

## Submission to the Public Consultation on The National Social Enterprise Policy for Ireland 2024-2027 Rehab Group January 2024

### **Introduction**

Rehab Group is an independent voluntary organisation providing services and support for 10,000 adults and children with disabilities for more than 70 years. We are a campaigning organisation that advocates for the people who use our services and their families. Our purpose is to empower those we support to lead more independent lives and play an active and meaningful role in their communities by providing high-quality, flexible, and sustainable care services, learning, training and education, and employment skills and opportunities. We are a right-based and inclusion focussed organisation comprised of RehabCare, National Learning Network and Employability and Social Enterprise.

We welcome the consultation on social enterprise policy and hope that it will prove to be effective in strengthening this sector and improving the lives of the people throughout the country who rely on and work in this important sector. Rehab has a long and proud experience working in the social enterprises sector nationwide and looks forward to improved supports and structures to strengthen the social impact we, and the rest of the voluntary sector, make on communities. As a social enterprise providing employment opportunities for people with disabilities, we greatly appreciate and understand the valuable contribution social enterprises make to the social and economic development of the country, both through the creation of jobs and the provision of services for the community that Rehab Enterprises serves.

### **Disability & Employment in Ireland**

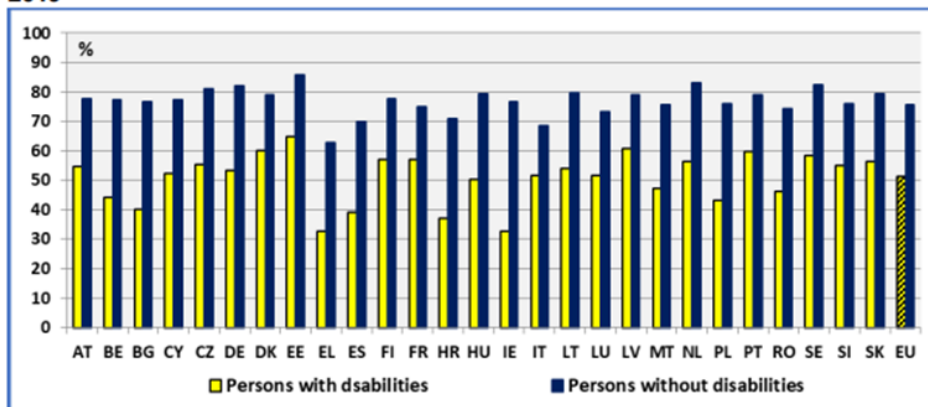
An OECD report<sup>1</sup> published in July of 2023 echoes numerous Eurostat reports that at 36%, Ireland has the lowest employment rate of people with disabilities and almost double the average disability employment gap in the OECD and EU. At a time when Ireland is at nearly full employment, Rehab believes that this situation is no longer tenable and cannot be allowed to continue. People with disabilities experience multiple barriers to accessing and sustaining employment, including access and infrastructural barriers, poverty traps, negative stereotypical perceptions, and limited progressive education opportunities.

Any new Social Enterprise policy should identify social enterprise as a tool to enable people with disabilities to work on an equal basis with others as outlined under Article 27 of the UN Convention on the Rights of Persons with Disabilities (UNCRPD) and to live independently and be included in their communities, as outlined under Article 19 of UNCRPD.

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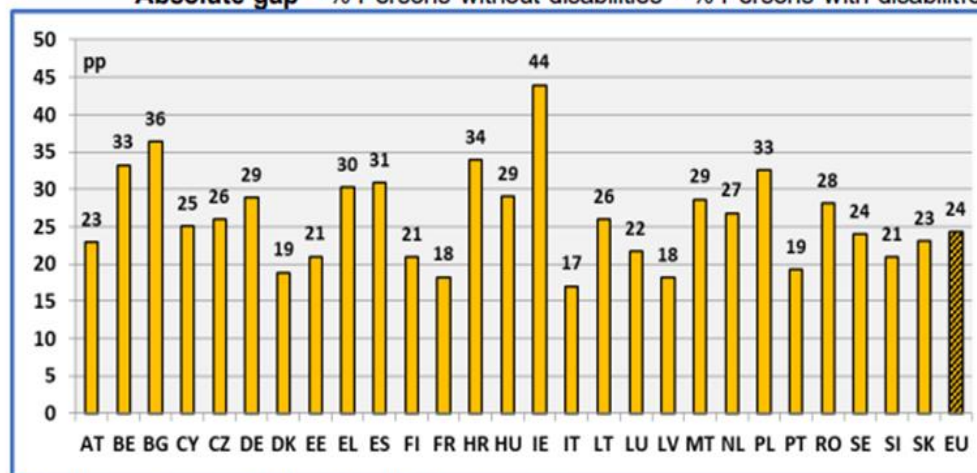
<sup>1</sup> [Procurement for Better Value- A Case Study of Ireland](#)

**Figure 5: Employment rate by disability status and Member State (age 20-64), 2019**



Note: The gaps between targets and achievements are indicative. As explained in the text, the data here do not use the ILO definition of employment rate.  
Data source: EU-SILC UDB 2019.

**Figure 6: The employment gap between persons with and without disabilities (age 20-64), 2019, expressed in percentage points (pp)**  
Absolute gap = % Persons without disabilities - % Persons with disabilities



Note: The data are rounded for the clarity of comparison.  
Data source: EU-SILC UDB 2019.

Source: [European comparative data on Europe 2020 and persons with disabilities Labour market, education, poverty and health analysis and trends](#)

## **Background on Rehab Enterprises**

The mission of the Employability and Social Enterprise division of Rehab Group is to provide sustainable employment for people with disabilities in commercial business units. Rehab Enterprises is one of Ireland's largest employers for people with disabilities. We employ over 126 people in Ireland, 77 of whom are people with disabilities. We specialise in secure WEEE IT and paper recycling, manufacturing and logistics. Rehab Enterprises demonstrates the potential of social enterprise to successfully create employment opportunities for people who are distant from the marketplace.

Haven Products Rehab Enterprises Scottish division and is Scotland's largest employer of people with disabilities. Haven wins contracts in both the private and public sectors, including long-term customers and the Scottish Government particularly in the health, central Government and the emergencies services sectors. The Scottish Government is very supportive of social enterprises and Haven Products have been engaged in discussions with the UK Government in both Westminster and in the devolved Scottish Government in Edinburgh on issues about employability and public procurement policies. Further details are provided later in this submission on how Rehab Enterprises' experience of working with government in Scotland could help with the implementation of the National Social Enterprise Policy in Ireland.

Rehab Enterprises is Ireland's largest non-governmental employer of people with disabilities. However, since the launch of the government's first National Social Enterprises Policy in 2019, we have faced significant challenges. Our aim with this submission is to make clear recommendations on how a new Social Enterprise Policy should be formed and implemented so that social enterprises, particularly those employing people with disabilities, in Ireland will be able to survive and thrive.

## **Policy Objective 1: Building Awareness of Social Enterprises**

Building awareness around social enterprises will be key to gaining recognition for them as valuable contributors to the Irish economy and society. From Rehab Group's perspective, in any awareness raising campaigns on social enterprises, there should be an emphasis on personal stories that demonstrate the social impact of the organisations. Campaigns on social enterprises should aim to promote awareness of the benefits that employing disabled or disadvantaged people has on both the organisation as a whole and the employee. Demonstrating the value and benefits of employing people with disabilities, for the organisation, the individual and for society, will hopefully see a shift in attitudes away from seeking 'monetary incentivisation' for employing people with disabilities.

### ***Social Enterprise Register***

One idea for raising awareness of social enterprises would be to establish a **Social Enterprise Register** which could be easily accessible to members of the public who may have a preference for using social enterprises when purchasing items and services. There is a growing public awareness of organisations that bring social value to the community, particularly among young people, and a Social Enterprise register would be a particularly useful tool in informing members of the public who want to support such social enterprises.

### ***Social Enterprise Buyers Guide***

A Social Enterprise Register would also be useful for procurement from Government Departments, local authorities, and other businesses who may wish to partner with the social enterprises. This could also be developed as a 'Buyers' Guide', which is currently used for Social Enterprises in Scotland (see reference to Article 20 under Policy Objective Two).

### ***Social Enterprise Quality Mark***

Another awareness raising policy could be the development of an independent Social Enterprise Quality Mark. There are many examples of this around the world, including the Internationally recognised, Social Enterprise Mark.<sup>2</sup> Each social enterprise applicant for the mark is independently assessed as a genuine social enterprise committed to creating positive social change based on sector-agreed criteria and the mark is internationally recognised.

Any proposal for the introduction of Q mark in Ireland should be linked directly to social impact measure. Rehab Enterprises have had experience of this Quality Mark process via its social enterprises in Scotland, Haven and would be happy to discuss their experience further in the development of the awareness strategy.

### ***Social Enterprise Forum***

An annual Social Enterprise Forum would be a useful resource for social enterprises to come together to help shape policy, disseminate information and share best practices. International best practices and partnerships should also be researched and considered.

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<sup>2</sup> Social Enterprise Mark <https://www.socialenterprisemark.org.uk/about-us/>

## **Policy Objective 2: Growing Social Enterprise**

### ***Business Supports***

This new policy should increase funding available for social enterprises for research and development projects. This is essential to promote innovation within the sector. The policy should apply additional resources through the National Training Fund (NTF) that will support the crucial training and development needs of the more than 280,000 employees and the 700,000 volunteers whose work drives the sector. This investment and training must be sector-sensitive and be put on as secure a footing as mainstream academic and business training.

The Local Enterprise Offices (LEOs) is an existing structure which could be developed to include more social enterprise specific training and support, especially in the areas of governance, business planning, capacity building, leadership, financial planning, marketing and social impact measurement. Working through LEOS would also provide the opportunity for mentoring from members of the traditional business community. Again, funding will have to be provided for this expansion of the function of the LEOs. The Service Level Agreements between Enterprise Ireland and each Local Enterprise Office should require LEOs to provide the same full range of business supports to social enterprises, as it does to other enterprises. This would strengthen the links between social enterprises and the LEOs.

### ***Wage Subsidy Scheme (WSS)***

Employees with disabilities can be employed through the Wage Subsidy Scheme which provides financial incentives to private sector employers to employ people with a disability who work more than 15 hours per week. Employees on the Wage Subsidy Scheme receive the same conditions of employment as other employees and are paid the going rate for the job.

The WSS has the potential to be more widely used to create employment for people with disabilities within social enterprises in Ireland.

However, there is a need to ensure that the WSS keep pace with minimum wage increases to ensure that businesses are sustainable on an ongoing basis. When it was first established, the WSS was linked to the National Minimum Wage (NMW) and the rate of payment represented about 70% of the minimum wage. Following the announcement in Budget 2024 to increase the Minimum Wage by €1.40 per hour, the WSS now represents just 49.5% of the Minimum Wage.

### ***Article 20 of the 2014 EU Public Procurement Directive***

It is imperative that social enterprises are facilitated with greater access to markets so that they can increase their trade income and become more self-sufficient. Rehab Group has long been advocating for policies which would focus on social considerations in public procurement. The new Social Enterprise Policy should see wider use and increased importance given to social clauses in awarding government contracts.

The OECD Report in July 2023 referred to above was critical that Ireland has not availed of EU and Irish Regulations, which would enable the state to reserve certain public contracts for social enterprises whose main aim is to integrate people with disabilities into the workplace. Rehab Group has long been advocating for greater use of Article 20 of the EU Procurement Directive, which makes provision for such public procurement contracts.

Article 20 of the EU Public Procurement Directive<sup>3</sup> allows public procurers to reserve contracts to encourage the employment of people with disabilities and disadvantages:

*“Reserved contracts*

- 1. Member States may reserve the right to participate in public procurement procedures to sheltered workshops and economic operators whose main aim is the social and professional integration of disabled or disadvantaged persons or may provide for such contracts to be performed in the context of sheltered employment programmes, provided that at least 30% of the employees of those workshops, economic operators or programmes are disabled or disadvantaged workers.*
- 2. The call for competition shall make reference to this Article.”*

Article 20 was intended to herald a new dawn for employment opportunities for people with disabilities. However, it is not being used in Ireland. A survey of local authorities conducted by Rehab in 2021 found no evidence of use of the Directive since 2017.

From our operations in Scotland, we can see a highly successful model of public procurement that has been an enormous success for people with disabilities. Under this model, the Scottish Government worked with the social enterprise sector to carve out areas of operation that could be served by enterprises that employed large numbers of people with disabilities. We would urge the Government to adopt a similar model in Ireland.

Unlike in Ireland, activity under Article 20 is legally required to be reported by public procurers in Scotland so that it can be tracked, and targets set. Also, unlike in Ireland, there is an explicit policy that every public body should have at least one contract with “a supported business” (a business where the workforce is made up of at least 30% people with disabilities/disadvantages) and private sector companies are encouraged to buy goods and services from them too. In order to reserve a contract, the only administrative requirement is that the call for competition must refer to Article 20 of the Public Authorities Contracts Directive.

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<sup>3</sup> Directive 2014/24/Eu of The European Parliament And of The Council of 26 February 2014

One of the key findings of the European Commission ‘Buying for Social Impact’ project report<sup>4</sup>, was that while transposition of the EU Directive was necessary to promote and implement socially responsible public procurement, it was not sufficient. Legal frameworks must be coupled with initiatives to increase knowledge and build capacity amongst public authorities.

We strongly believe that implementation of Article 20 of the EU Procurement Directive would be transformative for the future sustainability of social enterprises like Rehab Enterprises. Moreover, it would offer life-changing opportunities to people with disabilities to help bring them out of poverty. A proactive approach to using Article 20 in Ireland could significantly increase the number of jobs that Rehab, and other similar social enterprises can create and sustain.

### **Policy Objective 3: Climate Action Contribution**

Rehab Enterprise is a champion of climate action and sustainability. Rehab Recycle is a market leader in information security management, WEEE recycling and confidential data and document destruction—pioneering the field since 1984. We understand the urgency and importance of protecting our planet – and so our goal is that nothing goes to landfill.

The new Social Enterprise Policy should proactively seek to facilitate partnerships with the private sector to further develop social enterprises linked to climate change. This policy should also harness the capacity of the Local Authority to support the circular economy, as both a customer of social enterprises, and also as a practical support for these businesses.

#### *Recognition of ‘Furthest-behind first’*

This new policy should recognise the relatively greater impact of climate change on marginalised and disadvantaged groups, including people with disabilities, as outlined in outlined by the United Nations Human Rights Council report.<sup>5</sup> It should also identify social enterprise as a key tool to combat inequality by providing and securing supported employment for people with disabilities who have the capacity to work. A core principle of the United Nations Sustainable Development Goals is the principle of “leaving no-one behind”. We support Coalition 2030’s campaign to ensure Ireland reaches “the furthest-behind first”<sup>6</sup>.

This is the only way to prevent further loss of local resilience, erosion of long-term sustainability and equality in communities, and catastrophic climate chaos for the most vulnerable now and in future generations.

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<sup>4</sup> European Commission, Executive Agency for Small and Medium-sized Enterprises, Martignetti, L., Caimi, V., Daniele, D., *Buying for social impact – Good practice from around the EU*, Publications Office, 2020, <https://data.europa.eu/doi/10.2826/8319>

<sup>5</sup> United Nations Human Rights Council, ‘Analytical study on the promotion and protection of the rights of persons with disabilities in the context of climate change’, 22 April 2020, A/HRC/44/30, [A/HRC/44/30 \(un.org\)](https://www.un.org/en/sections/dpa/press-releases/2020/04/20200422-a-hrc-44-30.html)

<sup>6</sup> [Coalition 2030 - Furthest Behin First or Falling Behind Further – the human stories that challenge Ireland’s claims to be leaving no one behind.](https://www.coalition2030.com/en/coalition-2030-furthest-behind-first-or-falling-behind-further-the-human-stories-that-challenge-ireland-claims-to-be-leaving-no-one-behind)

## **Policy Objective 4: National and International Engagement**

The OECD policy review on social enterprise development in Ireland recommended that ‘The National Social Enterprise Policy would greatly benefit from continued stakeholder dialogue through the National Social Enterprise Policy Implementation Group’.<sup>7</sup> We commend the draft policy’s prioritisation of national and international engagement for social enterprises and greater coordination. However, there is no reference to the mechanism for implementation oversight.

### ***Implementation Group***

As identified in the 2019 National Social Enterprise Policy, there is a need to establish a National Social Enterprise Implementation Group, chaired by the Department of Rural and Community Development, with representation from other relevant Government Departments, public bodies and social enterprise stakeholders. This implementation group should also have representation from disability groups to ensure that all proposals are disability proofed.

### ***Cross-Government Coordination***

A whole of Government approach needs to be applied from the outset. There needs to be cross-government coordination led by the Department of Enterprise Trade & Employment to include the Departments of Social Protection, Education, Children Equality Disability, Integration and Youth, Rural & Community Development, Environment, Housing and Local Government, Communications & Transport. Collaboration with local authorities will be key in ensuring that the Local Economic Development Plans of each LEO provides for the provision of supports to social enterprises. This new policy should reiterate the commitment to improve policy alignment and support renewed focus on social enterprise. It should also develop practices of determining the best examples of policy at an EU level and implementing learnings from successful international social enterprise policy.

## **Policy Objective 5: Data Collection and Social Impact Measurement**

The new Social Enterprise Policy should establish measures to identify best practices in social impact measurement and make them available to social enterprises, implemented with consideration of international best practices and develop a framework for identifying the societal value in services and supports.

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<sup>7</sup> OECD, Boosting Social Entrepreneurship and Social Enterprise Development in Ireland, 16 November 2023, [Boosting Social Entrepreneurship and Social Enterprise Development in Ireland: In-depth policy review | en | OECD](#)



## Summary of recommendations

The new policy should:

- Raise awareness of social enterprises through establishing a social enterprise register, buyer's guide, quality mark and annual forum.
- Link the Q mark for social enterprises to social impact measure.
- Grow social enterprises by increasing funding for research and development and ensuring support from Local Enterprise Offices.
- Ensure that the WSS keeps pace with minimum wage increases and that it is more widely used to create employment opportunities for people with disabilities in social enterprises.
- Implement socially responsible public procurement using Article 20 of the EU Procurement Directive, this will help to secure the future of social enterprises, such as Rehab, that employ people with disabilities.
- Wider use and increased importance given to social clauses in awarding government contracts.
- Facilitate partnerships between the private sector and social enterprises linked to sustainability and climate change.
- Improve regional and local co-ordination through more formal links between Local Enterprise Offices and Enterprise Ireland.
- Development of national social impact measure.
- Recognise the relatively greater impact that climate change has on marginalised groups, including people with disabilities, and seek to use social enterprise as a tool to combat inequality in terms of employment and societal contribution.
- Look to best practices at EU level.
- Adopt a whole government approach – cross-departmental cooperation, collaboration with local authorities.

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