



New Trends in Community Development

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Introduction

There is a long history of people working to improve their communities in Northern Ireland and across the globe. Over the past thirty to forty years however, there has been a dramatic increase in local community-based activity. The term 'community development' has been used to describe many of these activities including everything from credit unions to housing associations, community centres, education and training schemes, and trading enterprises.

In 2005, INCORE and the Cresco Trust Ltd. launched a Think Tank Series to examine the changing theories and practices of community development in Northern Ireland, as well as the many challenges currently facing community development workers and the community and voluntary sector more generally.

Through expert local, national and international speakers and the facilitation of Marie Taylor, Senior Associate at The Judge Institute of Management in Cambridge, the Think Tanks addressed live and sometimes contentious issues such as the new funding climate facing the community and voluntary sector; the potential of community development to contribute to peace; the relationship between government and the community and voluntary sector; and the engagement of community and voluntary organisations in 'profitable' activity.

The Think Tanks provided an opportunity for those committed to community development to reflect on their practice, develop new insights and ideas, raise difficult questions and share their knowledge and experience. In drawing together a regular audience of approximately 60 policymakers, practitioners and researchers from across Northern Ireland, the Think Tanks also helped promote increased networking, collaboration and co-operation between individuals, organisations and sectors.

This publication documents the discussions that took place during the Think Tanks, highlights themes emerging from the series, and captures the key questions, recommendations and ideas generated. It also provides a brief and selective overview of community development in Northern Ireland – past, present and future – to help set these into context.

INCORE and the Cresco Trust Ltd. hope the Think Tanks can thereby continue to promote 'dynamic thinking for dynamic action.' We would like to take this opportunity to thank all of our facilitators and speakers for their important contributions, as well as everyone who attended the Think Tanks for participating so fully and openly.

Helen Lewis
INCORE Policy/Practice Coordinator

COMMUNITY DEVELOPMENT IN NORTHERN IRELAND: PAST, PRESENT & FUTURE

By Helen Lewis, INCORE Policy/Practice Coordinator

INTRODUCTION

People have always been interested in improving their communities, and community development practice has therefore always preceded theory. This helps explain why the term 'community development' has so many different definitions and meanings – many of which draw on, and merge with, other concepts such as 'community action', 'community organisation' and 'community education' to name just a few.

Given this complexity, and because community development is primarily action-oriented, some argue there is little point in trying to theorise its practices. Moreover, there is a natural resistance to academics researching community development at a distance from the communities involved and the actual work going on on the ground.

Although there is no one theory of community development, community development practice has always been grounded in core values and principles. Furthermore, community development generally involves operating from a unique perspective and a specific conceptual framework or guide. These perspectives and frameworks have naturally evolved over time – and quite differently in differently places.

COLONIAL LEGACY

In Northern Ireland, the principles and practices of community development have evolved in response to local, national and international trends. Interestingly, the international roots of community development can in fact be traced back to the British Colonial Office. Concerned with rising nationalism and keen to increase industrial and economic development in the colonies, British colonial administrators sought to improve local literacy, agriculture and health through:

“Active participation, and if possible on the initiative of the community, but if this initiative is not forthcoming spontaneously, by the use of techniques for arousing and stimulating it in order to achieve the active and enthusiastic response to the movement.”¹

However, the sponsorship of self-help by a colonial power seemed, and proved to be, something of a contradiction in terms.

ORIGINS OF COMMUNITY DEVELOPMENT IN NORTHERN IRELAND

In contrast, community-based activity dramatically increased in Northern Ireland in response to the failure of government to address poverty and inequality – particularly that experienced by the region's Catholic population. For example, the first wave of credit unions took off amongst Catholic communities in the early 1960's as a community-based and volunteer-led alternative for people excluded from borrowing from banks.

¹ INFED, 'Community Development,' at <http://www.infed.org/community/b-comdv.htm>

Around the same time, housing associations began to spring up to deliver affordable rented housing to Catholics who had been discriminated against in the awarding of local authority housing. As discussed during INCORE/Cresco's 'Tools for Community Development' Think Tank, the origins of community development in Northern Ireland owe much to strong leadership and willingness to take risks at the community-level.

The development of the civil rights movement and outbreak of political violence in the late 1960's further encouraged, and required, Catholic/Nationalist communities to find local solutions to local problems, and to engage in self-help. As Robson suggests:

"1968 marks a watershed in community development thinking in Northern Ireland today, not only because it represents a substantial adjustment in the perceptions and confidence of the nationalist community, but also because it indicates the change in direction in government policy about the potential as well as the deep-rooted dangers of such a development."²

A GOVERNMENT AGENDA?

By the late 1960s, government seemed to have developed the view that community development could help allay grassroots discontent and bring Northern Ireland's separate communities together. This view was informed by President Johnson's Great Society agenda in the United States which aimed to eliminate poverty and racial injustice. Community-based programmes were central to the Great Society – reflecting a fragile policy consensus that the best way to deal with poverty was not simply to raise income levels but to help the poor to better themselves through education, job training and other forms of self-help.

Thus in 1969, the Northern Ireland government established a Community Relations Commission to create bridges between Northern Ireland's two main communities through the adoption of a community development strategy. It was anticipated that social and economic issues, especially poverty, could draw warring factions together; that building the confidence of communities separately would facilitate good relations between them; and that community development could alleviate the frustrations of marginalised individuals and communities, as well as improve their relationship to the state.

This was a radical agenda for community development. However, this agenda also presented the Commission with a set of mixed and perhaps contradictory objectives. On the one hand, the Commission tried to remain independent from government and promote radical social change; on the other, it tried to improve communities' access to resources and services – and by extension government. This balancing act would have been difficult to sustain in any society, let alone one experiencing violent conflict.

² Terry Robson, 'Northern Ireland: The Evolution of a Counter-Hegemony,' at <http://cain.ulst.ac.uk/issues/community/robson00.htm>

COMMUNITY DEVELOPMENT - ANTI-STATE?

The Commission was subsequently criticised for attempting to legitimise the state and integrate Catholic/Nationalist communities. The underlying suspicion was that “it (the Commission) was created to try and keep us quiet.”³ From the opposite end of the political/religious spectrum, the Commission was accused of providing ‘redemption’ and ‘impunity’ for rioting, ‘anti-state’ Catholics/Nationalists. As the conflict escalated and the Commission began to support initiatives such as emergency centres for individuals who had been intimidated out of their homes, community development seemed increasingly too hot to handle.

To some, it seemed that ‘community development’ had been appropriated by the Catholic/Nationalist community. As discussed during INCORE/Cresco’s ‘Building Community or Building Peace? Think Tank, this view helps explain the historically lower level of interest in, and take up of, community development by Protestant and Catholic communities in Northern Ireland. It is worth noting here that from its inception the Community Relations Commission did seek to support community development in Loyalist areas. Thirty years later however, the lack of community development in Protestant/Unionist/Loyalist areas remains a live issue – as evidenced by recent headlines following the announcement of multi-million pound funding package to tackle deprivation in Loyalist areas.

Furthermore, community development in Northern Ireland seemed to be going beyond challenging disadvantage to actually empowering working class communities. Indeed, during the 1970s “networks were created, communities were beginning to assert themselves and government...was furnishing some of the resources.”⁴ Thus, community development was beginning to look politically motivated to some (especially as there was a tendency for Catholic and Protestant working class communities to seek common cause here). It was therefore little surprise when the Community Relations Commission was finally shelved in 1974 - abolished by the power sharing assembly set up by the Sunningdale Agreement.

DE-RADICALISATION?

Whilst many community-based initiatives continued to promote progressive collective action on the ground, the demise of the Community Relations Commission was viewed by some as an “attempt to de-radicalise the field workers.”⁵ Responsibility for community development and community relations was subsequently assigned to District Councils. Many Councils then proved unwilling to provide support for possibly contentious activities such as organising communities or building community capacity, preferring to support the provision of services to communities. As community and voluntary organisations began to design projects and programmes around these new funding priorities, it seemed that community development risked becoming an informal education system for communities. Moreover, an informal education perspective was informing community development in the rest of Britain at the time.

³ Niall Fitzduff in Ibid.

⁴ Robson.

⁵ Niall Fitzduff in Ibid.

REVIEW

During the late 1980's a Community Development Review Group was established and produced a report finding that community work in Northern Ireland had lost focus, and was fragmented and isolated. This was an early example of the commitment of community development workers to reflective practice – an issue discussed during INCORE/Cresco's 'New Tools for Community Development' Think Tank. The Community Development Review Group's report called for government to recognise the potential of community development, to make a financial commitment to it, and to reflect this commitment in its relationships with community and voluntary organisations. It also outlined ambitious proposals for community development centres in urban and rural areas, and provided a useful definition of community development as:

“a process which embraces community action, community services, community work and other community endeavour – whether geographical or issue-based – with an emphasis towards the disadvantaged, impoverished and powerless within society. Its values include participation, empowerment and self-help. And while it is essentially about collective action, it helps to realise the potential of both individuals and groups within communities. In the interest of developing this potential, community development challenges prejudice, sectarianism and the unequal distribution of resources – both in terms of financial resources and of access to skills and knowledge. Community development is the process which underpins collectivist approaches to education, economic development and the delivery of services.”⁶

This definition once again suggested that community development could marry radical, community action with service provision (and by extension working with government). The key to success this time however, would be partnership working. Indeed, community development was increasingly being viewed as not only task but process.

LINKAGES BETWEEN COMMUNITY DEVELOPMENT AND COMMUNITY RELATIONS

The Community Development Review Group resulted in a number of important developments including the establishment of a Rural Development Centre and the Action for Community Employment (ACE) Programme. Meanwhile, 'community relations' – previously viewed as the *outcome* of community development - had come to be seen as requiring its own additional policies and practices. Thus, in 1987 a Central Community Relations Unit was established at the heart of central government to advise the Secretary of State on all aspects of the relationship between the different parts of the Northern Ireland community. And in 1990, the Community Relations Council (CRC) was created as an independent company and registered charity to promote better community relations between Protestants and Catholics in Northern Ireland and, equally, to promote recognition of cultural diversity.

⁶ Community Development Review Group cited in *Community Development: A Guide to Good Practice*, (Belfast: The Community Foundation for Northern Ireland), 2.

As a concept, community relations is generally defined as being based on three key principles which are inextricably linked – diversity, equity and interdependence. Community relations work therefore involves: promoting recognition, respect and tolerance for the variety of different communities within Northern Ireland society; ensuring equality of opportunity and equality of access to resources, services and decision-making; and developing a cohesive society in which different interest or identity groupings recognise their obligations and commitments to one another. Given that community relations explicitly tackles the root causes and consequences of conflict, it is generally viewed as integral to ‘peacebuilding.’⁷

Community development has also come to be viewed as an important strategy in achieving greater social cohesion. In the wake of riots in Northern England in 2001, ‘community cohesion’ was adopted as a core concept by the United Kingdom (UK) government. Cohesive communities were subsequently defined as ones in which people did not live ‘parallel lives,’ but rather had a common vision and sense of belonging; a positive appreciation of diversity; similar life opportunities; and positive relationships between people from different backgrounds.

In Northern Ireland, decades of practice have shown that community development can help achieve community cohesion and build bridges between communities. It can do so by: empowering and building the self-confidence of individuals who later become key resources and leaders (as discussed in relation to Travellers during the ‘New Tools for Community Development’ Think Tank); addressing isolation and reaching the most excluded; promoting collective responsibility and mutual solidarity; bringing new resources into communities and mobilising dormant skills and resources; examining and responding to the needs of individuals and whole communities; sparking creativity and imagination; promoting the rights and inclusion of the most marginalised; and challenging power structures and decision-making.⁸

However, the contribution of community development to peacebuilding seems somewhat less direct than that of community relations. Whilst community development workers may have an instinctive grasp of this contribution on the ground, there has been a struggle to articulate and demonstrate the relationship between community development to peacebuilding – at least to the satisfaction of funders and policymakers. More generally, as discussed during INCORE/Cresco’s ‘The Edge or the Precipice’ Think Tank, the community development sector has a poor record in acknowledging and sharing its successes.

⁷ Peacebuilding is generally defined as a process that facilitates the establishment of durable peace and tries to prevent the recurrence of violence by addressing root causes and effects of conflict through reconciliation, institution building and political as well as economic transformation (SAIS Conflict Management Toolkit, at <http://www.sais-jhu.edu/cmtoolkit>).

⁸ NIVT, ‘Taking Risks for Peace: A Mid-term Review by an Intermediary Funding Body of the EU Peace Process,’ (Belfast: NIVT, 1998).

PEACE FUNDING

Northern Ireland has long benefited from a wide range of European Union (EU) Structural Funds, and much of this funding has been equalled by contributions from the public and private sector. However, the introduction of funding from the EU to help 'embed the peace process' has complicated and, at times, strained the linkages between community development and community relations. The EU Special Support Programme for Peace and Reconciliation in Northern Ireland and the Border Counties (Peace I) was introduced by the European Commission in 1995 with the ambitious aim of supporting the political peace process, but also emphasising social inclusion and new delivery mechanisms. The programme placed great emphasis on the inter-relationship between social exclusion and peacebuilding and vastly increased the availability of relatively short-term resources to address social exclusion within a community development framework.

Peace I (allocated over €500million by the EU) subsequently supported a large number of, community development projects including everything from the provision of training to single parents, to the establishment of unemployment resource centres, to community tourism. In this regard, community development practice in Northern Ireland seemed to be beginning to reflect the broader shift within community work away from informal education towards capacity building approaches - a shift that was also taking place throughout Britain at the time. It was also starting to reflect new theories of 'human development.' These emerged in the mid 1980s as a challenge to traditional economic development. As defined by the United Nations (UN), human development focuses on creating an environment in which people can develop their full potential and lead productive, creative lives in accord with their needs and interests. It is therefore about expanding the choices people have, building human capabilities, and promoting people's participation in decision-making. Hence, community development and human development are mutually reinforcing.

There is a general consensus that Peace I provided significant economic and social regional investment for Northern Ireland and the Republic's border counties. However, various reviews of the programme have raised serious doubts about its effectiveness as an instrument of peacebuilding and in confronting the core issues arising from the conflict.⁹ As one commentator in INCORE/Cresco's 'Building Community or Building Peace' Think Tank suggests, millions of pounds of Peace money perhaps served only to solidify community divisions and to give people the opportunity to live relatively wealthy Westernised lives without changing their views. More generally, it is clear that Peace I, "did not resolve the relationships between peace, reconciliation, social inclusion and economic development.... (or) the question of how to design a programme that met these diverse and elusive requirements."¹⁰

⁹ Brian Harvey, 'Review of the Peace II Programme,' (Joseph Rowntree Charitable Trust, 2003).

¹⁰ Ibid.

A second EU Programme for Peace and Reconciliation, Peace II, (allocated over €530 million by the EU) was designed for the period 200-2004 with a much tighter and stronger focus on economic development and building peace. Deprivation was no longer sufficient for eligibility. Distinctiveness and reconciliation criteria were laid down for the support of all projects under the headings of 'addressing the legacy of the conflict,' 'opportunities arising from peace' and 'promoting reconciliation.' It seemed that community development was no longer assumed to contribute to peace. Indeed, as Kilmurray suggests, Northern Ireland's policymakers and the EU had not been convinced that, "improvements in quality of life, inclusion of the previously marginalised in community activity or development of new structures in the community sector were in themselves worthwhile objectives which laid the foundations of peaceful, stable and inclusive society."¹¹

Some projects subsequently found it difficult to include peacebuilding elements in community development activities, or to demonstrate and measure how building people's capacity and confidence could help move people on to peacebuilding activities outside their own community or interest group. Peace II also moved to provide much fewer but larger grants – impacting on smaller organisations and smaller-scale work.

Following an extension of Peace II (allocated over €144 million by the EU), a third European peace programme is to be rolled out in Northern Ireland in 2007. However, Peace III funding is likely to be roughly half of what was made available during just the extension period of Peace II (approximately £200 million). It will therefore have an even more targeted and strategic focus. The programme is expected to move further away from economic development towards peace, reconciliation and 'community cohesion' – presenting a further challenge to applicants interested in applying community development approaches. As noted during 'The Politics of Community Development Think Tank,' community development workers will have to be proactive if they are to continue to benefit from EU Peace funding.

SOCIAL CAPITAL

Different government priorities and funding regimes seem to have alternately favoured either community development or peacebuilding as the solution to the Northern Ireland conflict. Yet, there has been a consistent failure to exploit the potential of community development for building peace in Northern Ireland and vice versa. In contrast, during INCORE/Cresco's 'Building Community or Building Peace?' Think Tank, Antoine Rutayisire noted that in the wake of genocide, Rwanda simply could not afford to do 'only peace or development.' Without relationships between communities, mistrust would have hindered the micro-level community development necessary when the entire infrastructure of society had been destroyed.

The concept of social capital can perhaps help in the struggle to articulate and demonstrate the linkages between community development and peacebuilding. Putnam's defines social capital as follows:

¹¹ Avila Kilmurray, 'Peace II – A Shadow of its former self?' *Scope*, (Belfast: NICVA, December 2002/January 2003).

Whereas physical capital refers to physical objects and human capital refers to the properties of individuals, social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them. In that sense social capital is closely related to what some have called “civic virtue.” The difference is that “social capital” calls attention to the fact that civic virtue is most powerful when embedded in a sense network of reciprocal social relations. A society of many virtuous but isolated individuals is not necessarily rich in social capital.

It is Putnam’s thesis that trust, norms of reciprocity, networks and connectedness at the community or group level bring great benefits to people. Importantly however, Putnam distinguishes between ‘bonding’ social capital – the value of trust, norms, networks and connectedness within homogenous groups; ‘bridging’ social capital – the value of trust, norms, networks and connectedness across diverse groups; and finally, ‘linking’ social capital – the value of trust, norms, networks and connectedness between groups with different levels of power and status. Thus, social capital is not necessarily a good thing for society as a whole, for example, a criminal gang is a negative ‘bonding’ social capital burden on society.

It is clear that community development builds social capital, for example, by supporting and developing groups, community and voluntary associations, and networks; promoting collective action and co-operation; and facilitating participation and inclusion. Thus, organisations such as the World Bank have applied the concept of social capital to try and enhance the effectiveness and sustainability of community-driven development operations.

However, the history of communalism, division and conflict in Northern Ireland suggests the region already has high levels of bonding capital and a low preference for bridging or linking capital. The question is therefore whether community development optimises trust, norms, networks and connectedness across diverse groups and society as a whole. For as Morrow suggests, “building of bridging capital is the only sustainable model (for Northern Ireland)...the degree of our commitment to trust-building will be the single most important factor in determining the social, economic and political life of Northern Ireland over the next few years.”¹²

SERVICE PROVISION

Whilst the role of community development in peacebuilding has been, and remains, debated in Northern Ireland, its role in delivering government services has fast become a reality. Given the nature of the origins and early growth of community development in Northern Ireland, this has provoked surprisingly little controversy. This, in turn, probably reflects the more general, gradual drift of community development towards policy orientation and service delivery in other parts of the UK and internationally. As Colin Stutt outlined in INCORE/Cresco’s ‘The Edge or The Precipice?’ Think Tank, the community and voluntary sector is increasingly viewed as a critical vehicle for delivering government objectives and services, particularly because it is uniquely placed to reach marginalised groups.

¹² Duncan Morrow, ‘Sustainability in a Divided Society: Applying Social Capital Theory in Northern Ireland, *Shared Space*, Issue 2, May 2006, 74.

This presents important opportunities to community development and the community and voluntary sector more generally. In Northern Ireland, income to the community and voluntary sector from service delivery is estimated at over £20 million. Moreover, community development organisations can help deliver services better suited to the needs and wishes of their communities, as well as produce far greater engagement from them. Public service delivery can also generate surpluses to be ploughed back into communities, and build valuable 'linking' social capital as discussed above.

However, as John Pierce noted in INCORE/Cresco's 'The Politics of Community Development' Think Tank, there is also a need for the community and voluntary sector to avoid co-option. There is some concern that government services are being 'downloaded' onto small organisations that do not have adequate resources to cope, and funding is not being made available to cover core and management costs (this is often referred to as full cost recovery). Moreover, unstable policy environments, fierce competition with private and statutory providers, and the burden of administering programmes of service delivery to appropriate standards are problematic. Perhaps most importantly for the future of community development in Northern Ireland, public service delivery may compromise the independence of community and voluntary organisations, damage their campaigning and lobbying role, and enable government to withdraw from providing services they should provide.

Various ways of addressing these concerns have been proposed and implemented throughout the UK. For example, community planning - a process for making public services responsive to, and organised around, the needs of communities - has been given a statutory basis in the Local Government in Scotland Act 2003. Moreover, in the partnership structures established to support community planning at regional and local levels, public bodies and community and voluntary organisations have equal status with statutory partners. 'Compacts' or agreements between government and the voluntary and community sector designed to improve their relationship for mutual advantage have also been introduced in England and Northern Ireland.

More recently, the report of the Task Force on Resourcing the voluntary and Community Sector, *Investing Together*, generated a range of recommendations to develop working relationships between government and the community and voluntary sector in Northern Ireland.¹³ In *Positive Steps*, government outlined its response to these recommendations and made a number of important commitments to address issues such as longer-term funding and full cost recovery.¹⁴ In addition, the report announced the establishment of a Modernisation Fund worth over £3 million to promote modernisation and change within the community and voluntary sector, and strengthen the service delivery role of community and voluntary organisations. The report also launched a Community Investment Fund to provide over £5 million covering the period until March 2009, aimed at supporting generic community development activity and, in particular, covering essential core costs.

¹³ Task Force on Resourcing the Voluntary and Community Sector, 'Investing together,' at http://www.dsdni.gov.uk/index/publications/vcu_taskforce.htm

¹⁴ Department for Social Development, 'Positive Steps: The Government's response to Investing Together,' at http://www.dsdni.gov.uk/index/publications/vcu_taskforce.htm

However, as Colin Stutt argued in INCORE/Cresco's 'The Edge or the Precipice?' Think Tank, there is little sense of whether and how these Northern Ireland initiatives will link in to other national policies regarding partnerships between sectors. What is clear is that whilst the future of community development practice in Northern Ireland looks bright, it is highly unlikely to ever again be accused of being 'anti-state.'

SOCIAL ECONOMY

The increase in community and voluntary organisations wishing to engage in the delivery of public services, together with the recent squeeze on the availability of funding for the community and voluntary sector (in particular, the reduction in Peace monies), has contributed to a rapid expansion of the social economy in Northern Ireland. The social economy includes a wide variety of community development organisations that use trading activities to achieve community goals as well as financial self-sufficiency. As discussed during INCORE/CRESCO's 'The Edge or the Precipice' Think Tank, social economy enterprises are therefore 'for more than profit' as well as 'not for profit.' It is estimated that the social economy currently accounts for approximately 5-8% of economy activity in Northern Ireland. Through the vehicle of social enterprise, community development organisations have achieved numerous social objectives such as: stimulating job creation and skills development; enhancing community capacity for social supports; supporting economic growth and neighbourhood revitalization; protecting the environment; and mobilising disadvantaged groups.

The growth in Northern Ireland's social economy has led to greater recognition of the sector's integral place in the Northern Ireland economy, and encouraged a more integrated approach to its development by government. This has included funding the establishment of a Social Economy Network to act as an independent and representative voice for the sector, as well as the creation of a Social Economy Forum under the chairmanship of the Department of Enterprise Trade and Investment where representatives from the Network and government can work together in partnership.

As discussed during INCORE/CRESCO's 'Loaded Dice' and 'The Edge or the Precipice' Think Tanks, the fluidity, creativity and flexibility of community development organisations means they are well placed to take on, and benefit from social enterprises - without losing sight of their social objectives. However, not all community development organisations can become social enterprises. For example, communities may not be willing and/or able to pay for the services and training and employment opportunities currently provided by community development organisations. The structures of community development organisations may also not be appropriate. Moreover, as debated during INCORE/Cresco's 'Loaded Dice' Think Tank, social economy enterprises often fail to fulfil their potential by neglecting their economic dimension. A tougher application of performance business models to social economy enterprises may be required.

CONCLUSION

Over the past 30 years, theories and practices of community development in Northern Ireland have changed dramatically. Community development approaches have ranged from combating poverty and inequality, to challenging the state, providing education, building community capacity, delivering public services and generating wealth. So it is interesting that 'fear of change' was such a prominent theme during the INCORE/CRESCO Think Tank Series.

This fear of change may relate to the way in which Peace monies were introduced to Northern Ireland. The distribution of Peace I resulted in a rapid and dramatic expansion of community development activity in Northern Ireland. However, now that Peace monies are being substantially reduced, it is unlikely that the current number of established community development organisations can be sustained. There is certainly a drive on the part of Funders to address duplication and fragmentation in the sector. Community development workers are therefore currently operating in a climate of competition and mistrust in which 'change' seems to mean losing jobs.

As discussed above, a number of initiatives and funds have recently been introduced to support community development activity in Northern Ireland into the long-term. However, the true sustainability of community development probably lies with the core principles at its heart. For whilst community development theories and practices may have evolved over the years, its values remain: a collective focus on community; positive change; participation for the purpose of self-help and opening up of decision-making; holistic rather than sectoral approaches; challenging inequitable power relations; confronting prejudice and discrimination; and combating social exclusion, poverty and disadvantage. As long as there are communities in Northern Ireland, there will be community development.

TOOLS FOR COMMUNITY DEVELOPMENT

1ST February 2005

Presentation by Tunde Banjoko, Chief Executive, LEAP

So what is community development?

“a group of people with a common characteristic living together within a larger society”

- community of place
- community of identity
- community of interest

Community development is a range of practices dedicated to increasing the strength and effectiveness of community life, improving conditions, especially for people in disadvantaged situations, and enabling people to participate in public decision-making and to achieve greater long-term control over their circumstances.“

Community development is based on certain principles:

- It enables people to work together to influence, change and exert control over the issues that affect their lives.
- It is about a collective focus rather than a response to individual crisis.
- It challenges inequitable power relationships within society and promotes the redistribution of wealth and resources in a more just and equitable fashion.
- It is based on participative processes and structures, which include and empower marginalised and excluded groups within society.
- It is based on solidarity with the interests of those experiencing social exclusion.
- It presents alternative ways of working, seeks to be flexible, dynamic, innovative and creative in approach.
- It challenges the nature of the relationship between the users and providers of services.
- It is a wholly positive endeavour which challenges the prejudice and discrimination faced by its community without being discriminatory to any other community.

Community Development – The Black Experience

- Black presence in Britain since Roman times
- 1601, Queen Elizabeth I called for blacks to be expelled
- No large scale black immigration to Britain until 1950's,
- 1951 - 74,500
- 1966 - 595,100
- Self-funded
- Churches
- Saturday schools
- Savings clubs
- Too much focus on racism – not enough on self progression
- Ill-served by well meaning amateurs
- Inadequate community leadership
- Not enough long-term planning
- A lack of co-ordination

LEAP

“for the benefit of the public in London and elsewhere in the United Kingdom and in particular for the benefit of those members of the public who may be unemployed by relieving poverty and distress through the provision of advice, information, training and education”

- Help people into work
- Advocacy
- Community Centre
- Community Activities

Panel Discussion

Chair: Dr Lis Porter, INCORE Research Director
Panelists: Tunde Banjoko, LEAP
Brian Dougherty, Tullyally District Development Group
Peggy Flanagan, Community Work Education & Training Network
Eamon Deane, Holywell Trust
Brian Dougherty - Positive example of community development

Brian Dougherty

- Brian opened his remarks by describing the challenges of working in a rural interface area characterised by anti-social behaviour.
- In order to combat anti-social behaviour such as young people drinking on the streets, Tullyally District Development Group launched a street lighting initiative. With a very small amount of money and some innovative architecture e.g. taking away a wall where young people tended to gather, this initiative solved a number of anti-social behaviour problems. The initiative also sparked a full community safety audit of the area that proved to be extremely useful.

- Brian highlighted problems regarding accessing small amount of funding for certain activities e.g. it is often extremely difficult to find funding to employ diversionary tactics during times of heightened tension in interface areas i.e. to bus young people out of the areas at night time to avoid them being manipulated and contributing to riots and fighting in the streets.

Eamon Deane - Positive example of community development

- Eamon described how Holywell Trust began as a 'coming together' of peace activists from the 1970's. He noted the importance of having grand ideas but also of being very real about what we can achieve.
- Two stories have particularly inspired Eamon and the work of Holywell Trust.

The first of these stories is that of Michael Lapsley, a Church of Ireland priest working in South Africa who was the victim of a letter bomb sent from the South African government. Michael subsequently developed a vision of two pillars supporting a threshold of light – with one of these pillars representing equity, justice and fairness and the other representing reverence for the past – even those 'pasts' that may exist in antagonism to one another. Lapsley suggests that it is the task of community development and peacebuilding to work on both of these pillars simultaneously. The second of these stories referred to Dan Boron and his work in bringing together family members of Holocaust survivors and perpetrators to hear each other's stories. Eamon noted how these experiences resulted in both release and empowerment for participants.

- These two stories inspired Holywell Trust to organise a series of residential in Northern Ireland - bringing together ex-combatants from all sides and ex-members of the security forces. The residential were not designed to bring about 'closure' or agreement, but were intended simply to encourage people to see the possibility of the 'other.' In this respect they proved extremely successful, and can be said to have built peace at the individual level.

Peggy Flanagan - Positive example of community development

- Peggy described her work in Navan with Irish travellers on a year long empowerment programme. Throughout the time she worked on this programme, Peggy found that she was continually asking herself 'is this programme of any use?' 'are we the right people to be doing this?' Peggy felt her involvement in the programme was therefore extremely positive, because it forced her to constantly reflect on her own practice and prejudices.
- Ten years later, some of those young travellers who participated in the programme are now in leadership positions in traveller organisations. This shows how long a process community development is, and how difficult it can be to demonstrate impact to funders at the time.

Additional points that arose during discussion

- Different attitudes towards community development within protestant/unionist & catholic/nationalist were discussed. It was suggested that in the past, Protestants may have perceived community developed as 'betraying government' because they perceived the government of Northern Ireland to be their 'community project' and expected it to provide for them. In the early days, community development in Northern Ireland was also perceived as an 'anti-government' activity because it is about empowering individuals. It was noted that it is only in the last 5-10 years that Protestant groups have really begun to engage in 'self-help' and have begun to take advantage of the good will and knowledge/experience accumulated by community development practitioners in the nationalist community. There has been a gradual realization that people within very different communities may nevertheless want very similar things e.g. good facilities and services, appropriate training etc.
- It was argued that communities can defeat themselves if they continually use discrimination as an excuse for not taking responsibility or engaging in self-help. Communities therefore need strong leadership and to be constantly challenged.
- Tunde described differences in attitude within the black community in London e.g. between those born in Britain and those who come to Britain to work. However, he noted that it was still worthwhile to bring these different members of the community together in programmes despite their varying needs because, at the end of the day, all of these community members will have to live and work in a diverse society, and it is good preparation for this.
- Tunde also pointed out that within the LEAP programme participants are encouraged to take responsibility for things that happen, rather than conform to stereo-type – 'be a star of your own life story'. He also felt that the emergence of a new breed of communities is required i.e. need more actions rather than 'shouting the odds' or quick-fix solutions
- It was questioned how much community confidence may relate to numbers. The exodus of residents from North Belfast was compared with the exodus of Protestants from Derry to the Waterside.
- It was noted that since the ceasefires divisions *within* communities have become far more prevalent, with many different groups vying for territory and power – especially within loyalist communities. It is often difficult to deal with this e.g. PSNI may wish to avoid interfering in disputes within communities to preserve their support. This situation was compared to experiences in England and the U.S. where gangs vie for territory etc.
- The advantages and disadvantages of mainstreaming were discussed, in particular, the problems of funding becoming very closely tied into policy streams.

The workshop concluded with a discussion about the need for the community and voluntary sector to take risks, stop being so territorial and to collaborate with each other.

BUILDING COMMUNITY OR BUILDING PEACE?

Thursday 15th September 2005

Introduction

The community and voluntary sector plays a crucial role in Northern Ireland. It faces many challenges in the near future – not least that of a new funding climate. The Think Tank Series provides opportunities for those committed to working in this sector to reflect on some of these issues. This first session focused on the role of community development and community relations in facilitating a sustainable peace in Northern Ireland. To this effect, Antoine Rutayisire, Vice Chair of the National Commission for Reconciliation was invited to relay his experiences of communal division in Rwanda, followed by Dr. Duncan Morrow, Chief Executive of the Community Relations Council. Local panellists – Eamonn Deane, Holywell Trust and Philomena Boyle, Tullyarvan Mill – contributed to a wider discussion and Q&A from the audience.

Helen Lewis, INCORE's Local International Learning Project Co-ordinator, welcomed everyone to INCORE and introduced Marie Taylor as the facilitator for this event. Marie highlighted the importance of the Think Tank Series as a forum for sharing ideas, reflecting on challenges and discussing creative ways forward. She introduced Antoine and invited him to speak about his experiences in Rwanda.

Antoine Rutayisire

Antoine began by posing the question: 'Building Community or Building Peace?' For him it was not a question of either/or, but rather a combination of both. He described the devastating impact of the 1994 genocide. One million people were killed in less than 100 days and average per capita income declined from \$260 to \$50. All infrastructures were destroyed and the social economy ground to a halt. Almost half the population (3 million) fled the country to refugee camps. More than 500,000 children were orphaned. Antoine also explained the divisive nature of the genocide – which turned the entire population into either murderers or victims.

Rebuilding the community after such devastation was a very slow process. Antoine emphasised the major role played by NGO's, as many governments chose to channel their money/aid through these organisations. However, while community development projects aimed at rebuilding infrastructures and encouraging small businesses were essential and attracted investments to the country, they alone were not enough. For example, micro-enterprise projects established in the wake of the genocide witnessed women who had been paying back their loans successfully over a number of years stop doing as the trauma of losing loved ones slowly began to emerge and they suddenly began to think 'well, what's the point, why not just spend it all today?'

Antoine explained that a 2002 survey highlighted the high levels of mistrust that still existed among the communities. This mistrust and suspicion were hindering community development in a country where one simply cannot afford to be independent of one's neighbours. Therefore building relationships became indispensable.

In 1999, the Unity and Reconciliation Commission was charged with a mandate to 1) monitor the temperature of social relations and provide a forum for discussion to avert tensions from spiralling out of control, 2) educate the population, particularly the youth, to slowly dissolve inbuilt perceptions of 'the other,' and 3) put together a reconciliation policy that outlined the roles and responsibilities of all the stakeholders in society that were working towards building a shared future.

In conclusion, it was Antoine's view that peace and development go hand-in-hand. We need to build relationships or else mistrust will hinder community development.

Duncan Morrow

Duncan began by asking 'What is community relations?' While this encompasses a variety of ideas, in his view, it is often treated as a 'soft' issue. That is, people often steer clear of political, racial and religious issues if they meet someone new on the premise, 'don't go there or what good has been done will be destroyed.' But, in his opinion, we must face up to the responsibilities of community relations.

He asked why community relations are not yet the primary concern of public policy in Northern Ireland? He reasoned that vested interests in Northern Ireland are keeping communities apart.

Millions of pounds have been poured into Northern Ireland in an effort to promote and encourage community development whilst conflict has been ongoing. In the past this has actually solidified community divisions and delayed community relations. Duncan quoted Glen Patterson who said that 'community' taken in this context is just another word for 'sides.' In this case, there can be no justification for further investment by outside governments and agencies in Northern Ireland. This scenario has given the Northern Irish people the opportunity to live relatively wealthy and 'Westernised' lives without needing to change their political views. This model of community relations and community development is both unacceptable and unsustainable.

Duncan therefore challenged the notion that community development can be achieved without change. The challenge for politicians is to be able to deliver an overarching policy for *all*, rather than focus on their traditional, 'fixed' communities.

He concluded with three remarks:

- 1) Community development, as some form of participatory democracy, requires community relations.
- 2) This will be a long and difficult process.
- 3) Reconciliation is a core quality of life issue that is *everyone's* business.

Questions and Answers

Marie summarised the two talks as a series of mutually exclusives. She put a few points to the audience to provoke thought and stimulate discussion. For example, are we part of the problem or are we part of the solution? Are we at the cause or the effect of the future?

Questions were then taken from the audience:

- Is community relations a separate issue to community development? Do we need to define what we are talking about? The group agreed that there is a need for straight talking. Young people and the poor are generally treated as the 'guinea pigs' in community relations work whereas the reality of community relations as a set of values is that it must accommodate diversity and work to the benefit of *all*. Also Duncan recognised that the history of differential relations to power is difficult for the nationalist community to get past. The group acknowledged that the Women's Movement in 1974 started out from a community relations point of view.
- Antoine was asked to qualify what he meant by community development? In the Rwandan example, community relations did not feature in community development projects. The difficulty lies in trying to measure relationships. Funders want to see projects that can generate measurable outputs.
- Antoine was asked to explain the relationships between the Hutus and the Tutsis before the genocide. He told how, despite stereotypical accounts, it is very difficult to ascertain physical differences between the two communities. Animosity began in the 1930s when the Belgians gave out identity cards to distinguish between the two peoples. The Belgians were unhappy when the Tutsis requested independence and turned the population against one another. Simplified, the genocide was an accumulation of these politics.

Panel Discussion: The Challenge of Creating / Building Communities and Peace?

Antoine and Duncan were joined by Philomena Boyle, Tullyarvan Mill, and Eamonn Deane, Holywell Trust, to facilitate a group discussion.

- The group suggested there is a need to address the emotional impact of post colonialism on an individual and collective level, and to develop a language of accommodation that suits all.
- The group suggested there is a need for a more holistic approach to community relations. That is, parallel processes, whereby all levels of governance are working toward the same goal in unison, are critical. We need to work on the principle of addressing our problems together.

- The panel was asked to discuss the definition of ‘trauma’ and the importance of relationships. Philomena highlighted the need to talk about our traumas, find out each other’s fears and address them - although she acknowledged that this is inevitably a very slow process. She recommended focusing on parents, as they play a huge part in sustaining the conflict by passing on their prejudices to their children.
- Antoine was asked whether the intensity and scale of the Rwandan conflict enabled a more active movement towards reconciliation as compared with the Northern Ireland conflict that seems to lack the public and political commitment needed to move forward? Antoine acknowledged that Africa is so poor that it can’t afford to ignore relations with each other. Relationships are necessary for the survival of their people and this acts as an impetus toward reconciliation. Secondly, as reconciliation demands getting rid of presuppositions, you need to provide a platform for people to voice their cause and concerns. The Rwandan government has made this a priority by attaching the National Commission for Unity and Reconciliation to the Office of the President.
- Duncan proposed that Northern Ireland is just as reliant on relationships. But money and wealth has allowed us to think we could move forward without repairing relations. The time has come for what he called ‘disillusionment.’ At the moment everyone is avoiding responsibility. We need to make the choice to address reconciliation.
- The panel was questioned about the importance of dialogue with parents and their role in reconciliation. Antoine acknowledged that they are still struggling in Rwanda about how to get hold and initiate contact with parents. But he suggested that they need to discover their fears and address them. There is a need to create a community that is safe, prosperous, sustainable and inclusive where everyone, both parents and children, have a universal interest in their society. It is this type of engagement that you can then link to policy.
- It is accepted that public funding and peace money is beginning to dry up. Therefore the people of Northern Ireland cannot afford to ignore community relations anymore. We need to make economic choices.
- Antoine was asked about the involvement of women in the Rwandan government. Under the new Constitution, women have to occupy 30% of all decision-making bodies in Rwanda. They currently dominate the Rwandan parliament.

Conclusion

Marie thanked all the participants for a lively and thought provoking discussion and special thanks was extended to all members of the panel. She encouraged all participants to sign up for the next event in the series ‘The Edge or the Precipice?’ which will take place on Tuesday 8 November.

Points Captured on Flip Charts during Group Discussion

Emotional DNA

Language of accommodation

Defensiveness and History

Beyond Antagonism

If we had safety how would we know – what would it look like?

Parallel process

Relations – integral or separate?

Working with parents and grandparents – ‘trauma’, fears

Holistic approach

Time - do we have it?

- recognise it?

- think about it?

Is there a public commitment to reconciliation?

Have we got used to not having it?

Presumptions and prescriptions

(Do we base our knowledge and ideas on assumptions?)

The poor are best at building their relationships

Are we doing to or doing with?

Is reconciliation the priority?

Is money the sticking plaster?

Presuppose a shared future

Where do we begin with parents – what’s the nature of dialogue?

Are we focused on what rather than now

Cultural conditions?

Building on universal interest – the lives of parents

- the future lives of our children

Creating possibilities and developing positive stories

Language and symbols definition are key

We need a reality check

Roles and responsibilities – what are they? Can we document it?

Waging Peace?

Educating children about ‘our wrongs’

‘Where we went wrong’

Key points raised during group discussion/brainstorming

Emotional DNA

Language of accommodation

Defensiveness and History

Beyond Antagonism

If we had safety how would we know – what would it look like?

Parallel process

Relations – integral or separate?

Working with parents and grandparents – ‘trauma’, fears

Holistic approach

Time - do we have it?

- recognise it?

- think about it?

Presumptions and prescriptions

Is there a public commitment to reconciliation?

Have we got used to not having it?

(Do we base our knowledge and ideas on assumptions?)

The poor are best at building their relationships

Are we doing to or doing with?

Is reconciliation the priority?

Is money the sticking plaster?

Presuppose a shared future

Where do we begin with parents – what’s the nature of dialogue?

Are we focused on what rather than now

THE EDGE OR THE PRECIPICE? SUSTAINABILITY ISSUES FOR THE VOLUNTARY AND COMMUNITY SECTORS IN NORTHERN IRELAND

Tuesday 8th November 2005

Introduction

The community and voluntary sector plays a crucial role in Northern Ireland. It faces many challenges in the near future – not least that of a new funding climate. The Think Tank Series provides opportunity for those committed to working in this sector to reflect on some of the vital challenges. This second in the Series focused on the sustainability of the community and voluntary sector in the face of ever diminishing funds. To this effect, Colin Stutt, an independent economic and policy consultant with extensive experience of the social economy in Northern Ireland, the European Union and North America, was invited to relay his thoughts about the way forward.

Helen Lewis welcomed all attendees on behalf of INCORE and Cresco Trust Ltd and introduced Marie Taylor as the facilitator for this event. Marie highlighted the importance of the Think Tank Series as a forum for sharing ideas, reflecting on challenges and discussing creative ways forward. She introduced Colin and invited him to speak about his thoughts on the looming ‘crisis.’

Colin Stutt

Colin began by offering a few brief definitions of the ‘edge’ and the ‘precipice’ in order to highlight where the community and voluntary sector now finds itself.

Edge

- A penetrating, incisive quality: A rim or brink: *the edge of a cliff*
- The point at which something is likely to begin: *on the edge of war*

Precipice

- The brink of a dangerous or disastrous situation: *on the precipice of defeat*
- An overhanging or extremely steep mass of rock, such as a crag or the face of a cliff.

According to the media in Northern Ireland, there is a grave sense that the voluntary and community sector is ‘coming to an end.’ However, Colin disagrees and believes that the sector is only ‘coming to a different time.’

So what is the ‘Voluntary and Community Sector?’ There is no clear definition of what is included within this sector but NICVA’s 2003 report: ‘*State of the Sector*’ presented several key statistics related to the influence and importance of the sector:

- 4,500 – 5,000 voluntary organisations exist in Northern Ireland

- 84% of these are controlled from within Northern Ireland which is evidence that Northern Ireland has a largely self sustaining community and voluntary sector
- In 2000/01, the general public donated £146.9m to the community and voluntary sector
- The gross income for the community and voluntary sector was £657.1m for the 2000/01 financial year
- The voluntary and community sector paid workforce number 29,168 in 2001, accounting for 4.5% of the Northern Ireland workforce. Of this, 74% were female
- The voluntary and community sector employs more than agriculture 14,620, transport 26,800, the financial sector 15,910 and local government 10,351
- There are a total of 72,908 formal volunteers actively involved in the community and voluntary sector
- Total current expenditure of the voluntary and community sector was £640.8m in 2000/01

From these key statistics, it is easy to see that the community and voluntary sector plays a crucial part in the Northern Ireland economy.

Part 1: The Big Picture

Northern Ireland has had almost 20 years of mainstream funding from Europe:

- 1988-93: Northern Ireland Community Support Framework
- 1994-99: Northern Ireland Single Programme
- 1996-99: Peace
- 2000-05: Building Sustainable Prosperity
- 2000-04: Peace II
- 2005-06: Peace II Extension
- 2000-06: Community Initiatives: Interreg, Equal, Urban, Leader +

So what next? The next round of European funding will be presented in a new format and involve a new language:

The Cohesion Policy, as it has been termed, has 3 objectives for the period 2007-2013:

1. Convergence Objective – this objective has been designated 78% of total funds available (€264 billion) and is aimed at regions with a GDP/Head of less than 75% of the EU 25 average. It is therefore very unlikely that any regions in Northern Ireland will meet these criteria and therefore receive funding under this objective.
2. Regional Competitiveness and Employment Objective – this objective will receive 17% of the available funds (€57.9 billion). It is the discretion of member states to suggest regions for funding under this objective to cover projects that address the environment, accessibility, innovation, European Employment Strategy, etc. At this stage, Colin is unsure whether the UK will nominate Northern Ireland as one of its regions needing support under this objective. He feels that the government are more likely to target small businesses and enterprises under this objective rather than voluntary and community projects.

3. European Territorial Cooperation Objective – this objective will receive 4% (€13 billion) of the funds available to support cross border and transnational programmes and networking. Colin believes that it is this objective that will likely benefit Northern Ireland but at this stage it is very difficult to gauge the extent of government support for the community and voluntary sector.

The Immediate Future:

- There is a slight possibility for a small, tightly ‘reconciliation’ focused Peace III.
- Expenditure under existing Programmes can extend to December 2008 provided commitments are made by 31 December 2006. However, the Sustainable Prosperity Programme can only commit resources up to 31 December 2005 and expenditure can only continue to 31 December 2007.

Priorities and Budgets 2006-2008

This document sets out the Government’s priorities and plans. This is usually a 3-year document, but in this instance it is a 2-year plan allowing for a UK Comprehensive Spending Review in 2008. This presents a window of opportunity for the community and voluntary sector to argue their case at the *national* level. The draft was published in October 2005 and consultation is due to close on 5th December. It recommends an expenditure of £7.5 billion on key priorities, which will grow to £9.5 billion over the next 2 years.

It identifies government’s key priorities as health, education, economic competitiveness, investment in skills, infrastructure investment and energy infrastructure. Key outcomes relevant to the community and voluntary sector include:

- Reduced poverty and disadvantaged communities.
- Regenerated urban neighbourhoods and strong communities.
- Equality, inclusion and good relations.

It also identifies 3 new funds that will be available for this 2-year period:

- Children and Young People (£25m).
- Unemployment, economic activity, skills and science (£35m).
- Renewable energy (£50m).

This document is very strongly focused on the government’s priorities. It sets out clearly the government’s objectives and the aggressive movement of resources to achieve these. For example, cutting of lower priorities (2.5% annual cuts and 3-4% ‘reprioritisation’ of areas such as neighbourhood renewal and housing).

It is very unclear and uncertain what this strategy means for the voluntary and community sector, including the social economy. The only reference the document makes to the voluntary and community sector is DSD Target 8:

‘Each year build capacity within communities, particularly in communities where capacity is weakest, by supporting the voluntary and community sector to help deliver government objectives.’

There is a significant shift implied from supporting the voluntary and community sector as a sector to supporting it as a vehicle for delivering government objectives

and services. It seems to reflect a similar shift in England, where investment in the community and voluntary sector is justified by the improved capacity to deliver effective public services.

So how does this framework tie in with the Taskforce on Resourcing the Voluntary and Community Sector and the Government response to it?

'Investing Together' October 2004 presented several key recommendations:

- 'Government should adopt a ten-year planning framework that ensures a level playing field and supports a mixed economy of activities.'
- Emphasis on funding broad programmes of work, not projects.
- 'Long term stable funding should be made available for the support of local community development activity.'
- Supported by a Community Investment Fund £25m.

'Positive Steps' March 2005 laid out the government response to these recommendations:

- 'Government will actively promote a longer-term (7-10year) outcome focused approach to programmes that significantly involve the voluntary and community sector.'
- 'commitment to a more integrated and strategic approach to supporting the social economy.'
- 'recognise the need to invest in communities to help deliver long term change to those most in need.'
- 'A community investment fund is being established.' (£5m over 3 years)
- 'a modernisation fund of £3m over 3 years will promote modernisation and change... and strengthen the service delivery role.'
- 'a further £15m is being made available over the next 3 years to support capital projects.'

We must note that the total money being made available by the government is £23m, which is not far off the amount (£25m) recommended by the Taskforce! However, the government response in 'Positive Steps' makes no reference to delivering government objectives. This makes for a very complex vision of government funding. For what is clearly laid out here in the 'Positive Steps' document does not correspond to the Priorities and Budgets Draft document.

Identifying Sectors?

- **1st Sector:** *private sector*
- **2nd Sector:** *public sector*
- **3rd Sector:** *all those activities and organisations 'lying between the first and second sectors.'*

The 3rd Sector should not be taken as the social economy sector as is often the case. Rather the social economy is only one part of the wider 3rd Sector that also includes charities, voluntary organisations, community organisations, and sporting, educational and religious organisations.

What is the Social Economy?

Northern Ireland has been the lead in the UK in pursuing the establishment of the Social Economy as a sector under the leadership of the Department of Enterprise, Trade and Investment (DETI). They operate under the broad definition of the social economy as consisting of:

- 'organisations with a social, community or ethical purpose,
- operating using a commercial business model, and
- having a legal structure appropriate to a not-for-personal-profit organisation.'

Examples include community businesses, Credit Unions and Industrial Provident Societies, Housing Associations, Local Enterprise Agencies, trading arms of charities, social firms and Community Development Finance Institutions. 'It is the trading commercial aspect or dimension of the organisation which distinguishes social economy enterprises' from organisations within the community and voluntary sector. (DETI). Colin described the social economy as 'more than for profit' rather than 'not for personal profit.'

Colin was quick to note that the social economy route is not the answer for all community and voluntary organisations. For example, the attempt under Peace II to force a social economy model in order to tackle disadvantage and division resulted in the 'failure' of many community and voluntary groups. For many the social economy avenue was not appropriate to their organisation, many lacked experience and understanding of the commercial model and the risks that accompany this, and for many they possessed inadequate or inappropriate funding structures to make the transition.

Colin then questioned if success should necessarily be measured in purely economic terms? There is a need to balance financial performance with social impacts. For example, a positive social impact could be the introduction of more people to the labour market for the first time. As is often the case, social economy organisations do not regard or acknowledge the social impact of their projects and on this premise the concept of financial sustainability needs to be widened.

In conclusion, Colin acknowledged that we are indeed facing a period of significant change. EU funding is diminishing and the government is tightening its grip on its 'priorities' and running down lower priority areas. While a social economy route may be the answer for some organisations, it is far from being a universal answer. However, we are certainly far from 'the end of time.' We simply need to adapt and change our approach to fit with the changing rules of the game.

Colin presented various options currently available to the community and voluntary sector:

- Fight for and over funds.
- Collaborate for a successful outcome.
- Internationalise and target EU-wide and commercial income.
- De-professionalize, return to a volunteer model of delivery and development.
- Develop sustainable social economy organisations.
- Draw on other resources of the sector such as Credit Unions and Enterprise Agencies – taking on the funder's role within the community.

Colin finished with several questions to begin debate and discussion within the group:

- Which of the above are credible strategies for which organisations?
- How does the sector organise to achieve a better, rather than a worse outcome?
- Is there scope for 'solidarity', rather than outright, cut-throat competition?

Question and Answer

- The issue of 'honesty' was brought up immediately in different contexts. Some felt that in such a competitive sector the willingness to open up and share ideas and practices was simply not there. Furthermore, government departments who have themselves benefited from Peace money have not shared their expertise internally nor with the community and voluntary sector.

There is a real danger that in such a competitive market organisations' missions and values may be lost in the fight to 'win' or 'succeed' over each other. The community and voluntary sector must put its own 'house in order,' minimise duplication and work together.

- The group acknowledged that the sheer scale of the community and voluntary sector defies the notion of 'sustainability.' In order to ensure the viability of the sector, consolidation and realignment is likely to be an increasingly attractive option. However, with the growth of 'umbrella organisations,' obviously some community and voluntary groups will lose out.

The challenge facing the community and voluntary sector was aptly summarised: **'adapting to change versus facing failure.'** Presently, there is no pressure or incentive for people to collaborate. It was also noted that there is little support for community and voluntary organisations in relation to managing change, and this support is critical if they are expected to down size, close down etc.

- However, on a more optimistic note, a representative from Strabane Local Strategy Partnership gave an overview of their innovative Community Hubs Programme as a successful example of community collaboration. It was envisaged that their programme would provide community/voluntary groups with a unique opportunity to increase the profile of their premises and to develop new links with other community/voluntary groups.

The Community Hubs Programme was designed to increase sustainability of community service provision, improve quality of service provision to address community need, strengthen community participation and capacity building, reduce the duplication of service provision, create a better collective identity for the community sector in the Strabane District, and encourage greater integration between community and voluntary associations.

(See website: www.strabanehubs.com)

- Marie then asked the group, what would stop a community or voluntary group from merging or becoming a collective?

There seemed to be a genuine fear of change and the unknown but also a cautiousness of keeping the Northern Ireland context in mind. For example, how

could possible political influences be managed within a 'hub'? It will take time to build the trust necessary to moving down this road.

At the moment, the sector seems to be in an 'unstable' period where everyone is in survival mode; trying to find their niche in the market and looking out for their own interests before the curtain inevitably falls.

Many in the group also agreed that lack of community education meant that they felt ill prepared and unsure of how to approach a partnership.

- Marie then asked how community and voluntary organisations could influence government and public policy?

Colin suggested that organisations should be lobbying local MP's, MLA's and councillors as in his experience they can be interested and supportive. He suggested a return to 'selling the cause' rather than the trend toward 'selling the business.'

However, many felt that such efforts would prove fruitless while the assembly remains collapsed – which means MLA's lack power and influence and there is no accountability for the civil service itself.

Marie noted that government, more often than not, does not understand the impact of what the community and voluntary sector are doing and the difference they are making. So how do we let them know and convince them of the value of the sector? This is something of a chicken and egg scenario, but every organisation needs to explore and record the impact they are making in order to make a strong case to government. Evidence-based evaluations ensure a better understanding of the community and voluntary contribution to Northern Ireland society and a justification for their presence.

Part II: Sustainability: The Small Picture

Sustainable or Justifiable?

Black, Liam. 'Accountability and the willingness to be independently scrutinised are the hallmarks of the effective social business.'

For as Colin pointed out, if you do not know what social impact you are having you cannot **justify** your existing funding or new sources of funding and you cannot make your organisation **sustainable**.

Measuring this impact is difficult but can be done, for example, by looking at human, social and economic capital. It may also be useful to look at the 'outcome model' which focuses on the society the community wants to be like and then works out ways of measuring how the community can get there.

Question and Answer

- Marie began the Q&A session by asking if we are willing to be independently scrutinised? Are we addressing the issues we were set up to address?

Some in the group believed that the voluntary and community sector is the most heavily scrutinised sector in Northern Ireland and questioned whether the amount of time spent on administration and evaluation has damaged the effectiveness of the sector. Would time spent under scrutiny be better spent looking at the organisation's impact? Or could this time be better spent working towards the achievement of the organisation's objectives?

At the same time there is a need to remember why the sector is under scrutiny and how such scrutiny might help the organisation in its future activities. In order to understand the value of community and voluntary organisations, the organisations themselves need to know what they are achieving, i.e. their outcomes, and use these to their advantage in campaigns and lobbying efforts. Furthermore, in order to close the gap between community needs and government policy, the community and voluntary sector needs to supply evidence that makes it difficult for the government and service providers to ignore.

- The group discussed the problem of community and voluntary organisations continually having to demonstrate 'deprivation' in order to receive funds. This inhibits communities focusing on their assets and achievements. Perhaps we should be talking more about 'opportunities' rather than 'needs.'
- The following question was posed: 'Would the community be willing to pay for the services offered by the community and voluntary sector if funding ceased?' The answer was a resounding 'no.' Can this be attributed to the community and voluntary sector for failing to communicate effectively to the general public the impact it is having on the quality of life in Northern Ireland?
- It was also acknowledged that the speculative approach to funding, i.e always looking to where the next grant is likely to come from and making projects fit the parameters set by funding bodies, has destroyed creativity and initiative and fed a climate of competition and mistrust.

Collaboration amongst organisations demands a different mindset in order to succeed. When successful, collaboration promotes a sense of partnership, reduces transaction costs and makes it easier to move forward together. However, it is extremely difficult to get to this point.

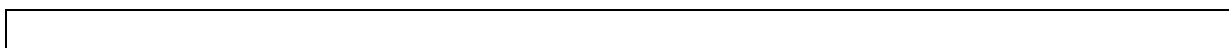
There is also a responsibility on the part of the funders to collaborate with each other in order to prevent projects being over-funded. Should the community and voluntary sector lead by example in this regard? The group also discussed the importance of political leadership in forcing government agencies to work together.

- There was a general feeling that a 'my success depends on your failure' mentality exists in the community and voluntary sector. While this hinders the prospects for collaboration, it also means that the organisations with the best grant writers and the most resources will end up attracting available funds.

- Funders need to become long-term investors in the sector. These long-term investments must also depend on ‘trustful’ relationships where grant procedures assume honesty rather than dishonesty.
- How do we create a win-win situation?
 - A multi/cross-sectoral approach was suggested to encourage interaction and coordination across the board. This would be very difficult to achieve at the moment in the absence of political leadership.
 - **ACKNOWLEDGE OUR SUCCESS** (‘Acknowledge’ was considered a better word than ‘celebrate’ which is often interpreted as being mutually exclusive to one or more group/organisation).
 - Colin suggested developing a community and voluntary sector forum which could influence and feed into public policy.
- At some point in the near future there will be a review of public administration. Colin suggested that the community and voluntary community use foresight and planning instead of waiting to see where they fit in when the government does get up and running. He suggested looking to Scotland and Wales where community planning is very highly developed and draw lessons from these contexts. It is critical that the sector takes control and action ahead of the game instead of always ‘reacting’ to events and changes. One certainty is that major changes are imminent and will occur. Therefore the sector must lobby, influence and, in a sense, ‘do it to ourselves before they do it to us.’

Conclusion

Marie summarised the session with the questions, ‘what, where, why, when, how and who?’ Are we going to wait for someone to answer these questions for us or are we going to be the ones who take the initiative and effect change? Marie thanked all the participants for a lively and thought provoking discussion and special thanks was extended to Colin Stutt. She encouraged all participants to sign up for the next event in the series, ‘The Politics of Community Development’ which will take place on Tuesday 28th February 2006.



Points captured on flip charts during group discussion

Achieving a better outcome:

Consolidation/realignment to remain/become viable
Collaboration/mergers
Need honesty within government and sharing of expertise
Collaborate V Compete?
Change small group funding/hub development
Kite marks
Community education and support
Building trust
Sharing models of good practice
Government accountability
Are we hindered by our inability to influence at a political level due to the disarray within the Assembly?

Sustainability at a local level/micro level

Important to understand what we are being scrutinised for?
- describing what we have achieved
How we add value
Outcomes
Focus on assets and instruments of social change (rather than needs of the needy)
Mapping of funding by funders

How do we influence leadership (the policy/decision makers)

Creating win: win
Cross sectoral collaboration
Developing a common language
Engaging users/investors
Building trust reduce transaction costs
CELEBRATE our success
Develop a sectoral forum (with influences)
Acknowledging success and inviting people to join in it
Knowing what the voluntary/community sector role is in community planning (ahead of the game)
Lobbying and influencing internally amongst each other
Why?

THE POLITICS OF COMMUNITY DEVELOPMENT

Tuesday 28th February 2006

Introduction

The community and voluntary sector plays a crucial role in Northern Ireland. It faces many challenges in the near future – not least that of a new funding climate. The Think Tank Series provides opportunity for those committed to working in this sector to reflect on some of the vital challenges. The third in the Series focused on the changing dynamic between the state and community and voluntary sector. To this effect, John Pearce, a leading expert on social enterprise addressed the future of the relationship between the state and the ‘third sector’.

Margaret Lee, CRESCO welcomed all attendees on behalf of INCORE and Cresco Trust Ltd and introduced John Pearce. John has three decades of experience in community development and has written several influential works on the subject, most notably Social Enterprise in Anytown. Margaret introduced Marie Taylor, a Senior Associate at the Judge Institute of Management, Cambridge, as the facilitator for the event.

John Pearce

John began by describing three experiences which have influenced and shaped his thinking and practice:

1. Working with Tibetan refugees in Nepal in the 1960's - John explained that during this time he learned the important lesson of integration, and how essential it was to integrate economic aspects of development with social, including education, health and civic structures. The integrated approach was necessary to sustain some form of living for the Tibetans. The people were engaged in every aspect.
2. Working with a Community Development Project in West Cumbria – the community development project was an area-based programme tackling poverty and disadvantage. The most radical learning for John at this time was recognizing the reasons why poverty and disadvantage persist in society. The local structure and systems are the problem, not the people. At that time of industrial restructuring, the wider social and economic picture, both contemporary and historical, lay behind the problems the CDP had been asked to tackle. CDP had to recognize the bigger picture. “Pockets of poverty” could not be addressed in a micro context without more radical changes at the macro level.
3. Since the CDP John has been involved in applying a community development approach to local economic development in Scotland. John stressed the importance of creating community organisations which can create wealth, provide services and act as a focus for local development – organisations which straddle that economic/social divide. These ideas drew heavily on the community co-op experience in the West of Ireland which, in turn was replicated in the Highlands and Islands. – i.e. the model of the “multi-functional community business” giving communities the capacity both to engage in the local economy and with civil society; creating jobs, providing training, running

projects, supporting other social and economic initiatives egg credit unions, community organisations, collaborating and fighting with the local authority. Such organisations are now known by a variety of names but the term which perhaps best expresses the purpose is local or community development trust, rather than multi-functional community business.

What does the term social economy actually mean?

John pointed out the need to explore the term 'social economy'. Social economy can be at times considered a 'catch-all' term for those organisations which may be distinguished from, on the one hand, the private sector and, on the other, the public or state sector. What does it actually mean? John referred to the diagram 'Three Systems of the Economy' (see below), developed through an organization known as Conscise and for 'Anytown'. The diagram illustrates a different way of understanding the relationship and role of the social economy, which is often referred to as the "Third Sector", to the private and public sectors.

There are three sectors or systems as they represent different ways of managing economic and social affairs:

1. The private sector – profit-oriented.
2. The public sector.
3. The third system – is characterised by concepts of social purpose, self-help and mutuality which John referred to as the Social Economy Sector. The sector embraces a wide swathe of organisations from the co-operative movement, through to the very commercially oriented social enterprises to include voluntary organisations and charities, community organisations and neighbourhood groups. The sector embraces small and large enterprises and stretches to the domestic economy of families. It also straddles a market-driven/public service divide. John referred to Research commissioned by the Department of Trade and Industry for England and Wales suggested that social economy organisations now account for £18bn in the economy – which is three times the contribution of agriculture. Over half a million people are employed by such organisations which also mobilises over 200,000 volunteer workers.

In Scotland a few years ago Highland Council officials estimated the social economy to be as important to the Scottish economy, as tourism. John stressed the importance of the sector and how despite being highly significant, many small community based enterprises go under the radar of such research egg the Village Halls in small villages. And the co-operative movement, housing associations, charities and other voluntary organisations which rightly also belong to the social economy sector but which were not counted and which do not always see themselves as part of a definable social economy.

We do not know the true scale of the social economy, as it is so extensive. When we add together all of what we do know and if the social economy were to stop functioning, many aspects within society would come to a halt. We depend on it day by day. John pointed out the need to include a "family wedge" both at the end of the Social Economy continuum and at the end of the private sector acknowledging how initiatives which start there may develop either as private sector enterprises or as community initiatives.

John put forward the question - is there a difference between charities and voluntary organisations, and social enterprises? John pointed out that some are both – some organisations can be a charity or volunteer group for most of the time and a social enterprise, generating income at other times. He referred to the example of the Coop Movement and how it started as a voluntary, part-time enterprise in Rochdale - a group of people who came together to carry out a voluntary activity, which developed into a voluntary activity with an enterprise edge, or the community association which turns its premises into a viable workspace. These examples are part of a continuum – social economy organisations with an identifiable common purpose and common values. The dynamic concept of a continuum is exciting because it means organisations can and do change over-time and shift position on the continuum, but still be part of the same sector.

Here is a sector to which increasingly offers are being made to deliver services which previously were delivered by the public sector – including most recently running schools and even the probation service, but which was subsequently withdrawn. Many of the political parties seem to be talking about using voluntary and community organisations and social enterprises, usually in the same breath.

Why does the Government have the notion that private sector has the answer to everything?

We should be exploring the appropriate roles for the different sectors and exploring ways in which they can collaborate and use their different strengths. Before this we need to explore what common purpose and key principles underpin the social economy, which act as glue to combine together the disparate sectors. John spoke of the key principles which underpin social economy organisations and suggested that these principles clearly distinguish the social economy from the other sectors.

There are six fundamental principles and three operational principles.

1. Social economy organizations have an over-riding social purpose to benefit people working for the common good.
2. Engaging in trade in the open market place to some degree, in order to achieve social purpose, a secondary but essential activity.
3. All adopt some form of structure to ensure funds/profits are applied for reinvestment and community benefit, not to make individual shareholders wealthy.
4. Hold assets in trust for benefit of the community and future generations.
5. They are accountable to their constituency e.g. residents of a geographical area or another, adopting some form of democratic governance and participation.
6. They are independent of external influence and control by government and by owners of capital

The three operational principles are:

1. Adopting good employment practice for paid and voluntary workers.
2. Adopt light-footprint environmental practices – can a social economy organisation in the 21st century be socially responsible without being environmentally responsible also?

3. Adopting fair trading practices – treating people properly and having regard to the local economy with respect to purchasing policies.

John concluded by identifying what this means for social economy organisations if they are to take their place as a significant part of the national presence, if it is to become as commonplace for government to consult the social economy over matters of policy as it is to consult with business and industry.

He recommended that the organisations within the social economy need to develop a new self-awareness that they are far more than just the “third sector” but are a key, and growing, component of the national economy, contributing not just to social wellbeing but to economic growth, the creation and sustaining of jobs and building wealth for the good of society.

They also need to develop a stronger sense of being a sector which can when necessary speak with a common voice. They need to focus on those principles and purposes which they share rather than on the detail which divides. In particular we need to move away from the idea of “clear blue water” lying between social enterprises and the voluntary and community sector and acknowledge that many social enterprises have evolved out of a voluntary organisation and that many VCS are effectively operating as businesses. John quoted the Make Poverty History as an example which brought together an array of organisations. John referred to the business community and how they come together when the ‘chips are down’. They fight to protect, something which the social economy sector needs to learn quickly.

John also recommended greater collaboration i.e. the larger organizations setting out to nurture smaller, newer organizations rather than stifle them to become the larger NGO of tomorrow.

The social economy must guard its independence, not only from Government but also from the private sector. Avoid co-option by government. We need to also avoid the idea of pretending social enterprises are the same as private business – the difference matters. Difference needs to be ‘talked-up’ rather than focusing on the sameness. John used the example of the business plan – looks at the business activity of the organization and fails to look at social purpose. The planning process needs to be more appropriate.

The social economy must strengthen its own self-help infrastructure – in other words the sector itself should be able to provide the services, development support and technical expertise which the sector needs – including financial services. It does not make sense for the social economy to depend or rely on advisers from the other two sectors. The skills and resources are all there – but does it have the necessary mindset to act in a mutually supportive fashion?

Social economy organisations must find ways of engaging with local democracy and in doing so strengthen it rather than seeking to be an alternative to it – that is not a sensible option – the democracy of a community organisation cannot substitute for the democracy of the universal ballot box. This is a difficult area which requires movement from both sides – but very important, if institutions and systems are to be developed at local level which can act effectively for the community.

There is always opportunity for collaboration and partnerships between the three sectors. John quoted examples: a community association might develop a managed workspace in a former school building with co-operation and assistance from the local council and provide small workshops in which people can set up and develop small, private businesses; the association, now calling itself a development trust or a social enterprise, might offer self-employment information and advice and at the same time encourage and support other community initiatives and organisations which in turn may supply services on contract to both the public sector and to private companies.

What does this mean for Government?

1. The first question is to ask why Government is so keen to have social economy organisations deliver services? Is it to achieve the added value of local knowledge, of no private profit motive, of a community service ethos? Or is it because costs can be kept down by mobilising volunteers and because someone has to provide a service in the most difficult areas where there is no chance of a private company making a profit?

Achieving the added value which social economy organisations can bring will not be cheaper, indeed it may be more expensive if the full costs of delivering services in certain circumstances are acknowledged and recovered.

If social economy organisations are used because of the added value they are expected to bring, then those organisations must also be prepared to demonstrate that they are delivering that added-value by adopting methods of reporting such as social accounting and audit.

2. The second question and some might argue it should be the first, is whether Government is serious about wanting to expand the social economy sector in the economy – do politicians see the merit of having a values-based sector in the economy which is predicated on working for the common good? Do they acknowledge the value of a modern mixed economy with the social economy there as an equal partner to the other two sectors?

If yes, then there is a key role for Government to create an enabling environment which will encourage the growth of the social economy –

- Fiscal benefits in return for non-profit distribution and adopting structures which reflect the key principles defined earlier
- Structures which allow social economy organisations to trade without losing fiscal benefits
- Procurement arrangements which favour the social economy And the quid pro quo will be a rigorous system of regulation such that society knows that recognised social economy organisations are both genuine and are delivering the added value they promise.

3. The third exhortation to Government is to continue to acknowledge the size and strength of the social economy – and acknowledge that it is an independent sector, not just a convenient tool of public policy or a mildly eccentric form of private business. That it is a sector to work in partnership with, to consult. A sector which can strengthen local democracy but not substitute for it.

Summary of main points from John Pearce presentation

- Integrated approach
- The circumstances are the problem not the people
- Macro change is required for micro development
- What we see is a manifestation of expectation and circumstance
- It's about economic and social development (national and local development)

SOCIAL ECONOMY

Three systems – Trading, Non-trading & Social economy mix

Social economy has made significant contribution (£1.8bn) and to some extent this is hidden difference between voluntary sector organisations and social enterprise

- Are you generating income?
- Are you contributing to local economy/society?
- Are you a social enterprise? (Even if you are called something else)

Vol sector ----- Social enterprise Continuum

How can trading, non-trading, social purpose organisations work together?

6 principles underpinning social economy organisations

3 features – employment practice, light footprint environment practice, fair trading practices

WHAT DOES ALL THIS MEAN?

- We need to recognise that we are key to the economy (we're doing more than just doing 'good')
- We can influence with a common voice (we are on a continuum not a distinct sector) "unity with diversity"
- Collaboration is not the same as having a unified voice (and a loud one)
- Independence on the continuum is important
- The Business Planning process needs to reflect/include social purpose outcomes
- How do we get mutuality and trust when we are forced to compete with each other?
- What partnerships do we need to develop to increase our effectiveness?

GOVERNMENT

Why are they so keen? Are they?

- Cost?
- Absence currently?
- By-passing local democracy?
- Social enterprise is about value not just profit
- Can we prove that we are adding value – what is value?

Fiscal policy – egg preferential tax rates

Procurement arrangements

The sector needs a brand

Reducing suspicion

Letting go of our issues/agenda

Challenging attitudes of government

What do we think government expect from the voluntary and community sector?

How do we move forward in defining a 'brand' for our sector? And our value (our systems)

How do we as a sector develop one sector – developing mutuality and trust

Points captured on flip-charts during group discussion

- *Educate our politicians/those acting in the interests of sector*
- *Seek/demand greater coherence from govt departments*
- *Demand outcomes/implementation*
- *Increase our own confidence in ourselves and what we do*
- *Identify the blocks and clear them*
- *Interdepartmental group – engage with the willing*
- *We need to map our network*
- *Control through partnership – theme groups*
- *the absence and need for a Trade Union within the community and voluntary sector*

LOADED DICE

Tuesday 9th May 2006

Introduction

The past few years have seen the development of many social enterprises. The need for sustainability in a new funding climate is prompting many community and voluntary organisations to explore engaging in 'profitable' activity. As Director of The Quinn Group, Peter Quinn Consultancy Services and as someone actively involved in the community and voluntary sector, Peter talked about the relationship between the private sector and the social economy.

Helen Lewis welcomed all attendees on behalf of INCORE and the Cresco Trust Ltd and introduced Marie Taylor, a Senior Associate at the Judge Institute of Management, Cambridge, as the facilitator for this event. Marie welcomed and introduced Peter Quinn.

Presentation

Peter began the presentation by noting that social economy ventures are easy to start but hard to keep viable, and stating his belief that few ventures will fail if they are managed correctly. He then went on to outline the objectives of his presentation: to give a private sector perspective on how the aims of the social economy sector might best be achieved; to examine the problems faced in setting-up any new business and how they might be solved; to compare how the private sector addresses the issues of starting a business and making and keeping it viable, with how the social economy sector operates; and, to give some examples of 'Best Practice' in starting and running a business. Peter noted that he would finish his presentation by answering the question of whether social economy ventures are a matter of "making a profit and selling your soul."

With regards to the social economy, Peter said it is about doing what is right, and then doing the right things. He noted that he has personally been involved in the voluntary sector for more than forty years, and that he previously managed the development of the biggest voluntary sector project on the island of Ireland. Peter is currently chairman/director of three social economy companies (and about ten 'for-profit' ones) and has provided consultation services for social economy projects for the past ten years. However, he is also obviously heavily involved with private sector businesses. Peter conceded that he is sceptical about the value of some current social economy activity and that he may not have the same attitude to business as most social economy activists.

The Social Economy

Peter describes the social economy as:

“A sector of the economy, comprising ‘Mission Driven’ businesses which deliver societal change or reform and social benefits, by generating enough profit to allow it to continue to invest and thereby to survive, so that it can continue to deliver those benefits and, where necessary drive a ‘change agenda’ through its existing or related areas of activity.”

With regards to the current scope, the social economy is growing in Ireland and Europe and is approximately 5% of GDP (the same as tourism and construction), and an even larger percentage of employment. It is highly diversified in its projects and activities. In Ireland, the biggest proportion of the social economy focuses on community economic development. Peter noted the social economy puts people and communities before profit and its aims are primarily social, though often diffuse. As examples of social economy ventures, he mentioned training, capacity-building, empowerment and provision of social services. A social economy organisation is owned by, and accountable to, stakeholders (users, community, clients etc) and adopts strong ethical positions, for example, on the environment. Peter added that social economy ventures need to produce profit from trading to be viable and to re-invest in their social aims.

The social economy is operating in a rapidly changing environment. European grant-aid is drying up; despite the fact there is continued and growing need for it. Social economy projects are by and large failing to attract financial support from the public or from private sector organisations – why is this? Peter suggested that social economy ventures are often seen as wasting resources and as lacking focus on long-term, strategic development. Moreover, people within the sector seem to feel it has a ‘right to support’ and have not paid attention to building up public confidence in the sector. The social economy also tends to struggle in times of economic stress. Finally, social economy models are evolving - Americans now talk of social/community entrepreneurship, and promote the use of business approaches in social economy activity.

Peter then outlined the characteristics of social economy organisations: being mission driven; social objectives being paramount; highly participative and inclusive organisation; aim to create sustainable communities; local ownership and accountability, with most of the benefit being retained locally; strong ethical values, including environmental protection, fair trade etc.; and entrepreneurial and innovative – they do what others ignore or refuse to do. It is this final characteristic that makes social economy ventures of such great value to society.

Funding issues

Peter proposed three questions of relevance to funding issues: 1) Why do new businesses need money? 2) Where can they get the money? and 3) Why do social economy projects have difficulties raising money?

With regard to the first question, Peter pointed out that new businesses need money for fixed assets, and contended that this is the main area most new businesses focus on. However, he noted that new businesses also need money for working capital – something which business people often fail to understand or underestimate. Similarly, money is needed to cover initial losses which *always* happen. According to Peter, the availability of money for working capital and initial losses makes the most difference in terms of the success of new businesses. It is worth noting that money is also needed for interest, loan repayments, set-up costs, development costs, research etc. and these costs are often unpredictable.

When it comes to the question of where new businesses can get the money from, Peter suggested the following sources. First, from the promoter's investment (matching funds), although this can be difficult. Second, from other investors, although banks will need securities. Peter advised, on the basis of his own experience, not to give any personal guarantees. Once operational, new businesses can get money from suppliers. Moreover, new businesses can get money from grants. Peter emphasised however, that grants (especially revenue grants) should be seen purely as bonus and that a project must start up without them. Money can be taken from profits and cash flow from operations. He also mentioned charity and fund raising as possible sources of money, but added that "You cannot help the poor by being one of them."

In relation to the third question regarding why social economy projects have difficulty raising money, Peter noted that they offer little security, that people do not think that they will survive, and that there are credibility problems. He referred to a poll in the U.S. that indicated that one third of people believe that '[social economy projects] should be disbanded'. He also said that people think that social economy projects are ineffective, inefficient, unethical and wasteful. Moreover, there is, according to Peter, no obvious plan for success and often no measure of success. He added that banks will often require a realistic plan. Furthermore, social economy projects often have no track record, and lack clarity about the market they are targeting and sometimes about the product they are offering.

Marketing Issues

Peter then moves on to discuss marketing issues. According to Peter, businesses need to be asking themselves a range of questions: what product(s)/service(s) are you offering; who/what is your target market and do they want it; will they pay for it; how do you get into this market i.e. what is your entry channel; what is your break-even; can you reach break-even/margin; can you make money on it/lose on it; how big is the market and how can you find out? (Speaking from his experience, Peter said that this can be quite difficult to estimate and estimates can be unreliable); does it provide an opportunity? I.e. is it growing/static/declining, what is the competition etc.; what are your unique selling points and will they make any difference; who will pay for the product/service; what might happen to funding in times of economic stress; and finally, are you selling the right product/service at all?

Peter talked the audience through the grid depicted below, as an example of a tool he uses in his companies to help inform decision making about which products to promote (generally those products that can be sold to several different markets).

Markets	A	B	C	D	E
Products					
1	Yes	No	No	Yes	No
2	No	No	No	Yes	Yes
3	No	Yes	Yes	Yes	Yes
4	Yes	No	No	No	No
5	No	Yes	No	Yes	Yes

Another important factor for success is an organisation's competence, including: contacts/networks (which is how Peter and his brother initially got started); ability to meet quality and service requirements – something often lacking in social economy businesses; capacity to supply required quantities; and capacity to fund (working capital/credit taken by customers).

Business Failures and Business Models

Peter went on to discuss the following reasons why businesses fail: they run out of cash; are managed poorly (wrong product; selling into wrong market; bad service; poor quality; poor marketing); changes in the business environment; lose sight of their mission; and wrong business model.

Peter listed three general business models:

1. *Administrative model* (civil service, bureaucracies, unions etc. – emphasises human relationships and internal networks – leads to petty politics, low output, inefficiency).
2. *Marketing/Strategic model* (too high level, too little emphasis on efficiency and outputs).
3. *Production model* (emphasis is on output & results, with high earning capacity).

Peter said that social economy organisations tend to use either administrative or marketing/strategic model. However, he applies the production model to both his 'for profit' companies and social economy ventures.

Peter then discussed the survival rates for new social economy businesses. He told the attendees that in Britain, 50% of new social economy businesses fail within three years, which is more than twice the U.S. figure. In terms of entrepreneurship, in Northern Ireland between 1 in 30 and 1 in 40 people start their own business. Peter compared this to the U.S. where the corresponding figure is 1 in 10. He stated that 8 out of 10 successful businesses in the U.S. are run by people who have previously failed, whereas in Ireland you don't get a second chance. Peter further suggested that businesses here are too dependent on grants and that when things go wrong (as they always do) management often panics and fails to react appropriately.

Peter referred to a theory that companies have a natural lifespan with birth, life and finally death. He contended, however, that if managed correctly there does not need to be a death - businesses can survive. What do you need to do this?

Success

Peter outlined what businesses need to succeed: vision for the project and for success and imagination; clear objective and hunger to succeed; adequate resources and networks; realism and a willingness to learn from others; willingness to delegate; focus on results (be the best, most efficient); willingness and ability to take risks (strong stomach); ability to lead/motivate a team (leadership); think strategically, but mind the kitchen; confidence, courage and determination; and luck.

Resources needed to succeed include: a product/service for which there is a demand (which is not the same as a need). Peter contended that needs have to be converted into demand, that is; a market which can pay for it; the money to produce and deliver it; the skills required to produce and deliver it; the management structure to run the operation; and the business model to succeed. He added that pricing is very important, as well as a feedback system to identify if the business is going off the rails, and the guts to take remedial action - including pulling out.

Comparing Social Economy with Market Economy

Peter then made the following comparison between the market and social economy:

<u>Market Economy</u>	<u>Social Economy</u>
<ul style="list-style-type: none"> • <i>Responds to:</i> Demand (Pays Bills and Generates Profit) 	<ul style="list-style-type: none"> • <i>Responds to:</i> Need (Creates Sympathy and Charity)
<ul style="list-style-type: none"> • <i>Objective:</i> Profit – Then More Profit! 	<ul style="list-style-type: none"> • <i>Objectives:</i> Financial Return & Social Return
<ul style="list-style-type: none"> • <i>Strategy:</i> Product-Market Driven 	<ul style="list-style-type: none"> • <i>Strategy:</i> Need-Competence Driven
<ul style="list-style-type: none"> • <i>Organisational Structure:</i> Steep / Based on Targets 	<ul style="list-style-type: none"> • <i>Organisational Structure:</i> Flat
<ul style="list-style-type: none"> • <i>Culture:</i> Stand-Alone / Self Sufficient / Viable 	<ul style="list-style-type: none"> • <i>Culture:</i> Dependency / Grant-driven
<ul style="list-style-type: none"> • <i>Ethos:</i> Autocratic, Effective, Pressurised 	<ul style="list-style-type: none"> • <i>Ethos:</i> Democratic, Caring Laid-back
<ul style="list-style-type: none"> • <i>Decision-making:</i> Quick, Market Focus, Profit-driven 	<ul style="list-style-type: none"> • <i>Decision-making:</i> Slow, Participative, Trade-offs
<ul style="list-style-type: none"> • <i>Business Model:</i> Market-Led, Efficient, Pro-active, Based on Quality & Service 	<ul style="list-style-type: none"> • <i>Business Model:</i> Ethical, Based on Relationships & Need
<ul style="list-style-type: none"> • <i>Pricing Policy:</i> “What the Market Will Bear” 	<ul style="list-style-type: none"> • <i>Pricing Policy:</i> “What the Client Can Afford”
<ul style="list-style-type: none"> • <i>Approach to Risk:</i> “Part of the Job”, Manage It; Personal Assets! 	<ul style="list-style-type: none"> • <i>Approach to Risk:</i> Mainly Averse (Once Established) Image!
<ul style="list-style-type: none"> • <i>Managers’ Attitudes:</i> “Get Out of My Way” / Leave It to Me; Stuff the Board; Cerebral 	<ul style="list-style-type: none"> • <i>Managers’ Attitudes:</i> “We Need Everyone Involved”, Ours Is A Shared Vision; Emotional

Conclusion

Peter summed up by stating that he believes that the social economy is not fulfilling its potential and tends to forget that it has an economic dimension. He pointed out that there needs to be a balance between economic goals and social aims and said that when well balanced we won't get it wrong.

Questions and Answers

- Peter made the comment that most people who start new businesses will not get it right the first time but also criticised managers who 'get things wrong' isn't this a contradiction? Peter replied that everyone deserves a second chance. A manager who gets something wrong, should get a second chance if he/she learns from his/her mistake. He noted that intelligent business persons learn from their own *and others'* mistakes and average ones only learn from their own mistakes.
- If the social economy should have a more product oriented approach, is there a need to keep separate structure for that? Peter answered that he would never change the aim or mission of the project. Rather, the focus on the need and the focus on the product need to be interlinked (not parallel). He admitted this is more difficult for the social economy than the private sector.
- One attendee pointed out that Peter refers to "we" or "the management" etc. but social economy projects are often accountable to their clients and communities. Peter replied that democracy can hinder a business from working efficiently. He added that sometimes you have to fire people, and the social economy sector is no exception to this.
- Was Peter invited in to social economy companies to change them or did he take the initiative to intervene? How did he change them? Peter said he was invited and that he "went in with the big stick". He was appointed by a bank and tried to persuade organisations/projects to change.
- A participant noted that Peter argued that there must be a demand for products provided by the social economy sector, that is, someone has to be able and willing to pay for them; at the same time, Peter noted that the social economy is unique in meeting needs that the market won't and sometimes the people with those needs cannot pay for the 'product.' How can this be reconciled? Peter said he understands the importance of this. He suggested government should sometimes bridge the gap.
- Marie Taylor asked what Peter thought about the administrative business model. He replied that he would like to abolish it. Peter also added however, that he believes that private sector has something to learn from social economy sector and working more in partnership would be a good idea. He admitted that he does not think this will happen, but there is still scope for mutual for learning.

Finally, Helen Sayers from the Cresco Trust Ltd. thanked Peter, Marie, participants, INCORE and CRESCO's funders for all of their contributions to the Think Tank.

Points Captured on Flip Charts during Group Discussion

Evaluation of Think Tank

Learning

Share through social economy network

Avoid re-inventing the wheel

Business opportunities of the sector

Engagement between private sector and social economy sector is key- How?

Structures of dissemination + delivery ↔ DSD + Champions

Report on findings + refresher

Contact info structure – promote + awareness raising. Lobbying for change.

↓

Broader audience

Practical peer learning

New networks. Directory of social economy businesses. Needs to look into what's wrong in the strategies / structure. Best way through network.

PARTICIPANT EVALUATION OF THINK TANK SERIES

“I thought the seminar (Think Tank) was excellent. I got a lot out of it for my practice. It was very though provoking...keep up these seminars, we all need support”

“A tremendous opportunity to hear a range of views on community development and peace and reconciliation.”

“Great to have access to a speaker from Rwanda – some very illuminating lessons.”

“This was my first Think Tank so I’m playing catch up but I really enjoyed the session and hope to attend more. Got me thinking.”

“What’s the next move for community groups?”

“Informative, applicable and interesting.”

“A sound investment of my time.”

“Productive use of my morning! Plenty to think about and tips to put into practice.””

“Excellent insight into activity and opinions of the sector. Challenging (as a civil servant!)”

“The sector needs more of such ‘networking’ events.”

“The seminar was especially important for my organisation because we are exploring social economy options.”