substantially less than the initial indicative figure in the NDP 2000-2006 (i.e., €270.5) and less than planned expenditure in the *Employment and Human Resource Development Operational Programme: Programme Complement 19A* (i.e., €331.86). The allocation for 2003, at €31.5 million, represents approximately 60% of the recommended annual level of funding for the SEP in the *Partnership 2000 Social Economy Working Group Report* (i.e., €52 million).
2. Despite the lower than planned level of expenditure, the performance related target of creating employment for 2,500 people by the end of 2003 has largely been reached. This is based on the finding that in the 335 enterprises that were operational at the end of May 2003, total employment amounted to 1,945 employees and 312 managers corresponding to 2,257 persons overall. The latter figure corresponds to 90% of the target level of employment set for the programme in 2003. Among the main factors contributing to reaching this employment target on the basis of existing programme expenditure are: (i) the high proportion (i.e., 40.1%) of part-time employment among employees; and, (ii) the fact that the full annual costs of supporting this level of employment in the SEP will not be seen until 2004. Without supporting any applications for full grant aid under the SEP from Proposer Groups currently in receipt of a Social Economy Business Plan Grant (SEBPG) it is estimated that programme expenditure will need to be a minimum of €38 million in 2004 to support existing commitments under the SEP. This figure does not allow for an increase in the wage grant for employees in line with any increase in the national minimum wage or for any modifications in the operations of the SEP in the areas of supports to enterprise development arising from the recommendations of the stakeholder groups reported in Chapter 4.

3. One of the main implications of the short-fall in the financial allocation to the SEP compared to initially planned levels is that the considerable number of Proposer Groups currently in receipt of a SEBPG cannot progress to full operational status. If it is assumed that 70% of Proposer Groups currently in receipt of a SEBPG were to complete business plans eligible for support from the SEP, the additional cost of the programme in 2004 would be a minimum of €25 million.
4. The majority of Proposer Groups that were approved to establish enterprises under the SEP have a high reliance on income from public sources (particularly from FÁS funded programmes). This is reflected in the high level of “continuity” between the operation of the SEP and CE / JI, notably in finding that just over three quarters (i.e., 76.1%) of Proposer Groups either currently or in the past receive/d funding from these programmes and also in the high proportion of employees that had previously participated in either CE (i.e., 54.2%) or JI (i.e., 13.8%). While this finding reflects the deliberate effort made by both Local Social Economy Working Groups and FÁS to facilitate the transition and remodelling of an element of CE into enterprises funded by the SEP (and also the operation of eligibility criteria that permitted time spent on CE / JI to be counted in determining eligibility for grant aided employees) one of the implications of these findings is that for a majority of Proposer Groups and employees, the SEP is operating largely as a “replacement” for CE and JI.
5. The operational enterprises funded by the SEP are engaged in the provision of a wide range of services. These services broadly reflect the fields of activity identified in the EU White Paper *Growth, Competitiveness and Employment*. The average turnover of the enterprises during their first year of operation is €221,600. While, on average, the enterprises report making a profit of €20,000, 13.5% indicate that they either have made or will make a loss during their first year in business. There is a high level of dependence on funds from the SEP to support the operation of the enterprises established under the programme. This is illustrated by the findings that: (i) in the case of almost half (48.1%) of operational enterprises the proportion of their turnover from sources other than the SEP is less than 30%; and, (ii) just over half (i.e., 53.7%) of operational enterprises reported that their main source of income apart from the SEP was from sources other than sales revenue. An important factor that needs to be noted in interpreting these figures is that just over half (i.e., 56.7%) of the enterprises included in the survey were in their first year of operation and as such could be expected not to have reached their full potential to generate revenue from sales of their services / products.
6. The results of the survey of Proposer Groups / operational enterprises indicate that the proportion of enterprises operating as Demand Deficient Social Economy Enterprises, at 33%, is over double the proportion so classified according to current administrative criteria (i.e., 15%). More generally, and recognising the presence of definitions of the three types of enterprises funded by the SEP, there are weaknesses in the operational application of these definitions, particularly as a basis for determining the current and future funding and other needs of enterprises.
7. There is a consensus among stakeholders that despite making a positive contribution to the regeneration of local communities and providing employment opportunities for people experiencing disadvantage in the labour market, the SEP is less than

successful as a source of support for aiding the development of the social economy and providing sustainable employment in the enterprises established with support from the programme. One set of findings particularly supporting this conclusion is that almost two thirds (i.e., 73.1%) of enterprises currently funded by the SEP rate their chances of survival in the absence of the SEP as at least “uncertain” and 38.8% rate their chances of survival in the absence of the SEP as at least “unlikely”. This is particularly the case among enterprises classifying themselves as Demand Deficient Social Economy Enterprises and enterprises whose main source of income other than the SEP is not based on revenue from sales.

8. As indicated above, well over half of employees in enterprises funded by the SEP had previously participated in either CE or JI. While this reflects the eligibility of time spent on CE or JI for the purpose of meeting the eligibility criteria for grant aided employees it also raises a number of issues concerning the role of the SEP in relation to improving the employability of employees and aiding their progression to employment outside of the ambit of projects / enterprises funded under the heading of active labour market programmes. First, as currently designed, the SEP is *primarily* acting as a means of providing employment to people who were formerly long-term unemployed or outside of the labour force. In comparison to CE (particularly the Integration Option of this programme) there is less emphasis in the SEP on developing employees’ skills and capacities with a view to their progressing into unsupported employment. This conclusion is based on the relatively low average amount of funding available for training employees under the SEP (i.e., €316 per employee based on the 2003 allocation under the heading of training) and the emphasis in the training provided to employees on improving skills relevant to the operation and sustainability of enterprises. Second, the findings of the surveys of operational enterprises and employees are consistent in pointing to both parties seeing sustainable employment within the enterprise rather than progression as the desired outcome for employees. For enterprises, the main factor in operation here is the desire to retain employees that they have trained in order that these employees can continue to make effective contributions to the sustainability of the enterprise. For employees, the vast majority are not seeking employment outside of the enterprises employing them and for the most part they express high levels of job satisfaction.
9. There are two main groups of beneficiaries from the SEP: persons obtaining employment in enterprises supported by the SEP and recipients of the services provided by enterprises established with support from the SEP. With regard to the former, the findings indicate that despite the presence of a degree of dissatisfaction with their earnings, the majority of employees are satisfied with their jobs and are committed to staying in them. Among the issues arising in this regard, is that under current funding arrangements the majority of the jobs supported by the SEP are unlikely to be sustainable without some form of continued support. This is a particular issue in rural areas where alternate sources of employment are not readily available. Similarly, many of the recipients of the services provided by enterprises funded by the SEP are relying on the continued operation of SEP funded enterprises for the continuity of the services they are receiving. This is particularly the case with respect to enterprises operating in the areas of care, community services, and providing transport for people living in rural areas and for people with disabilities.

10. There is a consensus among stakeholders that the social and economic benefits resulting from the operation of enterprises funded by the SEP are being compromised by the operation of employee eligibility criteria that restrict recruitment to particular groups of people. More generally, there is a fair degree of consensus across stakeholder groups that the structure and time framing of the package of supports available under the SEP is not commensurate with the needs and circumstances of many enterprises funded under the programme, particularly enterprises classifying themselves as Demand Deficient Social Economy Enterprises.
11. On the basis of the current approach to monitoring the performance and impact of the SEP it is not possible to quantify in a systematic manner either the quantity or quality of the services being provided to recipients of the services of enterprises funded by the SEP. In this regard, it would be difficult to undertake a cost-effectiveness or cost-benefit analysis of the SEP. One point with regard to this issue is that given the profile of employees in terms of their prior welfare status it is clear that the net cost of delivering the services provided by enterprises established under the SEP is considerably lower than the gross cost. Conservatively assuming an annual average welfare saving per employee of approximately €7,800 (i.e., 120% of long-term social assistance for a single person for one year), and noting that on the basis of administrative figures approximately 5% of employees were not in receipt of a welfare payment prior to their participation in the SEP, the gross cost of the SEP is reduced by at least €14.5 million per year.

6.5 Recommendations Arising from the Evaluation: Revitalisation or Reform

Chapter 3 presented an analysis of the economic, labour market and fiscal climate within which the SEP currently operates and contrasted it with the climate prevailing during its design and introduction. Arising from this it is necessary to acknowledge the substantial deterioration that has occurred in a range of economic and fiscal indicators and the emergence of pressing issues with regard to the level and direction of public spending. It is also necessary to acknowledge that one of the effects of the changed economic and fiscal climate has been that the actual level of investment in the social economy through the SEP is substantially below the level initially envisioned in the National Development Plan 2000-2006 and below the level recommended in the *Partnership 2000 Social Economy Working Group Report*. Also, and as noted earlier in this chapter, despite the changes in economic, labour market and fiscal circumstances, there is a high level of stated commitment to combating social exclusion and promoting social inclusion in national policy frameworks, particularly in the National Development Plan 2000-2006. The development of the social economy and the resourcing of the SEP constitute part of that stated commitment.

In the light of the above and considering the findings and main conclusions of this evaluation of the SEP it is necessary at the outset to state that in broad terms three main policy options or directions present themselves for consideration (see Box 6.2). The first option is termed the “revitalisation option”. This is based on a wider perspective on the role and potential of the social economy in contemporary society (as sketched in Chapter 2) and moves the context within which the findings and main conclusions of the evaluation are interpreted into a wider policy framework than that framed by the SEP itself. Within this framework the SEP can be seen as an inappropriate policy instrument - particularly on its own - to promote the

development of the social economy. This conclusion derives from its origins in and strong operational linkages with the policy area of active labour market policy, its lack of focus and priority on the quality and effectiveness of the services and products provided by the enterprises funded under the programme, and the absence of a funding and support infrastructure consistent with securing its potential contribution to enhancing welfare and promoting social inclusion. Extrapolation of the detail of the policy implications associated with this option is beyond the scope of this report. In practice, however, it would involve a fundamental change in the manner in which the social economy is resourced and the establishment of new structures to support and review the operations of the social economy sector. Elements of this approach are, however, indicated in the “transition option” presented below.

Box 6.2

Revitalisation, Reform, and Transition: Choices for Developing the Social Economy

	<i>Revitalisation Option</i>	<i>Reform Option</i>	<i>Transition Option</i>
Starting Point	Abandon the SEP as it is currently designed and operated. Break the established policy practice of providing funding to enterprises in the social economy through active labour market programmes.	Acknowledge the main limitations of the SEP and attempt to improve its continued operation based on the recommendations of stakeholder groups.	Acknowledge that the SEP has enabled the establishment of enterprises operating in the social economy sector but recognise that the continued operation of these enterprises needs to be secured outside of the framework of active labour market policy.
Relevant Policy Contexts and Objectives	Enhancing equity and efficiency in the delivery of welfare services and in the provision of public goods with a view to increasing capacity to secure social inclusion and underpin the social rights of citizens.	Mixed but prioritising commitments to securing social inclusion while retaining linkages with active labour market policy.	Mixed but prioritising commitments to securing social inclusion and enabling the sustainability of enterprises initially funded with support from the SEP.
Rationale	Developing the social economy in the context of promoting diversity in welfare provision and enhancing the capacity of organisations operating in the social economy to become more secure as well as more effective agents in the delivery of “Activist Welfare Policy” as defined by NESF.	Market failure on the ground of inequities in consumption of services in disadvantaged communities, among members of communities of interest experiencing disadvantage, and among persons experiencing or at risk of social exclusion.	Market failure as in the Reform Option but also pragmatically recognising the need to address particular priorities such as child and elder care, securing equality, and maintaining needed services in disadvantaged urban and rural areas.

The second option presented is termed the “reform option”. The starting point for this option is based on recognising and responding to the main operational limitations of the SEP as identified by the findings of this evaluation. In this regard the main recommendations in relation to the various aspects of programme design are summarised in Box 6.3. Given the current economic, labour market and fiscal climate, the primary and strategic policy objective of the SEP should be seen as contributing toward social inclusion. In order to enhance the capacity of the SEP to contribute to achieving this objective the programme should be operated with a strong focus and priority on supporting enterprises to deliver relevant and effective services to disadvantaged communities and to people experiencing or at risk of social exclusion. This would involve ensuring that the services and activities of enterprises funded under the programme are driven by the rationale of addressing market failure on the ground of inequities arising in the consumption of essential services.

Box 6.3
Recommendations For Re-Orientating the Direction and Operation of the SEP

<i>Programme Objectives</i>	Securing the operation and sustainability of enterprises providing services in disadvantaged areas and addressing the needs of people experiencing or at risk of social exclusion.
<i>Eligibility Criteria for Enterprise Support</i>	Enterprises demonstrating the relevance and capacity of their services to directly address unmet needs in disadvantaged areas and on the part of people experiencing or at risk of social exclusion.
<i>Eligibility Criteria for Grant Aided Employees</i>	Reduce the age criterion to 25 years and over and the duration of unemployment criteria to six months or more. Double the 10% exemption category.
<i>Level of Wage Support (Employees)</i>	Tailor level of grant aid to reflect the skills and competencies of employees. That is, provide for higher levels of grant aid in respect of employees possessing particular skills and experiences relevant to promoting the sustainability and quality of services provided by enterprises. In order to not reinforce the weak position of groups experiencing disadvantage in the labour market provide for a realistic level of training grant in respect of persons recruited possessing limited qualifications and skills. (See Training Grant Below)
<i>Level of Wage Support (Managers)</i>	In order not to deprive enterprises of managerial expertise, tailor level of grant aid to reflect the skills and competencies of managers as well as their level of responsibility in respect of enterprise management and development. The level of grant aid for managers could be benchmarked against public / private sector managerial positions.
<i>Training Grant</i>	Tailor the level of training grant to the specific requirements of enterprises to ensure that their employees have the competencies and qualifications to ensure the delivery of high quality services and goods.
<i>Duration of Support</i>	The adoption of a five-year contract with annual reviews of levels of support required for each year based on a combination of performance criteria related to quality and quantity of service delivered and the end of year financial position of the enterprise.

Criteria for Assessment of Continued Support On-Going Basis	Require and support enterprises to assess and report on the relevance, quantity and quality of the services / products they provide. Ensure the adoption of social auditing practices that have the capacity to enable assessment of the continued relevance of the services and their capacity to contribute social inclusion.
Resourcing	In order to redress the reliance of enterprises funded by the SEP on resources provided through the programme itself, active consideration should be given to ensuring that enterprises are part-funded by relevant government departments, statutory organisations, and local development agencies. It is recommended that this be built into the planning and contractual aspects of the SEP. The adoption of this practice could be used to strengthen the focus of the SEP and enterprises funded under it on the delivery of services within disadvantaged areas and to people experiencing or at risk of social exclusion.

Within the “reform model” a clear distinction should be made between enterprises that have the capacity to become sustainable on the basis income resulting from trading their services and enterprises that require continued subvention in order to be sustainable. This distinction should be reflected in the structure of the package of supports provided to enterprises in each of these strands. To provide focus for this, it is recommended that a reformed SEP would operate with two strands: (i) a Social Economy *Enterprise* Strand; and, (ii) a Social Economy *Essential Services* Strand. The package of supports provided by the programme should be tailored to meeting the different operational characteristics of enterprises in these two strands. Based on the findings of this evaluation, Box 6.4 indicates a number of the relevant characteristics of enterprises in each of these strands.

Box 6.4
Illustrative Characteristics of Enterprises in the Enterprise and Essential Services Strands of a Reformed SEP

	<i>Enterprise Strand</i>	<i>Essential Services Strand</i>
<i>Geographical Scale of Market Area</i>	Capacity to trade over wide geographical area	Trading / providing services in confined geographical area
<i>Location</i>	Not necessarily based in disadvantaged localities	Mainly located in disadvantaged localities
<i>Presence of Potential Competitors</i>	Operate in markets in which competition is likely	Operate in markets in which competition is unlikely
<i>Customer Base</i>	Services and products are purchased by people not experiencing or at risk of social exclusion	Services and products are wholly or primarily purchased by people experiencing or at risk of social exclusion
<i>Pricing Policies</i>	No subsidisation of the price of services / products	Subsidisation of the price of services / products
<i>Reliance on Public Sources of Revenue</i>	Low	High

In implementing the reform model, the structures established to support the implementation of the SEP would remain the same.

The third option is termed the “transition option”. This involves recognising that - despite its limitations - a substantial number of enterprises have been established with support from the SEP but also acknowledging that the SEP is neither an appropriate programme nor a realistic policy framework within which to meet the varying ongoing needs of enterprises in terms of enabling them to achieve sustainability. Effectively, this option recognises both the current state of play in respect of the operation of the SEP and the presence of current pressures on public expenditure and recommends a course of action principally based on addressing the criteria and procedures relevant to decision-making regarding the treatment of enterprises at the end of their three-year period of support from the SEP. In this regard, the findings and conclusions of the evaluation point to the need to re-position the SEP more firmly as a programme prioritising the provision of essential services in disadvantaged urban and rural areas and addressing the needs of people experiencing or at risk of social exclusion and enabling this to be done in a manner that does not leave enterprises reliant on funding from an active labour market programme.

Implementation of this option would require the development of a transition strategy that:

- (i) is responsive to the different operational characteristics of enterprises currently funded under the SEP and their differing needs in relation to securing sustainability (as sketched above in relation to the proposed *Enterprise* and *Essential Services* strands of a reformed SEP);
- (ii) includes a funding mechanism not linked to the continuation of funding from under the policy heading of active labour market programmes but drawing on a fund, possible resourced on a cross-departmental basis, from which enterprises could apply for funding; and,
- (iii) develops an approach to funding based on a contract for service in which enterprises would present the nature and relevance of their service, the quantity of service and the number of beneficiaries of service, and the cost of service provision.

In recognition of the shift away from operating a programme falling within the policy framework of active labour market policy, it is recommended that operational responsibility for the development and delivery of the transition strategy would transfer out of the Department of Enterprise, Trade and Employment. Based on current departmental structures the most appropriate department to take up responsibility for the development and implementation of the transition option is the Department of Community, Rural and Gaeltacht Affairs. At local level, it is recommended that the Local Social Economy Working Groups would continue in operation but be renamed Local Social Economy Development Groups. The composition and functions of these groups should remain broadly unchanged but should include responsibility for decision-making in respect of applications for support from the new funding mechanism and identifying and co-ordinating support to enterprises approved for funding.

Finally, it should be noted that the recommendations presented above are not *completely* mutually exclusive. Rather, they should be seen as a set of options within which to explore ways of identifying how the social economy could be resourced and supported to play an

effective role in enhancing the social and economic infrastructure of the country and to contribute to achieving priority national objectives in the area of achieving social inclusion.

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