

## Chapter Four

### Methodology

#### Introduction

This chapter outlines the precise aims of the research and presents the underlying considerations determining the sources of information required and the methods used in its collection. It commences with a review of the key issues emerging from the review of literature and theory and notes their impact in establishing the research strategy. The chapter continues with an outline of the field research, detailing the elements of the research process. It concludes by reviewing methods of data and analysis.

#### Research questions and literature review

In chapter one, the definition of the subjects under investigation was given as: **a community-based social enterprise is defined as a community-based organisation with a traded income (although a mixture of trading and non-trading income sources may be used) and which is mission-centric in that it achieves its social mission through its trading activities.** Eight specific research topics were identified in the analysis of embedded social enterprises:

- What are social enterprises in the Irish case?
- What activities do they engage in and in which areas do they have a competitive advantage over traditional community and voluntary groups?
- Who established these social enterprises?
- What were the motivations of the founders of social enterprises?
- Was there a coherent national policy towards social enterprises and is it successful?
- How successful were the existing social enterprises in meeting their social mission?
- How successful were the existing social enterprises in achieving their financial objectives?

- What trends could be identified with regard to the prospective evolution of social enterprises in Ireland?

A number of issues that arose in the literature review will be addressed within these research questions.

### *General*

The first research question aimed to identify social enterprises and their characteristics in the Irish case. Of interest was which definition of the social economy was predominantly used within Irish social enterprises, the continental or Anglo-American definition. Were social enterprises seen as secure and with a positive future? Was the balancing of social and financial objectives recognised as a real issue and if so, how was it addressed? Were any contextually-specific factors identified relating to social origin theory?

### *Activities*

The second research question aimed to examine the activities of social enterprise and their competitive advantages. What activities, products and services did Irish social enterprises actually provide? What beneficiary groups were being served, or were social enterprise purely commercial and opportunistic in nature?

### *Origins*

The third question related to the establishment of social enterprises. Why were social enterprises set up? Was it in response to a specific incident or an identified local need, was market failure identified as a cause, or were there other issues? Was there evidence of contract-failure theory and the trust hypothesis? Are social enterprises providing public goods? Were social enterprises established, or at least driven by, the community and voluntary sector and are social enterprises actually situated in the community and voluntary sector?

### *Motives*

The fourth question aimed to examine the motivation behind the establishment of social enterprises. Was there a social entrepreneur identified within the establishment and operation of social enterprises and if so, did they have significant business skills? Had the Irish experience demonstrated the predominance of the broad or narrow definition of social entrepreneurship? What were the motivations identified by these social entrepreneurs: altruistic, social or commercial?

### *Policy*

The fifth questions related to national policy towards social enterprises. Was there actually a coherent national policy or even a common understanding at an administrative level of social enterprise? What effect had the National Social Economy Programme/Community Services Programme in the view of senior civil servants and what lessons could be learned? Was the view of the programme the same between the administrative centre and the social enterprises? What influence had social partnership on the establishment and continued existence of social enterprises? Was the 'partnership approach' institutionalised within social enterprises? What role had the policies of the European Union had with regard to social enterprises in Ireland?

### *Achievement of social mission*

The sixth question related to the achievement of social mission? Were social enterprises actually established to achieve a social mission or some other purpose? Why was a social enterprise established rather than another organisational form? Was there evidence of mission drift?

### *Achievement of financial aims*

The seventh question related to the success of social enterprises in achieving financial stability. Were social enterprises predominantly self-funded or were they state-dependent? Did they predominantly use volunteers or paid staff?

### *Prospects*

The last research question related to the changing socio-political environment. Of particular interest was the identification of social trends which might impact on social enterprises and the degree to which they possessed the ability to adapt to the changing environment in the immediate future.

### **Designing the research programme**

In order to examine the questions outlined above, in the absence of appropriate published information or accessible unpublished records which might furnish the required information, a number of different field research elements were going to be required.

Some broad information relating to the activities of social enterprises, the beneficiaries served, the proportion of traded income and the elements of the funding mixes used, the number of board members and their representative roles and other broad attitudinal questions could be gleaned by use of a broad survey of social enterprises. As there was no legal definition or database of all social enterprises, the best available option was to survey the existing networks of social enterprises. This offered the best opportunity to access the largest number of social enterprises and gain the widest body of analytical data.

To examine the policy-related questions it was appropriate to attempt to gain information from senior policy- and decision-makers. This was considered to be best effected through direct interviews. Ideally, an interview with the appropriate Minister was identified, as were interviews with the senior civil servants with responsibility of the National Social Economy Programme and the Community Services Programme. Furthermore, as a result of the partnership approach, representatives of the community and local

development sectors had also been involved in policy formation and programme monitoring, so key people within these sectors were identified for interview.

To access more detailed analysis of subjects like social entrepreneurship, market failure, the role of social and economic objectives and other specific questions, a more detailed discussion was required. Thus, conducting in-depth case studies of individual social enterprises was considered to be necessary. However, conducting case studies would require a considerable amount of work, with many interviews across the range of managers, board members or directors and in some case staff members. It was therefore decided to select six case studies to reflect a broad spread of social economic activity. It was also decided, for reasons outlined below, that social enterprises in a single geographic area be selected. The area chosen was the local authority area of Fingal which was an administrative area covering north and northwest county Dublin. Fingal County makes for an interesting geographic location for study. It has one of the largest populations of any local authority area with 239,992 (CSO, 2006) which represents a 22.2% increase in population since 2002. This makes Fingal the fastest growing county in Ireland, in both absolute and relative terms<sup>1</sup>. Fingal now makes up 5.75% of the total national population. Within this, there are large urban areas such as Blanchardstown with a population of 90,952, Swords with a population of 43,360 and Balbriggan with a population of 16,217. Fingal also has a large rural area, especially towards the north of the county, especially around the Naul, Ballyboughal, Garritstown and the rural areas between Lusk, Skerries and Rush.

Fingal has a large youth population with 27.2% of people in the county under the age of 18, as compared to a national average of 20.7%. Fingal has a very high proportion of its population comprising from other nationalities. In

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<sup>1</sup> The statistical data is based upon the 2006 census. The additional analysis was distilled from a MS Powerpoint presentation from the Fingal County Development Board, 'Implications of the 2006 Census'. Thanks to Ciaran Staunton of FCDB for his permission to use his work.

Fingal, the total percentage of the population from other nationalities stands at 17.2% as compared to a national average of 10.1%. However, in the large urban areas this percentage figure is higher. In Blanchardstown, the proportion of the total population of people from other nationalities came to 19.4%. In Fingal, the proportion of social housing as a percentage of all housing types stood at 10%, compared to a national average of 12.2%. Thus with a rapidly growing population and a large proportion of its population from other nationalities, Fingal had a lower percentage of social housing provision than the national average. Fingal also has a slightly lower level of volunteerism, based upon the percentage of the population who volunteer. 14.7% of the population in Fingal volunteer compared to a national average of 16.4%. In Blanchardstown the percentage of people who volunteer was as low as 10%.

Fingal is an area of wide disparity, with a rural/urban split and wide income/wealth disparity. There are wealthy areas such as Howth, Castleknock and Malahide, whilst areas of deprivation such as Mulhuddart, Blakestown, Corduff coexist in the same local-authority area. The RAPID<sup>2</sup> area in Blanchardstown is recognised as one of the most disadvantaged areas in the country.

From a practical viewpoint and, as a result of the European Edge Cities Network survey, a database of social enterprises in the County of Fingal already existed. Thus, a carefully-drawn representative sample of social enterprises to act as case studies could be drawn from this database. It therefore seemed appropriate to use the primary data already gathered to build the case studies upon.

The other topic to be addressed comprised an examination of social origin theory. This required a comparison of social enterprises in different geographic areas in order to ascertain whether the characteristics of social enterprise in Ireland were different to those in other areas and whether

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<sup>2</sup> Revitalising Areas by Partnership, Investment and Development (RAPID) is a national programme aimed at targeting public-sector expenditure into the areas of highest deprivation and marginalisation.

specific social, historical, political and institutional factors could be identified to explain any differences that might exist. The researcher had conducted a cross-national survey of social enterprises in certain city areas for a European network of municipal authorities. The information gathered for this mapping exercise was suitable for the purposes of examining social enterprises in Ireland with other European countries. Furthermore, the area examined in Ireland had been County Fingal and this allowed for the identification of potential case study subjects from this database.

A summary outline of the research programme was given in Figure 4.1.

**Figure 4.1 – Research Strategy Outline**

<p><b>Part 1 – Survey of European Edge Cities Network members on the social economy</b></p> <p><b>Type:</b> Extensive  <b>Method:</b> Quantitative mapping exercise using questionnaires  <b>Expected outcomes:</b> Establish the extent of the social economy across several European countries. Examine the presence of social origin theory and socially embedded factors.</p>
<p><b>Part 2 – Interviews with policy makers and agency managers</b></p> <p><b>Type:</b> Intensive  <b>Method:</b> Qualitative using formal and semi-structured interviews  <b>Expected outcomes:</b> Establish the broader policy influences and mechanisms at work. Establish the relative strengths and weaknesses of social enterprises and related policy. Assess the thinking policy makers and the policy approach in the short-medium term.</p>
<p><b>Part 3 – Survey of existing social economy networks</b></p> <p><b>Type:</b> Extensive  <b>Method:</b> Quantitative / Qualitative using questionnaires  <b>Expected outcomes:</b> Establish the recognition of certain key factors and mechanisms. Establish broad picture.</p>
<p><b>Part 4 – Specific case studies of social enterprises</b></p> <p><b>Type:</b> Intensive  <b>Method:</b> Qualitative and in-depth study, using semi-structures interviews, questionnaires and examination of secondary records (annual accounts, social audits, business plans).  <b>Expected outcomes:</b> Establish underlying causes for the establishment and operation of social enterprises. Ascertain the strengths and weaknesses of identified underlying mechanisms, and identify primary underlying mechanisms.</p>

The design of the research programme used inductive methods. Having reviewed the social economy literature and theory and using my own personal experience as a social enterprise practitioner, the questions within the research programme in the different parts tried to test the issues raised. However, the analytical interpretation in chapters' five to eight used a deductive approach. In the final chapter; the conclusions drawn from the analysis, deductive and retroductive methods were used. Retroductive analysis required asking 'what type of phenomenon would be necessary for this observable data to be the case?' The purpose of using this retroductive analysis was to test the conclusions drawn from the deductive analysis and verify the conclusions.

### ***The European Edge Cities Network***

The purpose for using this piece of research was to examine social origin theory, the idea that social enterprises had specific social moorings and were embedded in cultural, historical, political and institutional factors, specific to their society.

The original objective for conducting this exercise was to map and compare social enterprises in four member areas within the European Edge Cities Network. The background to this mapping exercise goes back some time. The European Edge Cities Network was a network of local or municipal authorities that were located at the edge of a major European city or capital. The network was formed in 1996 and had at different times up to twelve member cities. In 1998, the network made an application to the European Union's RECITE II programme<sup>3</sup> to fund a major exploration of the benefits of small-medium enterprises (SME) internationalisation and other measures to address social exclusion. This project was eventually funded and comprised the largest single project funded under RECITE II. The researcher was contracted through the BASE Enterprise Centre to conduct the interim evaluation of the project. Through this evaluation, the researcher gained an

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<sup>3</sup> The Recite II Programme was a European Union structural fund aimed at the regeneration of city areas.



intimate knowledge about the network and its work. One of the aspects of commonality between the partners that arose at the end of the project was the interest of several partners in the development of the social economy. The network formed a social economy sub group and Fingal County Council asked the researcher to represent them on this new sub group. Through 2003 and 2004, the sub group met on several occasions. The lack of benchmark data on the social economy proved a barrier to further discussion within the group and it was agreed that the researcher would conduct a mapping report on the social economy across the sub group members and that this information could be used for the purpose of this thesis.

Of the initial five members of the sub group, two were interested in finding out more about the social economy, based upon their desire to develop social-economic activity within their area. Three members had more developed social economies within their areas and these members participated with the mapping exercise. The three areas were Fingal County Council (edge of Dublin, Ireland), North Down Borough Council (edge of Belfast, Northern Ireland), Croydon Borough Council (edge of London, UK) and, although not represented on the sub group, Getafe Municipal Authority (edge of Madrid, Spain) also participated.

Each area was provided with a template questionnaire to be completed in the partner area for each social enterprise that they identified in their area. As local authorities had an interest in the knowledge of all businesses and organisations within their area from an economic and community developmental aspect, if not just for the rate-raising capacity, they tended to have good, if not perfect, information of the social enterprises operating in their areas. In Getafe, the compilation of data was contracted to the agency with responsibility for co-operative development. In Croydon the Social Economy Officer undertook the work. In North Down the work was completed by the SIGNAL Business Growth Centre, and in Fingal by the Business Development Executive and the researcher. All the information was

returned to the researcher to compile and analyse. The analysis was conducted using SPSS and as the mapping exercise yielded predominantly quantitative data there was little qualitative data derived. The mapping exercise report was presented to the network's sub-group in September 2005 and accepted at its meeting in November 2005.

This was the earliest piece of field research completed and it was used in the selection of the case studies. Fingal had 32 social enterprises identified and having already identified this cohort and, by gaining broad quantitative data on it, it made sense to delve more deeply into this pre-identified group. Many of these social enterprises were also identified within the social economy networks.

Several difficulties arose with this survey. The decision of two partners not to engage with the mapping exercise was disappointing. These partners were both Scandinavian. The inclusion of these partners would have added richness to the research outcomes. Initially there was also reluctance from Getafe to engage with the exercise. Whereas two partners did not engage as a consequence of a lack of social enterprises within their areas, Getafe had the opposite problem. The large number of co-operatives in Getafe proved a daunting task for the local authority to map. This was eventually addressed by talking to the organisation looking after co-operatives in Getafe, which had the ability to access the information more easily. These apart, once the relevant people in each area were identified the collection of data was relatively easy.

Another difficulty that arose was the issue raised in the previous chapters regarding the continental European and Anglo-American definitions of social enterprises. Three areas used the Anglo-American definition (Fingal, North Down and Croydon) whereas Getafe was clearly using the continental *l'économie sociale* definition. However, as the purpose of the work here was to examine social origin theory, this did not create a major difficulty but

rather helped to draw the distinctions between social enterprises in the different areas more clearly.

Each partner engaging with the mapping exercise was asked do the following: appoint a staff member to coordinate the dissemination and collection of questionnaires (and translations if necessary), translate the short questionnaire if necessary, identify the local organisations and individuals within each organisation which had the information being sought; disseminate the questionnaires and be available to explain the questionnaires and objectives to respondents; organise the collection of questionnaires and forward them to the researcher. Finally, they were asked to translate the responses into English, if necessary.

The questionnaire was short, asked for initial contact details, the main activity of the organisation, the number of employees, its legal structure, management form and ownership.

### ***Interviews with policy- and decision-makers***

The rationale for these interviews was to ascertain the attitudes of those involved in the policy- and decision-making processes relating to social enterprises. The potential interviewees consisted of national government ministers<sup>4</sup>, senior government and agency officials with a remit for social enterprise and representatives of the community and sector with a role in social enterprise policy. At the time of planning this survey, the responsibility for the social economy lay within the Department of Enterprise, Trade and Employment and was implemented through FÁS under the National Social Economy Programme. Subsequently, responsibility diversified and the social economy programme transferred to the Department of Community Rural and Gaeltacht Affairs, and was then called the Community Services Programme (CSP) and administered through POBAL. FÁS still played an important role in

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<sup>4</sup> Interviews were requested with the Minister for Enterprise, Trade and Employment, Michéal Martin T.D. and also former minister for Enterprise, Trade and Employment, Mary Harney T.D. Both requests were denied and recommendations to talk directly to officials were suggested.

staffing some social enterprises through the Job Initiative and Community Employment programmes. Thus the selection of interviewees had to take account of this diversity and the following list of individuals was selected.

**Figure 4.2 – List of policy interviewees**

<b>Name</b>	<b>Role</b>
David Brennan	Principal Officer, Department of Community, Rural and Gaeltacht Affairs, with responsibility for the Community Services Programme (CSP); formerly the National Social Economy Programme.
Christy Cooney	Assistant Director General, FAS. Responsible for FAS Community Services nationally, and previously responsible for the National Social Economy Programme.
Justin Sammon	Manager Meitheal Mhaigheo, the APC for Mayo. Member of PLANET and chair of the PLANET social economy sub group. Represented PLANET on the national monitoring committee for the social economy programme when in the Department of Enterprise, Trade and Employment.
Robert Beggs	Manager, BEaT Centre, Balbriggan. Chairperson of both the Mid-Eastern Enterprise Centres Association and National Association of Community Enterprise Centres. Robert was also a member of the Fingal Enterprise Alliance.
Ignatius Fields	Manager, FAS Community Services Unit Dublin North West. Responsible for CE and JI in most in Fingal, and formerly manager for the NSEP in Fingal.
Senan Turbull	Director of Services for Community, Parks, Library, Sports and Recreation for Fingal County Council. Responsible for oversight of community based activity within the council area, including social enterprise. Senan was also Director for the Fingal County Development Board whose remit was the strategic co-ordination of public services within Fingal.

Social enterprises operate in a socio-political environment influenced by national and local government policies. As discussed in the previous chapter,

the National Social Economy Project was the largest programme aimed at both supporting and promoting social enterprises in Ireland. The programme was developed and managed by FÁS under a remit authorised by social partnership agreements. Thus, the programme details were developed by a policy unit which answered to the Assistant Director General of Community Services in FÁS, Mr. Christy Cooney. The programme was reviewed by a monitoring group established within the Department of Enterprise Trade and Employment. This monitoring group had representatives from the Department, FÁS, representatives of the area-based partnership companies and other agencies. The area-based partnership companies had a network called PLANET, which in turn had a Social Economy Working Group. The chairperson of this working group was the manager of Meitheal Mhaigheo<sup>5</sup>, Mr. Justin Sammon. Mr. Sammon also sat as the representative of PLANET on the national monitoring group for the social economy programme. Mr. Cooney and Mr. Sammon were therefore at the centre of the process for the development, monitoring and ultimate decision to transfer the social economy programme to the Department of Community, Rural and Gaeltacht Affairs and, thus, they possessed first-hand knowledge of the establishment, operation and evaluation of the programme: Mr. Sammon from the local development point of view and Mr. Cooney from the FÁS policy and operational perspective. When the programme was transferred, responsibility for the programme transferred to Mr. David Brennan, Principal Officer in the Department of Community. Mr. Brennan had day-to-day responsibility of the handover from FÁS and the establishment of the Community Services Programme, as well as the contracting of the programme administration to Pobal. He was also responsible for reporting progress to the Secretary of the Department and the Minister. Mr. Brennan had first-hand information regarding the programme transfer and the rationale for the changes within the Community Services Programme.

At a local level, the social economy programme was managed by the local FÁS Community Services Unit. The programme in Fingal County was

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<sup>5</sup> Meitheal Mhaigheo is the area-based partnership company for the county of Mayo.

managed by Mr. Ignatius Fields. Mr. Fields, as area manager, oversaw the programme implementation and had the final decision as to the approval of social enterprises for the programme, FÁS management having had final decision-making authority on the recommendation of the Local Social Economy Working Group (see previous chapter). Mr. Fields therefore had first-hand information as to the state of social enterprise on the ground and the effects that the social economy programme had on the approved social enterprises.

Mr. Robert Beggs was manager of the BEAT Centre, the community enterprise centre in Balbriggan, North Dublin. Mr. Beggs oversaw an approved social economy programme social enterprise and therefore had first-hand information regarding the effects of the programme from the perspective of a social enterprise. He was also chairperson of the National Association of Community Enterprise Centres (NACEC) which was a network of over 130 community enterprise centres nationally. As the community enterprise centres were some of the most commercially sustainable social enterprises, based upon their higher levels of traded income from rental of enterprise space, Mr. Beggs also represented the Association on several national committees, mainly within Enterprise Ireland. Thus, Mr. Beggs also had first-hand information regarding commercial social enterprises at a local and national level and had many years experience as a social enterprise manager.

Within Fingal County, the other agency with an interest in the active support of social enterprises was Fingal County Council, the local authority for the county. The Director of Services for Community within Fingal County Council was Mr. Senan Turnbull. Mr. Turnbull had an interest in social enterprise with reference to the running of the community centres in the county. The council had provided land and funding for the building of most community centres in the county and it was interested in the social enterprise model as a way to reduce the level of subsidy required by the centres. Mr. Turnbull had previously worked in both Area Development Management Limited (ADM) and

FÁS and therefore possessed an overview of the broad policy perspective relating to social enterprises nationally.

Requests for interviews with both the serving Minister for Enterprise Trade and Employment, Michéal Martin T.D. and his predecessor Minister Mary Harney T.D., were both declined.

The interviews were based upon a semi-structured questionnaire, broken into five discreet sections (copy included in Appendix B). The interviewees were not given sight of the list of questions in advance of the appointment. The interviews lasted somewhere around an hour in duration. The interviews were of approximately one hour in duration and conducted in person. Subsequently, a summary of each interview was prepared and forwarded to the interviewees for their comment, clarification and ratification of its accuracy.

The first set of questions related to the socio-political environment that social enterprises operated within. The questions asked were intended to allow interviewees to discuss the overall policy environment, and were:

- 'What do you see as the current policy priorities in relation to social policy and social inclusion policy?'
- 'What do you see as the current economic policy priorities?'

The second set of questions related to the social economy itself and specifically what underlying factors the interviewees believed were driving social enterprises. The questions asked were:

- 'How would you define the role of the social economy?' This was asked to ascertain whether there were commonalities in understanding relating to the overall sector and its role.
- 'What potential do you see for the social economy, especially in relation to the priorities already discussed?' This was asked to

ascertain how interviewees saw social enterprises within the broader policy context.

- 'Who has driven the recent development in the social economy (EU, national or from within sector)?'
- 'What do you perceive the contribution of the social economy in Ireland has been?'
- 'Do you see the social economy as having a role in achieving social change/social justice?'
- 'Do you think the social economy had developed and grown in the last 10 years?' This question was asked to determine whether there was a perceived growth or decline in the scale of social enterprises in recent years, remembering that there was no official statistics available.
- 'Do you think there is clarity amongst policy and decision makers regarding the social economy; its definition, role and contribution?' This question was asked to ascertain whether there existed a consensus of any description relating to the definition and role of social enterprises.

The third set of questions related to the role of national and European Union policy with regard to social enterprises. These policy and decision makers were in a position to give insightful comment on the following questions:

- 'What is the current national strategy in relation to the social economy?'
- 'Would there have been a national impetus without EU policy? This related to whether a national programme would have existed without the European Union's intervention as outlined in the previous chapter.
- 'What role has social partnership played, if any, in relation to the development of the social economy in Ireland?' Social partnership, as outlined in the previous chapter, was identified as the primary social-policy making forum and this question was asked to ascertain the level of agreement regarding the role and importance of social partnership.



- 'What role has the national social economy programme played with regard to the social economy in Ireland?' This question aimed to ascertain the views of interviewees as to this policy experiment. The next two questions were follow-up questions:
- 'Has the NSEP been successful?'
- 'What lessons have been learned from the NSEP?'

The fourth set of questions related to the extent of entrepreneurial governance in Ireland. All interviewees were in a position to recognise if such influences were in existence and what effects these influences were having. The questions asked were:

- 'What role does 'Value For Money' now play in relation to government funded social programmes, especially those of interest to the social economy?'
- 'Market failure is a term used to describe a situation where there are social needs in a community and the market for whatever reason cannot meet this demand. Can you recognise any situations where this exists and what options do you see for meeting this demand?'
- 'What are the relative strengths and weaknesses of the social economy in meeting these needs, compared to the two main alternatives; direct public provision or contracting to the private sector?'
- 'The Irish state operates within what academics call an enterprise state, where government is influenced by private sector ideas like, PPP, VFM and fiscal responsibility. Do you recognise this as true and do you see these as positive or negative influences and what are the implications for the social economy if any?'

The last set of questions related to the opinions of interviewees with regard to the future direction for social enterprises in Ireland. The questions asked were:

- 'What do you see as the future for the social economy in Ireland?'

- 'What do you see as the future of the NSEP?' The interviews having taken place before the transfer of the programme made this interesting.
- 'What supports do you see the public sector providing for the social economy moving forward?'
- 'Who should be responsible for policy in relation to the social economy; i.e., which government department, agencies etc?'
- 'Finally, do you have any comments or other points that you feel are relevant and we have not discussed?' This was a catch-all questions to cover issues not perceived in advance of the interviews.

### ***Survey of practitioners involved in social economy networks***

The objective of surveying social enterprise networks was predominantly to access the attitudes and opinions of practitioners within social enterprises. A questionnaire (see Appendix C) was sent to the contact person listed in the database of each respective network. It was therefore the professional managers who generally returned the questionnaires. The outcomes from the returned questionnaires gave a snapshot of the range of opinions of professionals working within the social enterprises, those with the greatest practical knowledge. There were several networks of social enterprises in Ireland. In particular this survey ascertained the level of recognition within practitioners of the theories and concepts identified in the academic literature, attained an overview of the types of market and services offered by the responding social enterprises, examined the main motivations behind the participating social enterprises and provide an estimate of the level of trading income generated by these social enterprises. The following was the list of social enterprise networks surveyed.

**Figure 4.3 – list of social economy networks to be surveyed**

<b>Network</b>	<b>Rationale</b>
Mid-East Enterprise Centres Association (MEECA)	An association of the community enterprise centres in Leinster. MEECA had 15 members, all are social enterprises.
Dublin 15 Enterprise Managers Network	Consisted of the managers of 7 approved social enterprises for NSEP/CSP.
Wicklow Social Economy Network	Consisted of the managers of 13 approved social enterprises for NSEP/CSP in Wicklow area
NSEP approved social enterprises in North East region	A database of 25 approved NSEP social enterprises provided by FÁS
CSP-funded social enterprise network	This database was provided by Pobal. This was a nationwide database of 275 CSP-funded social enterprises

The survey was conducted through questionnaires, delivered either by mail or electronic post. A covering letter was attached to the survey questionnaires explaining the purpose and use of the data collected. Each network was surveyed separately because the databases of members were received at different times during this period. Access to the Mid-Eastern Enterprise Centres Association (MEECA) and Dublin 15 networks was achieved through professional membership of these networks. Access to the Wicklow and North East region was accessed through professional colleagues who were members of these networks. By far the largest database was provided by Pobal, an intermediate-funding agency used by the government to fund several programmes with a social focus. This database was circulated to all social enterprises funded under the Community Services Programme (CSP), and thus access to all the databases was achieved through professional connections.

Most of the questionnaires to the first four databases listed were dispatched electronically (e-mail request with questionnaire as attachment). In the case of the CSP list this was sent by postal mail. A covering letter and paper copy of the questionnaire was sent, as was a stamped addressed envelope.

Initially the MEECA list was circulated, this acting as a test run. This was sent out in October 2004 and the questionnaires were returned by January 2005. The Wicklow, North East and Dublin 15 network surveys were sent in April 2005 and were signed off by January 2006. The CSP database questionnaires were posted in May 2006 and were signed off on at the end of December 2006.

Between the five networks 102 questionnaires were returned, a 36.3% response rate, which can be regarded as satisfactory for a postal questionnaire (Gregory, 1978). Each represented the return from a social enterprise that was a member of a network. The returns were coded and put into an SPSS database, and the responses were analysed. Qualitative data was either categorised (usually into positive, negative, neutral or did not respond) or direct quotations were extracted for emphasis and clarification. The statistical descriptions came through tables, pie charts and bar charts.

A number of difficulties were encountered during this survey. First, as a result of time constraints, it was difficult to get managers to fill in and return questionnaires. Administrative support was used, in the guise of a BASE Enterprise Centre staff member who agreed to conduct a large number of follow-up phone calls and e-mails. Without this effort the number of returns would have been significantly less. Another difficulty was that some social enterprises were members of several networks. Thus, one enterprise might be surveyed three times, yet only one questionnaire can be counted within the overall survey. However, this being said, the rate of return was high for this type of survey and 102 was a satisfactorily large sample of social economy managers.

The survey questionnaire was split into three sections: one gathering general details about the social enterprise, another gathering information on the funding mix used by the social enterprise and a third addressing respondent's attitudes and opinions. The first section on general details commenced by

asking for the social enterprise's name, address, phone, fax and e-mail details, as well as the name and position within the organisation of the respondent. Two further questions were asked relating to how long the respondent had been in their current position and secondly, how long they had been involved in the social economy. Other questions asked in this section were:

- 'What goods and services do you provide?'
- 'What are the main social objectives of your organisation?'
- 'What target groups/communities of interest does your organisation serve?'
- 'Why was this organisation established (was there a specific reason/event)?'
- 'Why was the organisation established as a social enterprise?'
- 'Do you use volunteers in any of the following capacities?' The respondent was given the choice of indicating the use of volunteers on their Board of Management, in the management/supervision of the organisation, in the delivering goods and services and in fundraising activities.
- 'What legal structure does your organisation have?' Respondents were given the following options: a company limited by guarantee, a company limited by shares, a co-operative, a mutual society, a trust or other.
- 'What is the composition of your Board?' and gave the respondent the option to give the number of representatives from the following sectors: representatives of their target group or community of interest, representatives of local or community development organisations, representatives of local authorities or City and County Development Boards, representatives of government agencies, representatives of local business or representatives organisations, representatives of trade unions or other social partners, representatives of educational institutions and bodies, representatives of financial institutions (including credit unions) and then others.

The second part of the questionnaire addressed questions relating to the funding mix used by the social enterprise and asked:

- 'Can you give a rough breakdown of your funding mix?' Respondents were given the following categories: direct or traded income from the supply of goods and services, income derived from public sector tenders and contracts, income generated from public sector grant aid, income from private donations and other fundraising and other sources.
- 'What are the sources of your grant aid?' to ascertain which agencies were the main funding bodies for social enterprises.
- 'Can you give a projection of your direct/traded income for next year?'

The final set of questions was attitudinal questions and asked:

- 'For a social enterprise, achieving social objectives is more, less or equally as important than achieving economic objectives?'
- 'Should campaigning for positive social change/social justice be of importance to a social enterprise?'
- 'The process of 'social partnership' has had a positive, negative or neutral influence on the development of social enterprise in Ireland, or whether the respondent had no opinion.
- Respondent were asked their opinions with regard to volunteerism and had the option of answering 'true', 'false' or 'unsure' to the following list of statements: 'volunteerism has declined compared to 20 years ago', 'patterns of volunteerism have changed in Ireland compared to 20 years ago', 'today, volunteers are more discerning about the type of work they will do', and finally 'today, people will make a financial contribution rather than contribute time'.
- A series of questions relating to the relative strength and weaknesses of social enterprises compared to other community-based organisations were asked with regard to the following, for which the respondent had the option to answer 'stronger', 'weaker' or 'unsure'. The areas under

examination were the delivering goods and services to disadvantaged groups, the campaigning for social reform, sustaining community-based services, in protecting social assets/buildings, with regard to empowering disadvantaged people/groups and finally, in providing a platform for public consultation.

- The final question asked respondents to score the importance of the following criteria for the development of the social economy in Ireland. Respondents were asked to score in a range, ranking 1 for unimportant and 7 for very important. It also gave the option to score 'unsure'. The following criteria were proposed: 'the existence of grant-aid to support the social economy', 'strong 'community development' structures in the local area', the presence of 'supportive/pro-active local authorities', the existence of 'effective local partnership arrangements', the presence of 'strong links to local business organisations/chambers of commerce', 'personal commitments from individuals or small groups of committed individuals', the existence of 'a strong sense of local community or local cohesion', 'value for money considerations', 'local political support by public representatives' and finally, 'a situation where the market has failed to meet local needs'.

The information gathered was compiled in SPSS and analysed. Quantitative information was tabulated as appropriate. Qualitative data was either grouped and tabulated or used as quotations for emphasis in explaining statements.

### ***In-depth case studies***

Six in-depth case studies of social enterprises were conducted as part of the field research. The objective of surveying the six case studies was to obtain a deeper understanding of why social enterprises were established, what drives them currently and what lessons have been learned from the experiences of interviewees. This was the most intensive work within the field research and the outputs were most insightful. The choice of the case studies needed

careful consideration. The decision to survey social enterprises in County Fingal (in north Dublin) had a number of factors. First, the data collected from Ireland in the European Edge Cities Network mapping exercise (see later) was conducted in Fingal and a ready-made database existed of the social enterprises in the area. Second, the researcher had worked within Fingal area as a social economy manager and had knowledge of the social enterprises in the area. A third factor was practicality. In-depth case studies took a considerable amount of work and restricting the research to a relatively tight geographic area facilitated completion. Moreover, where all the case-study social enterprises operated within the same local authority area, the possibility of variability resulting from differing local socio-political contexts did not have to be factored into the research programme.

The case studies were conducted in the following manner. First, suitable social enterprises were identified as case studies. Second, permission of the Board and management in the respective social enterprises was sought. Third, one or two days were spent in each of the organisations, examining how the organisation operated. Next, interviews were conducted with the management of the social enterprises and, where possible, with staff members. Interviews were then conducted with Board members of the social enterprises. These were semi-structured interviews and were conducted either in person or by phone. Next, reviews were conducted of interim and annual reports, social audits, social benefit reports and data from any other quantitative or qualitative report systems which had been collated by the enterprise were conducted. Depending on the level of information available, interviews with supporting organisations, target groups, end-users were requested. Finally, a report on each case study was written up.

32 social enterprises were identified by Fingal County Council within the European Edge Cities mapping exercise. Table 4.1 provided a cross tabulation of the number of social enterprises engaged in the 28 main activity categories in that mapping exercise. From this table the top five categories of



social economic activity in Fingal were drawn (Figure 4.4). The top five categories accounted for 90.6% of all identified social enterprises in Fingal.

**Table 4.1 - Cross tabulation of main activity of social enterprises within the Edge Cities survey**

		Partner area				Total
		Getafe	Croydon	North Down	Fingal	
Main activity	arts and crafts	0	1	1	0	2
	Catering	3	2	0	0	5
	clothing and apparel	4	0	0	0	4
	Community development	6	5	1	5	17
	Construction and building	15	0	0	0	15
	education and training	27	4	3	4	38
	Electronic equipment manufacture	14	0	0	0	14
	enterprise support	0	2	1	3	6
	event management, travel	22	0	0	0	22
	Gardening	10	1	0	0	11
	general services/ manufacture	13	0	0	0	13
	graphic design	5	0	0	0	5
	hostel accommodation	17	0	0	0	17
	Information services	11	0	1	1	13
	joinery/fabrication	6	0	0	0	6
	management and consultancy service	25	1	1	0	27
	motor repairs and service	3	0	0	0	3
	Photographer	2	0	0	0	2
	Printing	0	0	1	0	1
	Property management	0	0	1	0	1
	recruitment agency	5	1	0	0	6
	recycling, environmental and health services	10	2	1	0	13
	repair of domestic electrical goods	4	0	0	0	4
	retail outlet	16	2	0	0	18
	savings and loans	0	4	0	11	15
	social service provider	9	5	4	6	24
	sporting body	0	0	0	2	2
	transport and courier service	7	1	0	0	8
Total		234	31	15	32	312

It was decided to maintain a balance across these sectors when selecting social enterprises to act as case studies. The entire savings and loans category comprised credit unions and, as most credit unions have similar operational practices, one credit union sufficed as a case study. As there were only two enterprise support organisations listed, one enterprise support organisation sufficed. The remaining social enterprises were made up of social service providers, education and training, and community development organisations. Many social enterprises fulfilled dual functions, for example running training and educational courses, providing support for community development work and providing social services simultaneously. Thus, the four other case studies were drawn from across the remaining three identified categories.

**Table 4.2 - Top five categories of social economic activity in Fingal**

<b>Main Activity</b>	<b>No. of social enterprises</b>
Savings and loans	11
Social service provider	6
Community development	5
Education and training	4
Enterprise support	3

Other factors to be considered were spatial and demographic issues. Fingal had two broadly distinct areas within its boundary. Fingal was effectively made up of two Dáil electoral constituencies. There was the north Fingal area (Swords to Balbriggan) which constituted Dublin North constituency and there was the western Fingal (Dublin 15 area) which constituted Dublin West constituency. North Fingal comprised less than 60% of the population and Dublin 15 made up more than 40%. It was considered appropriate to select the case studies broadly according to this population distribution. Thus, three were drawn from north Fingal and three from Dublin 15. With these factors in consideration, the six social enterprises identified in Figure 4.5 were selected as potentially good case studies.

**Figure 4.4– list of case studies selected with description**

<b>Social Enterprise</b>	<b>Description</b>
Blanchardstown Credit Union	Based in Dublin 15, Blanchardstown Credit Union was one of the older credit unions in Fingal and was well established. It had a full-time management and staff and had a 'common bond' area covering Blanchardstown, Clonsilla and Castleknock.
Beat Enterprise Centre	Balbriggan Enterprise and Training Centre has existed since 2000 and was located in north Fingal. It had a full-time manager and provided enterprise space for the Balbriggan area.
North Dublin Rural Transport	Based in Ballyboughal in north Fingal, the rural transport initiative provided a local bus service to the residents in Fingal's rural heartland. Regular bus services were limited in the area and this social enterprise met a significant need.
The Seamus Ennis Cultural Centre	Based in the Naul in north Fingal, the Seamus Ennis Centre was established to commemorate Seamus Ennis, a legendary traditional Irish musician. The Centre provided workshops and training courses in Irish music, language and culture, provided rooms for community groups and ran a coffee shop for the local population. It also ran the annual Seamus Ennis Summer School, which was an international Irish music school, attracting musicians from around the world.
BAPTEC Limited	BAPTEC was a community based IT training company based in Dublin 15. Initially a spin-off from the local Area Partnership Company, BAPTEC was now an independent social enterprise providing certified IT training, especially targeted at unemployed, ILM participants and specific target groups. It also ran commercial training courses.
Mulhuddart Community Centre	Mulhuddart was in Dublin 15 and had been recognised as an area of high deprivation in Dublin. The Community Centre opened in 2003 and catered for community development work, youth services, room and hall rental and it ran a coffee shop.

Once identified, the six managers and boards of directors needed to be contacted so that permission to conduct the individual case studies could be agreed. In all cases there was a high degree of support and openness. With regard to the semi-structured interviews, the manager, Board members and in some cases senior staff members were interviewed. In total 35 in-depth interviews were conducted. On average, each interview lasted just over one hour. After each interview, the notes were transcribed and each interviewee subsequently was sent a copy in order to seek verification of accuracy of the transcription. No interview sought amendments to the interview notes. The interviews were conducted during the period of January to June 2006.

The information within the questionnaires was analysed in a number of ways. The financial information was analysed by way of an MS-Excel spreadsheet. The quantitative and qualitative analysis was completed using SPSS. Qualitative answers were categorised using a system of positive, negative, neutral or did not answer categories. Other qualitative information was used as quotations in the script for emphasis. In order to protect anonymity, each interviewee was coded according to an alphanumeric code (C01 to C35) where C represented a case study. Thus, direct quotations have been cited thus (C04) when referring to the fourth person interviewed. In each of the six case studies, the manager of the social enterprise identified the individuals to be interviewed, or the relevant board of management agreed it.

The semi-structured interviews followed a list of questions and prompts. The interviewee did not have sight of the questions in advance. The questions fell into three sectors as laid out in Appendix D. The first set of questions related to the establishment of the social enterprise, the second related to the current position and the third section examined the medium- to long-term future of the social enterprise.

The first set of questions consisted of the following questions:

- 'How long have you been involved with the social enterprise?' so to ascertain the level of knowledge attained by the respondent.
- 'What is your understanding of why the social enterprise was established?'
- 'What target group/community of interest do you see as most important to the social enterprise?'
- 'Who were the most important people/organisations behind the establishment of the social enterprise?' This addressed directly to role of social entrepreneurship in the establishment of the social enterprise.
- 'In hindsight, what do you think motivated these people/organisations?'

- 'Why do you believe the social enterprise was established as a social enterprise; as compared to another form of organisation?' This was important as it addressed the question of the advantages of social enterprises over other forms of community and voluntary sector organisation.
- 'Where there any specific 'local-factors' in the establishment of the social enterprise?'

The second section addressed the operational position and short-term outlook of the social enterprise at the time and asked:

- 'How effective is the social enterprise in achieving its aims?'
- 'All social enterprises have social and economic objectives. Can you identify the main social and economic objectives of the social enterprise?'
- 'Is the social enterprise financially stable at present? This related to the sustainability of the social enterprise as did the next follow up question,
- 'Are there any elements of the current funding mix over which you have concerns?'
- 'What influence has social partnership had on the social enterprise in your opinion?' This was the first of a series of questions probing issues developed within the review of literature and theory.
- 'Are there any specific social changes over the past few years that are changing the mission or operations of the social enterprise?'
- 'Did the NSEP have an effect on the social enterprise, and if so what type of influence did it have?'
- 'Who do you think is driving the social enterprise at the moment?'
- 'What keeps driving the social enterprise?'
- 'Market failure is a term used to describe a situation where there are social needs in a community and the market for whatever reason cannot meet this demand. Do you see the social enterprise as

operating in a market failure situation, or what part of its operations is 'market-failure' driven?' Market failure was the main economic explanation offered for the existence of social enterprises and the perspectives of the interviewees was important to test the veracity of the economic theory.

The final set of question examined the perspectives of interviewees with regard to the future of the social enterprises in the medium-long term and asked:

- 'What future do you see for the social enterprise?'
- 'How will financial sustainability be achieved?'
- 'If a surplus is generated, what uses will it be put to?'
- 'What support can the government be in the future to the social enterprise?'
- 'Do you fear that economic considerations may overrun the social mission of the social enterprise, and if so how can this be addressed?' This was discussed in the literature as mission drift.
- 'What future do you see for the social economy generally in Ireland?'
- Finally interviewees were asked to comment on any issues of relevance not raised during the interview.

This was the most in-depth field research carried out during the thesis. The findings were discussed in chapter 8.

### **Data analysis**

Analysis of both intensive and extensive research methods was required to analyse the data collected from the four levels outlined above. This data was handled in the following manner in order to allow reliable interpretation:

- Quantitative data from surveys and interviews was inputted and analysed using SPSS version 12. The researcher conducted the variable coding, input and analysis.

- Qualitative data was handled in a number of ways
  - Some qualitative replies were linked to specific questions and in this case they were used as proxy indicators, and were interpreted, categorised and analysed in SPSS
  - Some qualitative replies were used as quotes, to illuminate specific points being made.
- Secondary research documentation (information from business plans, social audits and the like) was similarly categorised and used in SPSS or used for specific quotations.
- Interpretation of the data analysis was conducted through comparison of the results gained against the different research questions discussed at the beginning of this chapter.

## **Summary**

The application of a four-part research strategy allowed for both extensive and intensive research on social enterprises in Ireland. The extensive research allowed for the collection and analysis of general data relating to size, products and services provided, the extent of income and trading levels, the constitution of board members and attitudinal issues. The intensive methods allowed to delve into detail on policy issues and to test specific questions relating to motivation and rationale for the establishment and continued operation of social enterprises in Ireland.