CHAPTER 4
TOWARDS A EUROPEAN-STYLE SOCIAL ECONOMY OR IRISH-STYLE SOCIAL INNOVATION? CHALLENGES FOR IRISH PUBLIC POLICY

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Introduction

Peter Utting recently observed that the global economic crises, growing social and economic inequality and climate change have prompted "a global debate on the meaning and trajectory of development" (2015:1). This debate has seen increasing attention focused on the 'social economy' as a distinctive approach to human-centred sustainable economic development.

There is considerable evidence that policy makers are beginning to understand what the social economy is, what it promises and how it differs from 'business as usual' (European Commission 2011; UNRISD 2012). However, we know far less about whether it can really move beyond its fringe status in many countries and regions. Under what conditions can the social economy scale-up and scale-out, i.e. expand in terms of the growth of social economy organisations and enterprises, or spread horizontally within states? This chapter aims to (a) contribute an Ireland-focused response to some of these questions, (b) identify some of the definitional and categorisation challenges facing policy makers and politicians in Ireland, (c) outline the potential for the development of the social economy and (d) highlight some of the obstacles to the development and implementation of appropriate public policy interventions.

The chapter begins with a brief outline of the analytical perspective adopted, political economy, and then examines the contested concepts of 'social economy', 'social enterprise', 'social entrepreneur' and 'social innovation'. The chapter then reviews the four concepts and locates them within two distinct approaches, the first a broad approach to economic development based on economic and social solidarity and a more democratised society, and the second an evolution of the recent marketisation of the management and delivery of many public services. The chapter then briefly examines the political context in which the debate is taking place in Ireland and how it might be progressed. This is followed by an examination of two short case studies, the

first, a recent effort in privately-supported social innovation in the United States and the consequences for civil society and citizens when states make decisions about the role of social enterprises without thinking through the ramifications of the policy interventions in a coherent manner. The second case study reviews the expansion and relative decline of student-owned social enterprises in Ireland and the critical role and unforeseen consequences of public policy interventions. This is followed by an examination of the current discourse and the likely consequences for public policy in Ireland.

The Role of Political Economy as a Framework for Analysis

When the concept of political economy emerged in the 18th century, it "did so to help people understand and cope with a dramatic change in the system of want satisfaction, both in the nature of wants and in the manner of production and distribution of goods for satisfying them" (Caporasa and Devine 1992:1). The latter half of the 20th century saw a distinct lack of debate about political economy and the complex and integrated relationship between politics and economics was often left in a limbo as academic and professional economists and political scientists developed more segregated and very often insular lines of discourse and debate.

The importance of political economy lies in the broader framework it provides for a discussion about the responsibilities of the state with regard to the economy. For example what is the role of the idea of a self-regulating market and what is the relationship between public ends and private interests? Different notions of economics and politics lead to different political economies? It is the contention of this chapter that the discussion about the social economy is best situated in the realm of political economy rather than the more constrained parameters of business disciplines such as management or entrepreneurship. Restakis's observation is pointed in this regard and contends that the growth in interest in the social economy lies in "ultimately the failure of contemporary political and economic policies to provide minimum acceptable levels of economic and social well being to growing numbers of people" (2006:1). Isolating a discussion about the social economy from politics is both misleading and unlikely to lead to any helpful outcome.

Key Concepts

At this stage it is important to note that many use the terms 'social economy, 'social enterprise', 'social entrepreneur' and 'social innovation' interchangeably. This can be problematic and there is a very definite vagueness inherent in much of the debate in Ireland. For many 'social innovation' is an activity carried out by 'social entrepreneurs' who have established 'social enterprises' that operate in the broader 'social economy'. This perspective has the attractive characteristics of being neat, succinct and easy to comprehend. This chapter contends that, unfortunately, it is more complex and there are a variety of very different and often mutually exclusive perspectives that require critical engagement with. It is hoped that this chapter will contribute to the broader debate about the potential and actual nature and role of social enterprise, social entrepreneurs and social innovation in Ireland and a fuller understanding of the social economy and its potential contribution to social, economic and civic wellbeing.

Social Economy

In a European context the idea of a social economy is historically linked to popular associations and co-operatives. The dynamic underpinning the establishment of these organisations was a system of values and principles interlinked as an "expression of a single impulse: the response of the most vulnerable and defenceless social groups, through self-help organisations, to the new living conditions created by the development of industrial society in the 18th and 19th centuries" (Monzón and Chaves 2012:13).

Although the social economy was relatively prominent in most of Europe during the first third of the 20th century, the post-1945 growth model mainly featured the traditional private sector and the public sector. This model was the basis of the welfare state, which addressed "recognised market failures and deployed a package of policies that proved highly effective in correcting them: income redistribution, resource allocation and anti-cyclical policies" (Monzón and Chaves 2012:15). All of these were based on the Keynesian model in which the significant social and economic actors, i.e. employers' federations and trade unions, worked together with government in corporatist or quasi-corporatist arrangements (Laville 2015).

Interestingly, during this period the social economy lost its significant role in the process of "harmonising economic growth with social welfare" (Monzón and Chaves 2012:17), with the state occupying centre stage. It was not until the crisis of the welfare state in the 1970s that some European countries saw a reawakening of interest in the typical organisations of the social economy, whether business alternatives to the models of the capitalist and public sectors, such as co-operatives and mutual societies, or non-market organisations – mostly associations and foundations. This interest sprang from the difficulties that the market economies were encountering in finding satisfactory solutions to such major problems as massive long-term unemployment, social exclusion, welfare in the rural world and in run-down urban areas, health, education, the quality of life of pensioners, sustainable growth and other issues. These are social needs that are not being sufficiently or adequately addressed by either private capitalist agents or the public sector, and for which no easy solution is to be found through self-adjusting markets or traditional macroeconomic policy. For the purposes of this chapter this provides the basis for a useful understanding of the social economy, i.e. economic activity in between market and state oriented towards meeting social needs (Amin 2009; Noya and Clarence, 2007).

Social Enterprise

The term social enterprise typically refers to for-profit organisations with a social mandate, it can also include other legal forms such as non-profit organisations, charities, co-operatives, and hybrid organisations (OECD 2013). However, the term has been defined in a wide variety of ways. For example in the United States the term is normally used to refer to "market-oriented economic activities serving a social goal" (Defourny and Nyssens 2006:4). In this context the social enterprise is viewed as an innovative response to the funding problems of non-profit organisations, which are finding it difficult to solicit private donations and philanthropic grants (Dees 1998). As noted above European countries have a rather different experience of the social economy and the term social enterprise tends to be used in a different manner[1] and focuses not just on the explicit aim of

[1] The term was initially employed in Italy and was closely linked with the co-operative movement. In 1991 Italy adopted a law creating a specific legal form for

benefiting a community but on the fact that it is initiated by a group of citizens (Borzaga and Defourny 2001). The recent approach by the Irish state to define a social enterprise is interesting in this regard as it excludes the nature of the establishment as a criterion, in this regard it adopts a more American understanding, and defines a social enterprise as an organisation:

- That trades for a social/societal purpose;
- Where at least part of its income is earned from its trading activity;
- Is separate from government; and
- Where the surplus is primarily re-invested in the social objective (Forfás 2013:10).

This approach is much more in keeping with the Anglo-American perspective (Ó Broin 2014) and while not excluding organisations such as credit unions or co-operatives, key components in the European social economy, is so expansive as to suggest that the state is not particularly focused on supporting the establishment of a European-style social economy but rather more interested in facilitating the growth of a more US-influenced social impact and social mission-oriented sector[2].

Social Entrepreneur

Like the term social enterprise, social entrepreneurship has, increasingly, become a catch all term: it has "become so inclusive that it now has an immense tent into which all manner of socially beneficial activities fit" (Martin and Osberg 2007:28). For the purposes of this chapter it is helpful to contrast social entrepreneurship to traditional entrepreneurship. Stated simply, entrepreneurs innovate. Social entrepreneurship distinguishes itself from entrepreneurship only insofar as the term 'social' modifies the goals and activities undertaken thereof. Entrepreneurs in business are primarily concerned with

'social co-operatives' which were established to respond to the needs that had not been adequately met by public services (Borzaga and Santuiri 2001).

[2] This gives rise to the question if the Irish state has decided to ignore the "quest for more economic democracy that characterizes the field of social enterprise in Europe" (Defourny and Nyssens 2010:47).

maximizing profit, whereas social entrepreneurs are motivated – in whole or in part – by social goals[3].

As such, this chapter suggests it is helpful to use the description social entrepreneurs use for themselves as entrepreneurs who "develop new, innovative solutions to address the entrenched social and environmental challenges we face" (Social Entrepreneurs Ireland 2017). As we will see in the following sections, this depiction is not as straightforward as one might expect, there are many significant questions that arise from this approach.

Social Innovation

In its August 14th 2010 edition *The Economist* included an important article on governments' interest in what it termed 'social innovation' and the role of social entrepreneurs. Central to the article was the observation that social innovation "differs from the fashion of the past couple of decades for contracting out the delivery of public services to businesses and non-profit groups in order to cut costs, in that it aims to do more than save a few dollars or pounds – although this is part of the attraction. The idea is to transform the way public services are provided, by tapping into the ingenuity of people in the private sector, especially social entrepreneurs" (2010:51). Social entrepreneurs develop "innovative answers to a social problem" (Ibid).

It was suggested that the fresh, businesslike ideas of social entrepreneurs will bring about the productivity miracle in the "social sector", defined as the public sector plus service delivering charities, similar to the one that began in businesses in the 1990s[4].

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[3] The Global Entrepreneurship Monitor uses a similar approach in its research (Bosma *et al*. 2016).

[4] Muhammad Yunus, founder of Grameen, and Wendy Kopp, founder of Teach for America, are portrayed as representatives of this new approach. Michael Edwards used the term "Philanthrocapitalism" to describe a similar, though not synonymous, process of applying business principles to the world of civil society and noted that this process had "fashion, wealth, power and celebrity behind it" (2009:11). He described the Bill and Melinda Gates Foundation and the Clinton Global Initiative as good examples of this approach to social progress. LaMarche contends that what separates these newer social entrepreneurs or philanthrocapitalists from the likes of Carnegie is "their emphasis on measurability, on incorporating lessons from the business world" (2009:23). Matthew Bishop and Michael Green's book *Philanthrocapitalism – How The Rich Can Save the World and Why We Should Let Them* adds another characteristic, the harnessing of the "profit motive to achieve social good" (2008:6).

In this context one might begin to appreciate how devising a helpful working definition of 'social innovation', is in some ways, a more difficult challenge than either social enterprise or social entrepreneurship. The academic literature employs the term as a broad inclusive term and a sub-set of both social enterprise and social entrepreneurship[5]. For example the *Center for Social Innovation* at Stanford University describes social innovation as "the process of inventing, securing support for, and implementing novel solutions to social needs and problems" (Phills *et al*. 2003:1). In this context it is not the "prerogative or privilege of any organisational form or legal structure" (Ibid). To be considered a social innovation, a process or outcome must meet two criteria:

- Novelty;
- Improvement.

Although social innovations need not "necessarily be original", they must be new to the user, context, or application (Ibid) and to be considered an innovation, a process or outcome must be either more effective or more efficient than pre-existing alternatives[6]. In a similar vein Llie and During define "social innovation as new ideas (products, services, and models) that simultaneously meet social needs (more effectively than alternatives), create new social relationships and collaborations to enhance society's capacity to act" (2012:21).

From this perspective social innovation, unlike social entrepreneurship and social enterprise, is a process and creator of solution-oriented social collaborations/networks. It is argued it "transcends sectors, levels of analysis, and methods to discover the processes that produce lasting impact" (Phills *et al*. 2008). That is, social innovation covers a wider scope in addressing and solving social problems. Social entrepreneurship focuses on the

[5] Work by the UK Government's Office of the Third Sector neatly encapsulates the definitional confusion, in a report entitled *How can innovation in social enterprise be understood, encouraged and enabled?* The author strives to explain how "social enterprise innovation is not the same as 'social innovation" (Westhall 2007:2).

[6] Phills *et al*. contend that innovation is both a process and a product and that "it is essential to distinguish four distinct elements of innovation". First, the process of innovating, or generating a novel product or solution, which involves technical, social, and economic factors. Second, the product or invention itself—an outcome that we call innovation proper. Third, the diffusion or adoption of the innovation, through which it comes into broader use. Fourth, the "ultimate value created by the innovation" (2008:3).

personal qualities of people who start new organisations with traits like boldness, accountability, resourcefulness, ambition, persistence, and unreasonableness (Llie and During 2012:31). By contrast, the field of social enterprise tends to focus on organisations with primarily social objectives whose surpluses are principally reinvested for those purposes in the business or in the community (Kaderabkova and Saman 2013).

This approach is not without its critics and is argued to legitimise political decisions to outsource heretofore publicly-funded welfare provision to private or quasi-social actors rather than support substantive actors in the social economy (Fougère *et al*. 2017). In addition, many innovators in the social economy, managing and leading social enterprises are addressing market failures and their consequences (Lindblom 2001) and are far less enamoured with market-based solutions than suggested.

Problematising Definitions and Politico-Economic Perspectives

In addition to the problems of agreeing shared definitions of key elements of the social economy v social enterprise v social entrepreneurship v social innovation debate (Brouard and Larivet 2010), the terms are also used within the literature to describe, in addition to reflecting, distinct politico-economic perspectives. Ridley-Duff and Bull (2016:5) clearly delineate three distinct "schools of thought" that have come to dominate the academic literature. The first, linked closely to the field of entrepreneurship, is called, rather confusingly for the purposes of this chapter, social innovation (Austin *et al*. 2006; Perrini 2006). In this school of thought, entrepreneurs are presented as "heroes" (Ridley-Duff and Bull, 2016:6) and drivers of change. The second school of thought is linked to the first in its emphasis on understanding and developing social entrepreneurs but differs in that there is a very particular emphasis placed on their value propositions and social missions (Nicholls 2008; Martin and Osberg 2007). As Ridley-Duff and Bull note, these value propositions are translated into social purposes, and the definition of the purpose becomes the foundation for an agreement on social objects. The third school of thought emphasises the creation of social enterprises that have socialised ownership and control. This is seen as crucial to "meet the commitment to democratic principles of organisation and participation in decision-making (Defourny 2010). This 'socialisation' school of thought is strongly influenced by the

concept of the European social economy and sees a clear distinction between the "reciprocal interdependence that underpins mutual aid" and the "philanthropy that underpins charity" (Ridley-Duff and Southcombe 2012). Mutuality implies a bi-directional or network relationship in which parties help, support and supervise each other. This is "qualitatively different" from the uni-directional relationship between owner-manager and employee in a private enterprise, or "chain of control (philanthropist to trustee (unpaid), trustee to manager, manager to worker, and worker to beneficiary) in a charity" (Ridley-Duff and Bull 2016:7)[7].

One might ask why the continued desire to differentiate between the dynamics underpinning, what appear to be socially worthwhile and valuable, socio-economic initiatives is important or even useful. The chapter contends there are at least two important rationales. The first relates to the formulation of public policy. It is critical that those tasked with creating a policy framework for facilitating the growth of the social economy in Ireland, particularly in light of the launch of the European Commission's Social Business Initiative (2011), clearly comprehend the distinctions between various initiatives, and how the distinct drivers for the establishment of these initiatives will require different levels and types of support. The second rationale relates to the politico-economic sphere. The chapter contends that it is important that both critics and advocates of the broader social economy in Ireland are cogent and coherent in their use of terminology. While support for the socialisation of ownership and control is an explicitly political stance[8], it is a political stance situated well with the European Social Democratic and Christian Democratic mainstream, but in a political culture like Ireland's there is a tendency to avoid clarity if possible so as not to limit the size of the potentially supportive coalition one may assemble. The problem with such an approach is that it can lead to the achievement of a 'lowest common denominator-type solution' rather than an 'optimal solution' (Ó

[7] This is not to deny that charity can be present in mutual relations. However, it usually framed in law and practice as a financial and managerial one-way relationship in which trustees give and direct while beneficiaries accept and obey. It is this "asymmetry in obligations", i.e. the lack of reciprocal interdependence, that distinguishes mutuality from charity (Ridley-Duff and Bull 2016:7).

[8] As distinct from state or private ownership.

Broin 2015). As a result, the chapter suggests that honesty about one's motives may, in this case at least, be the best policy.

In recommending the continued need for clarity about the distinction between a socialisation perspective that emphasises collective action and mutualist principles to develop an alternative economy (Sahakian and Dunand 2015) and a social innovation and/or social purpose perspective that focuses on the missions and innovations of individual social entrepreneurs (Dees 1998)[9], it is important to note that these 'schools of thought' are not necessarily in opposition to each other. As Figure 4.1 shows many successful organisations can have distinct (a) social innovation, (b) social mission (purpose and impact) and (c) socialisation of ownership and control, elements[10]. However, it remains important to highlight the differences between the perspectives because, first, it is always useful to understand distinct strands within the development of social enterprises, and second, an organisation's overwhelming commitment to any one of them may well lead to an inability to develop a long-term sustainable future for the organisation.

[9] The social innovation/purpose perspective tends to emphasise the philanthropic impulse of the social entrepreneur and the social goals of the enterprise (Scofield 2011) while the socialisation perspective tends to "emphasise organisation design and stakeholder governance to educate members for participation in the social economy" (Moreau and Martens 2013).

[10] Probably the most famous example is the Mondragon Corporation in the Basque country (see http://www.mondragon-corporation.com/en/ for details).

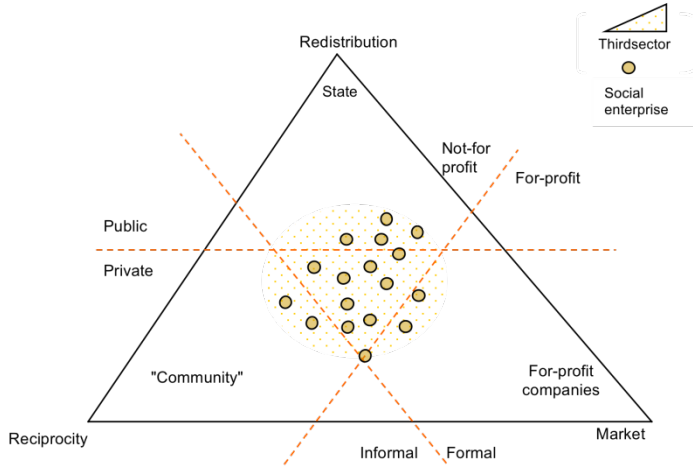

Figure 4.1: The Social Economy as a Combination of Various Actors, Logics of Action and Resources (Defourny and Nyssens 2012)

Political Context

For the purposes of this chapter it is helpful to situate the current debate in Ireland's distinctive political context[11]. On one hand there exists the components of a potentially robust and facilitative support framework for the social economy:

- Ireland has the highest per-capita credit union membership in the world;
- Historically Irish civil society has supported the establishment of human-centred economic and social institutions and activities (Ó Broin and Kirby 2009);

[11] The calamity facing the Irish economy in the 1980s is more widely understood at this stage and the fact that it helped to initiate a new form of public governance is accepted by the majority of political scientists. What is interesting is that Ireland did not follow the neo-liberal route chosen by many other countries in the Anglo-American sphere. The current situation is very interesting for those involved in the debate about the potential nature and role of the social economy. Despite the resilience of many of the institutions of social partnership to previous upheavals, the scale and multi-stranded nature of the recent crises has been fatal. The institutional framework of social partnership is gone and while some of the outlines of a new model of public deliberation and economic governance exist, there is little political momentum to replace social partnership.

- There is significant philanthropic support for social economy-linked organisations;
- It retains an extensive nationwide network of rural agri-business and community service co-operatives;
- The state funds a very significant social enterprise support programme, one of the largest in the European Union;
- National civil society representative organisations are actively calling for the development of a more supportive public policy framework to expand the social economy.

Despite the above the social economy is widely accepted to be underdeveloped in Ireland, representing only 3% of GDP compared to 4%-7% in other EU member states (Forfás 2013). In addition Irish public policy retains a very strong and distinct pro-private enterprise bias (Kirby 2010) and calls for support for the social economy are often perceived as attempts to undermine private enterprise and the role of the market. In addition Irish public policy efforts in this area tend to use the market-oriented discourse of 'social entrepreneurship' rather than the more society-oriented discourse of 'social economy' (Ó Broin 2012). As the situation evolves a variety of social, economic, civic, governmental and political processes and issues will impact key decisions. These include:

- The strong desire on the part of civil society to establish a robust social economy component of the national economy;
- The openly pro-market bias of many Irish government agencies;
- The economic, financial and policy constraints imposed as a result of the austerity programme;
- The highly open nature of the Irish economy, one of the most globalised in the world;
- The advocacy actions of existing social economy actors;
- The outcome of debates between proponents of social entrepreneurship and social economy;
- The establishment of appropriate national social economy support agencies;
- The implementation of the local government reform process and its social economy support function;
- The political decisions taken by the current government.

This chapter uses the framework developed by Erik Olin Wright (2013) to examine the potential for the development of the social economy. His analysis provides a powerful conceptualisation of the developmental potential offered by the social economy and the instrumental effectiveness offered by reordering many economic activities to improve their impact. In relation to the social economy Wright's key argument is that the development of the social economy can constitute an interstitial transformation, i.e.

> ... new forms of social empowerment in capitalist society's niches and margins, often where they do not seem to pose any immediate threat to dominant classes and elites (2013:20).

The central theoretical idea is that building alternatives on the ground in whatever spaces are possible both serves a critical ideological function by showing that alternative ways of working and living are possible, and "potentially erodes constraints on the spaces themselves" (Wright 2013:20). Wright (2010) suggests that the social economy may also be conceived as a "real utopia" since it presents a plausible vision of a radical alternative and a project of emancipatory social change:

> The 'social economy' constitutes an alternative way of directly organizing economic activity that is distinct from capitalist market production, state organized production, and household production. Its hallmark is the production organized by collectivities directly to satisfy human needs not subject to the discipline of profit- maximization or state-technocratic rationality (Wright 2010:140–141).

In this model social enterprises could be key components of a reinvigorated and empowered society and not passive recipients of a state largesse and philanthropic goodwill. As democratically-owned and accountable economic entities they would act as locally empowering organisations, and not merely service deliverers, but also represent a new approach to economic and social governance. An approach rooted in solidarity and subsidiarity is also likely to lead to other benefits. For example

Richard Wilkinson and Kate Pickett's book *The Spirit Level – Why Equality is Better for Everyone* details how communities that are oriented towards co-operative or social economy models of economic activity tend to be healthier and suffer less from a variety of illnesses (2009:260).

Public Policy Interventions and Unintended Consequences

As noted earlier the debate about the role of social enterprise can often be rooted in distinctly market-based terms and the consequences of this are rarely examined. In the context of the evolving Irish debate it is useful to examine the role of civil society actors in education provision in the United States and the recent changes to the model to facilitate the entry of philanthropic-funded social entrepreneurs. In a recent book, Diane Ravitch, an Assistant Secretary of Education under the 1988-1992 Bush administration, notes the very negative impacts of the charter schools[12] on Catholic schools. In the Irish context it can be difficult to comprehend that Catholic schools can be so separate from the state system of education provision but it is worth noting that they have a very strong record in the United States of providing "a better civic education than many public schools" (Moses 2010:35). Of interest to the debate in Ireland is the long standing, and increasingly successful efforts, by many political activists, supported by a number of large philanthropic foundations, to marketise education. The idea being that schools would flourish if freed from government bureaucracy and punished or rewarded according to their performance. The recent appointment of Betsy DeVos, a key advocate for school choice, school voucher programmes, and charter schools, as US Secretary of Education, is another step in the process of normalisation of previously-regarded fringe ideas.

Ravitch, initially a strong advocate of similar approaches, notes two distinct consequences. First, she finds that schools began to "teach to the test". Students lose out on a more rounded education as schools and school districts game the system by changing the grading system, leading to big gains in the number of students passing. In addition she notes the closure of many

[12] A charter school is a school that receives government funding but operates independently of the established state school system in which it is located. In many cases they are privately owned and their development is seen as an example of public asset privatisation.

Catholic schools, rooted in their communities and providing a very good education, because they can't compete with the new providers who are funded by philanthropic foundations like the Bill and Melinda Gates Foundation[13]. Ravitch notes in a chapter entitled "The Billionaire Boys' Club" how philanthropic foundations have a huge influence in American education because of the large amounts of money they've spent to engineer and promote their agenda of business knows best, that schools need to emulate the corporate world by encouraging competition, assessing outcomes, rewarding the success of annual progress in test scores and "firing incompetents" (Moses 2010:35). However as Ravitch observes, "the problem with the marketplace is that it dissolves communities and replaces them with consumers. Going to school is not the same as going shopping" (2010:221).

For Ireland the pertinent lesson is that critically examining the likely consequences of a policy turn to social entrepreneurs is vital, as there is every chance they will undermine existing community-based initiatives, and a reliance on market-based solutions often reflects a complete misunderstanding of the challenge at hand.

A second example directly reflects failings in Irish public policy formulation as it relates to the social economy and the "strange death" of student-owner social enterprises[14]. In the early-mid 1990s Ireland hosted one of the largest student-owned social enterprises in Europe, the Union of Students in Ireland Travel (USIT), and a range of very significant university and college-based organisations, for example DITSU Trading Limited[15]. Unfortunately USIT collapsed due to the undermining

[13] Ravitch notes that the Gates Foundation spend nearly $2 billion on a campaign to close existing schools and replace them with more market-oriented schools before acknowledging that this was a mistake (Ravitch 2010:204-211).

[14] While the Harvard Coop is probably the best known example internationally, student-owned co-operatives had a significant presence in Irish higher education up until quite recently. Due to a variety of factors, primarily the efforts by university and college managements to achieve the maximum short-term gain from their property, social enterprises owned by students have declined dramatically over the course of the past 15 years. They have largely been replaced by externally-owned and managed retail units, usually SPAR or MACE, and bookshops such as Waterstones. The co-operative and mutualist ethos espoused by student-owned enterprises has sadly disappeared and been replaced by a more 'managerial' approach to student needs.

[15] This was the trading arm of the Dublin Institute of Technology Students Union. It operated 5 shops, a number of canteens/restaurants and delivered a variety of

of the student aviation market following the 9/11 attacks and the purchase of the US student travel company, CTS, in August 2001[16], and DITSU Trading Limited no longer has a commercial remit due to constraints placed on it by DIT.

The critical issue for student-owned social enterprises was the collapse of the facilitative policy framework or maybe more accurately the development of a policy framework that emphasised short-term commercial returns to universities and colleges. There are two distinct issues in this context. First, the legislative framework for a large number of higher education institutions (HEIs) in Ireland, the Vocational Education Committee Act, 1930, prohibited HEIs from delivering canteen or retail services. This space was filled by student-owned social enterprises. Unfortunately, the successor legislation, the Regional Technical Colleges Act, 1993, and the Dublin Institute of Technology Act, 1993, removed this ban. As a result HEIs could now deliver services themselves.

The second issue was that the state's higher education funding regime forced, and continues to force, HEIs to examine every opportunity to develop alternative sources of income. In this context the rental income provided by retail chains can be a significant annual addition to HEIs' budgets. It is also worth noting that some HEI managements took an unmitigated delight in having an opportunity to undermine student-owned social enterprises[17].

In addition, and this relates to the emphasis on the creation of social enterprises that have socialised ownership and control discussed earlier, is the apparent lack of political discourse in the broader student movement that recognises the importance and significant contribution of student-owned social enterprises. As noted above, up until quite recently student-owned social

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other services to students of the Institute. It currently does not deliver any commercial services.

[16] In a subsequent legal action by the receiver Mr. Justice Peart said USIT suffered a 'double whammy' after the travel industry suffered due to the 2001 attacks on the US (RTÉ "Court rules on collapse of USIT travel company" 10th August 2005, available at https://www.rte.ie/news/2005/0810/66366-usit/). In essence the company has since been de-mutualised and is now owned by the UK-based Real Experience Group, formerly the Kinlay Group.

[17] The author was a member of the board of directors of DITSU Trading Limited (1992-1998), USIT Supervisory Board (1992-1995), and Seirbhís, the Union of Students in Ireland Commercial Services Company (1992-1997).

enterprises were common, and provided significant funds to re-invest in student-identified needs, e.g. emergency finance, welfare and medical services. The current perspective appears to be that universities and colleges should provide appropriate services and student collective action, if any, should be focused on charitable fund-raising, for example RAG charities, or individual student social entrepreneurial activity through social mission-oriented organisations. These in turn are often supported by international organisations such as Ashoka or Enactus that only support social mission-type initiatives (Sá and Kretz 2015; Kretz and Sá 2015).

If, as most people would probably accept, a critical aspect of higher education is developing one's sense of citizenship and community, i.e. processes of socialisation, then student-owned social enterprises contribute a great deal to these processes. They develop among students a sense of what is possible and what can be achieved with coherent collective action. In addition, they help create an entrepreneurial spirit within students and they encourage a strong sense of mutualism and community. Surely these remain valid arguments for HEIs to facilitate the establishment/re-establishment of student-owned social enterprises[18].

For the purposes of this chapter the key lesson is that facilitative public policy frameworks are critical success factors for social enterprises and it is very easy to undermine successful ventures with inappropriate or poorly thought through policy interventions. In the context of current discussions about rural sustainability this is particularly pertinent. There is considerable evidence to suggest that a coherent approach, as it relates to public policy, to the social economy in rural areas can provide significant social and economic dividends (Steinerowski and Steinerowska-Streb 2012; Zografos 2007; Eversole *et al*. 2014). The challenge is devising the appropriate policy framework rather than facilitating piecemeal financial interventions.

[18] For example, students unions, either nationally or locally, could negotiate a leasing-style agreement with HEIs for space for shops etc. and recruit staff familiar with co-operative principles and the ethos of managing a co-operative enterprise. Unlike the Harvard Coop, it is not envisaged that the enterprise would pay an annual dividend to members, rather the annual surplus should be re-invested in the enterprise as had been the case in Irish student-owned social enterprises.

Questioning the Role of Social Enterprise and Social Entrepreneurs

An objective of this chapter was to contribute to an ongoing debate in the broad social economy, in which both social enterprises and social entrepreneurs operate, particularly as the current political and economic environment appears to be conducive to a major reconfiguring of Irish economic activity in favour of the social economy. However it is unclear what the many actors in the Irish social economy are striving for. Is there a shared vision? Given the different origins, backgrounds and objectives of the many organisations and individuals, is such a suggestion even possible? The confusing jumble of terms, e.g. social innovation, social economy, social enterprise, community and voluntary sectors, social entrepreneurs etc., is striking. The fact that each term has a different meaning to different people is equally telling and clearly indicates not only the lack of a shared vision but also the absence of a shared vocabulary. Furthermore it is telling that most political parties have no policy stances in this area[19].

In this context it is helpful to discuss 'developmental' and 'instrumental' perspectives on social enterprise and social entrepreneurs. From the developmental perspective, there is an intrinsic and empowering value in the growth of the social economy in Ireland. From the instrumental perspective, i.e. as a means to another end, and it appears that some in the Irish government share this perspective, it is the efficiency gains that flow from the application of business principles by social entrepreneurs that make social enterprises useful or worthwhile. By delivering certain services cheaper and more effectively they serve an important purpose. Neither of these perspectives is to be condemned or lauded, they are rooted in political and ideological perspectives, but they are different and, while not mutually exclusive, the policy interventions necessary to facilitate either or both are distinct. Michael Edwards warns that the social economy "needs different organising principles from business because it

[19] With the exception of the Social Democrats, who developed a policy on community banking (see https://socialdemocrats.ie/policies/create-community-banking-sector/ for details) and Sinn Féin, who developed a policy on social clauses in public procurement contracts (see http://www.sinnfein.ie/files/2015/PublicProcurementDoc_2015.pdf for details).

has different goals" (2009:9). That doesn't mean inefficiency is somehow inherent to the social economy. It just means its goals are different and sometimes policy makers forget to remember that and focus on relatively obscure problems such as displacement, i.e. how many jobs will be lost in the private sector (real jobs) as the social economy expands because for many policy makers and politicians only the market creates real jobs.

Conclusion

In most European states democratisation and the rise of the modern welfare state provided the foundation for "unprecedented improvements in the material conditions of the bulk of society, and greater room for the actualisation of individuals' skills, aptitudes and talents" (Wood and Roper 2004:253). Ireland had a rather unusual trajectory, at least in relation to other EU member states, and social enterprises have played a very significant role in our societal development, particularly in rural Ireland, e.g. Raiffiesen Banks[20], Approved Local Councils[21], Credit Unions and Agricultural Co-operatives, and the current economic crises have provided an opportunity for many to question the role of the state in providing certain services. That is fair and appropriate. It is not necessarily regressive and doesn't amount to an attack on the 'public sphere'. It is possible to envision an alternative model of development that is empowering, committed to social justice and a redistributive capitalism and not wedded to what GDH Cole called the "omnicompetent state" (1920:2).

However, the language employed by many writers about social entrepreneurs, and by social entrepreneurs themselves is problematic. It appears to take for granted that the state, and for that matter any form of co-ordinated public action, is inherently inefficient and needs to be marketised. That somehow the application of business processes will address complex social and economic problems. The consequences of this ideological action remain largely unquestioned. Why? Given the possibilities for the provision of social and infrastructural services on offer there is a

[20] Raiffeisen Banks operated in Ireland from the 1890s until the early 1930s (Colvin and McLoughlin 2012).

[21] Approved Local Councils operated in a number of Irish communities in the 1940s and 1950s and delivered services on behalf of county councils (Gallagher 2000).

danger that an approach to the social economy may be adopted and implemented by the Irish state that is socially unsustainable, i.e. rather than invest in the social and community infrastructure necessary to develop and sustain an expanding social economy there may be a trend to outsource the delivery of services to community-based organisations that are not equipped to manage a significant increase in turnover or support for socially unsustainable social entrepreneurs.

It is both essential and feasible to embed the social economy as a key component of a model of economic development in Ireland and this process has to be embedded in a robust series of discussions about the role and nature of the social economy and relative roles of social innovation, social enterprise and social entrepreneurs, how they see themselves, how others perceive them and how a consensus might be developed. At this stage in Ireland's social and economic development it is vital we avoid what Roberto Unger refers to as the "dictatorship of no alternatives" (2009:1).