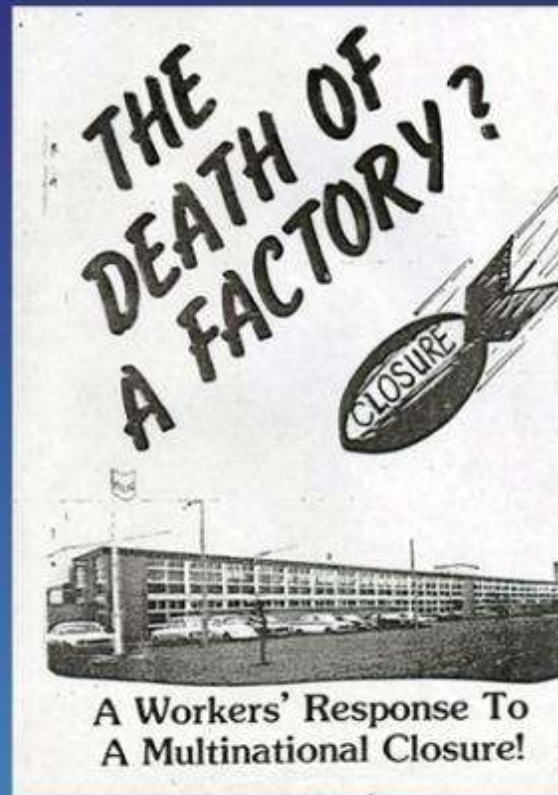


# THE ROLE OF SOCIAL ENTERPRISE IN THE FACE OF ADVERSITY



Conal McFeely  
May 2011



# WHAT IS A SOCIAL ECONOMY ENTERPRISE?

- It has social and economic aims
- Objectives might be to create jobs, provide services to neglected or demand deficient areas, training for the unemployed, recycling, community finance, community child care or community managed workspace.
- It will be owned and managed by the people it aims to help.
- It must operate as a viable enterprise.
- It can have a mix of income: grants, fees/sales, public sector contracts, fund raising and volunteer input.



# KEY CHARACTERISTICS

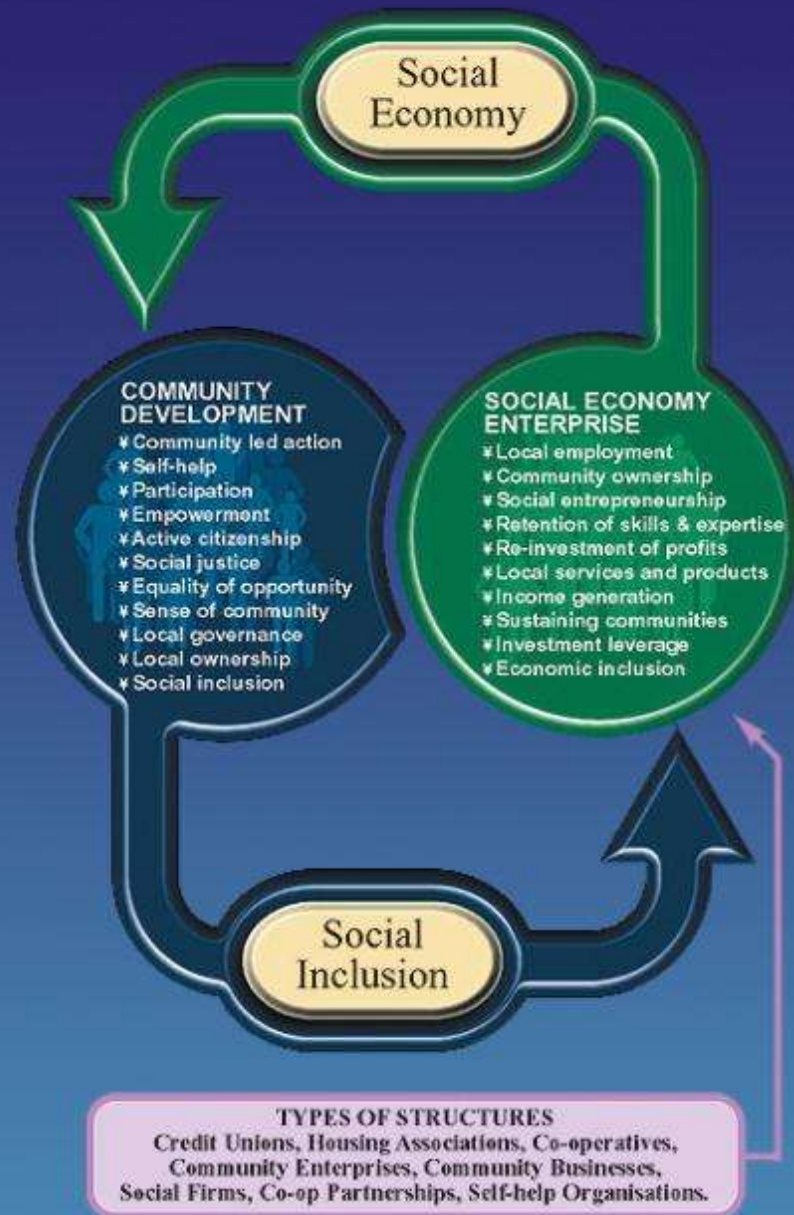
- Social goals/values
- Enterprise orientation
- Community/worker/user ownership



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# SOCIAL ECONOMY FLOWCHART



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# WORKERS' RESPONSE TO CLOSURE

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## The Irish News

Pro Fide et Patria

Tel: 767576 DOWDALL STREET BELFAST Phone: 222226

Tuesday, March 5, 1985

Folio 28

### The pride of Derry

THE people of Derry will feel justifiably proud today as they reflect on the success of their efforts to save jobs in the city.

The strength of their will to preserve some future for the Molins workers, allied to the willingness of Industry Minister Rhodes Boyson to back them, means they have secured 145 jobs which looked to be doomed.

Dr Boyson's assistance, albeit in the form of a once-off £800,000 grant, is most welcome and demonstrates that he is as good as his word. He promised to do everything in his power to help the Molins workers and he did.

Now the onus is on the new company, Maydown Precision Engineering. They have shown the ability to survive in circumstances which would have defeated those with less belief in their ability. But the struggle for survival has only just begun.

New customers must be found, a daunting task for any new company and further investment will have to be encouraged. Yesterday's cash injection is merely the first step to a new future.

Recently this paper urged Dr Boyson to give the former Molins workers a chance. Yesterday he did so. Today we wish the new Maydown Precision Engineering Company every success in turning that chance into a vibrant and viable future.

## MOLINS WORKERS WANT BOYSON BACK-UP

The workers at the Molins factory in Maydown have called on Foyles M.P. John Hume, local politicians, the local churches, business interests in the city, the local Trades Council and the N.I.C.T.U. to publicly call on industry minister Dr. Rhodes Boyson to support in total the plans submitted to the Industrial Development Board to safeguard two hundred jobs.

Mr. Conal McFeely, convenor at the Maydown plant said that Derry could not afford the extinction of the engineering facilities and skills at Molins and the I.D.B. should not be allowed to make "a mere apassing response to the workers at Molins."

He said: "The Derry community is only too aware that the I.D.B. have done little to promote or maintain jobs in the North-West in spite of their television adverts.

"The workers of Molins and the people of Derry now await the decision of the I.D.B. not only in terms of maintaining a high level of engineering facilities and skills but also as a real indication of the Government's social responsibility for the North-West, which is one of the most economically deprived areas in Europe.

"We all remember Dr. Rhodes Boyson's reactions to the news that the Molins factory was to close. 'It was a catastrophe,' he said and he stated recently that the people of Northern Ireland should look to themselves for their future, and take matters into their own hands."

Mr. McFeely said the workers at Molins had done just that and the workforce now expected Dr. Boyson to ensure that the I.D.B. support the revised plan submitted by the local steering group. It was revealed recently that the workers at the Maydown plant had invested £200,000 of their own money in a plan designed to save 200 jobs at the plant.

## Molins workers reject plan to find new owner

WORKERS at the Molins factory in Londonderry have rejected joint moves by the company and the Industrial Development Board to find a buyer to take over the plant.

The 437-strong workforce, who received the shock closure announcement ten days ago, are to continue to occupy the Maydown factory while stepping up their campaign to have the company rescind its decision.

Two shop stewards from Derry were joined by union representatives from the company's other three factories in Britain today as they picketed a shareholders' meeting in London.

Shareholders were handed letters in which the unions claimed the closure of the Derry factory represented the axing of the company's most efficient and profitable operation.

In the letter, shareholders were asked to demand an explanation for the closure from their directors. They were also told that workers throughout the Molins' group would take action in support of the Derry workforce, which would

include a ban on overtime.

AUEW shop steward Conal McFeely said senior Molins' management will be told at a meeting tomorrow that plans to find a buyer for the Derry factory are unacceptable.

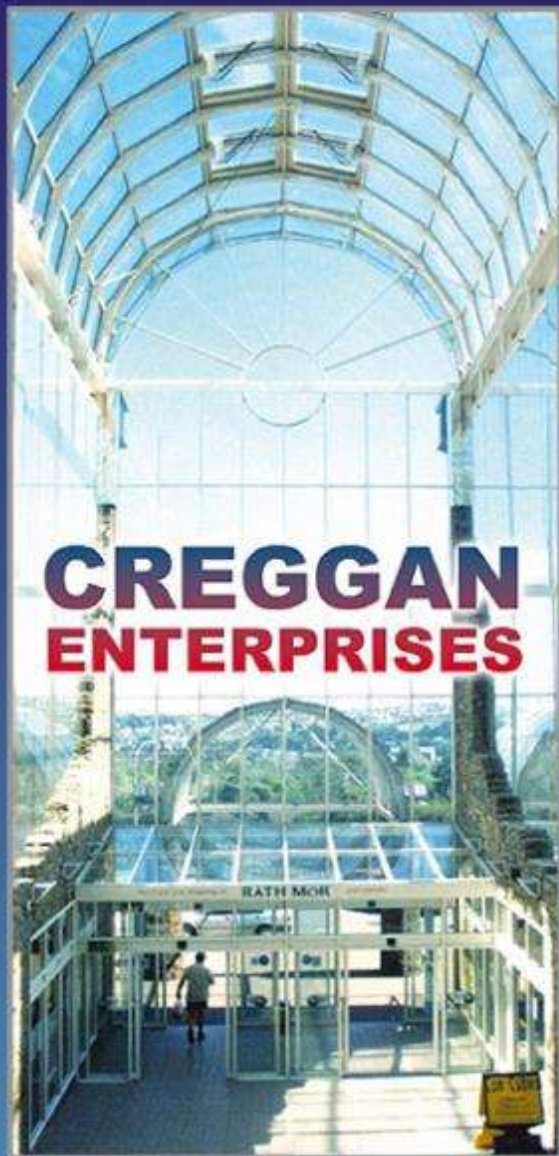
He said the IDB had been trying for a long time to bring new companies to Northern Ireland and to suggest they could find a buyer for the Maydown plant within 90 days was extremely optimistic.

"We are as determined as ever to persuade the company to stay in Derry," he said.



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## LOCAL CASE STUDY: CREGGAN ENTERPRISES

*Creggan Enterprises* is not just about financial profit – it is also about the common good, which seeks to strengthen economic and social infrastructure, respects cultural diversity and embraces environmental protection.

This co-operative approach is based on the belief that working collectively benefits more people than individuals working in isolation for private gain.



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# Creggan Enterprises Ráth Mór, Derry



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# SOCIAL-ECONOMIC INDICATORS

## Derry at a glance

- Population 108,535
- Derry has the worst economic activity rate of any city in Northern Ireland – 34.2% of the working population are without a job (30,400)
- Derry's unemployment rate is the highest in Northern Ireland at 7.2% compared to the Northern Ireland average of 4.9%
- Forty years of political conflict has had a severely negative impact on the city

## Creggan at a glance

- Population 11,500
- Economic inactivity rate – 43.5%
- Unemployment rate – 12.7%
- 8.2% of residents killed in the troubles located within the geographical area of Creggan



# TACKLING CONFLICT / INDUSTRIAL / URBAN DECLINE



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# VALUES AND PRINCIPLES

- Building an asset for community advancement
- Providing services to meet community needs
- Creating opportunities for positive community change
- Promotion of local skills and community ownership
- Generating financial and social profits for the community
- Nurturing new approaches in the interest of the community



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# RENEWAL AND INVESTMENT



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# CREATING CHANGE

Creggan Enterprise addresses the legacy of exclusion, market failures, urban decline and the consequences of conflict that has accentuated high levels of social and economic deprivation within the Creggan area by:

- stimulating investment
- encouraging community / employee entrepreneurship
- creating and maintaining jobs
- facilitating skills and capacity building



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# FACTORS IN OUR SUCCESS

- Community ownership of knowledge, land, buildings and resources
- Community effort and leadership by local people:
  - who are local and will stay local
  - who are passionate for their community
  - who are not adverse to “risk”
  - who take the “long view”
- An enabling and supportive environment
- Collaborative Partnerships
- Surplus profits – reinvested for community benefit



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# SOME LESSONS LEARNT

The importance of:

- Local people acting in their own interest;
- Community development investment;
- Community Economic measures:
  - Nothing lifts the morale of a community like the sight of redundant factories and buildings coming to life again;
  - Employment provides those most excluded with a sense of dignity, motivation and, most importantly, a route map out of welfare dependency and poverty;
- Community ownership of knowledge, land, buildings and resources.



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# OUTCOMES ACHIEVED

- £10 million investment to Creggan
- Ráth Mór Centre (£3.2million)
- Indigenous Enterprise Park (£700,000)
- 61 businesses and community initiatives
- £3 million per annum in wages being generated
- 100,000 sq ft retail, workspace and community facilities
- 279 jobs created
- £3 million social housing scheme
- Pathways to Employment scheme (£500,000)
- Micro Enterprise Centre – £400,000
- Reactivating statutory, social economy and private development
- Enterprising Solutions Award Winner
- £600,000 Business Centre (2008)
- Revival Community Gallery & Annual Festival
- Arts & Business Community Award Winner 2009
- Eastway Wall Art Project
- Oak Tree Centre
- £200,000 surplus profits reinvested in the community



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# CHRISTCHURCH – EARTHQUAKE DISASTROUS CONSEQUENCES



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# CHRISTCHURCH – EARTHQUAKE DISASTROUS CONSEQUENCES

- 70,000 people have fled the city since the 22 February Earthquake
- 60,000 workers still unable to return to work due to unsafe buildings
- 20,000 workers likely to be made redundant
- 10,000 homes abandoned due to damage
- 4,000 buildings within the city centre may have to be demolished
- Private sector flight expected from Christchurch downtown area



# DERRY'S SOCIAL ECONOMY HOLDS LESSONS FOR CHRISTCHURCH REVIVAL

Community and Trade Union sectors adopted the social economy based on Derry's self-help models, eg Derry Credit Union, MPE, Inner City Trust and Creggan Enterprises, as the vehicle for community engagement by the Canterbury Earthquake Recovery Authority arguing that the governments appointed body shouldn't be afraid to engage with citizens, the social economy and with civic society.

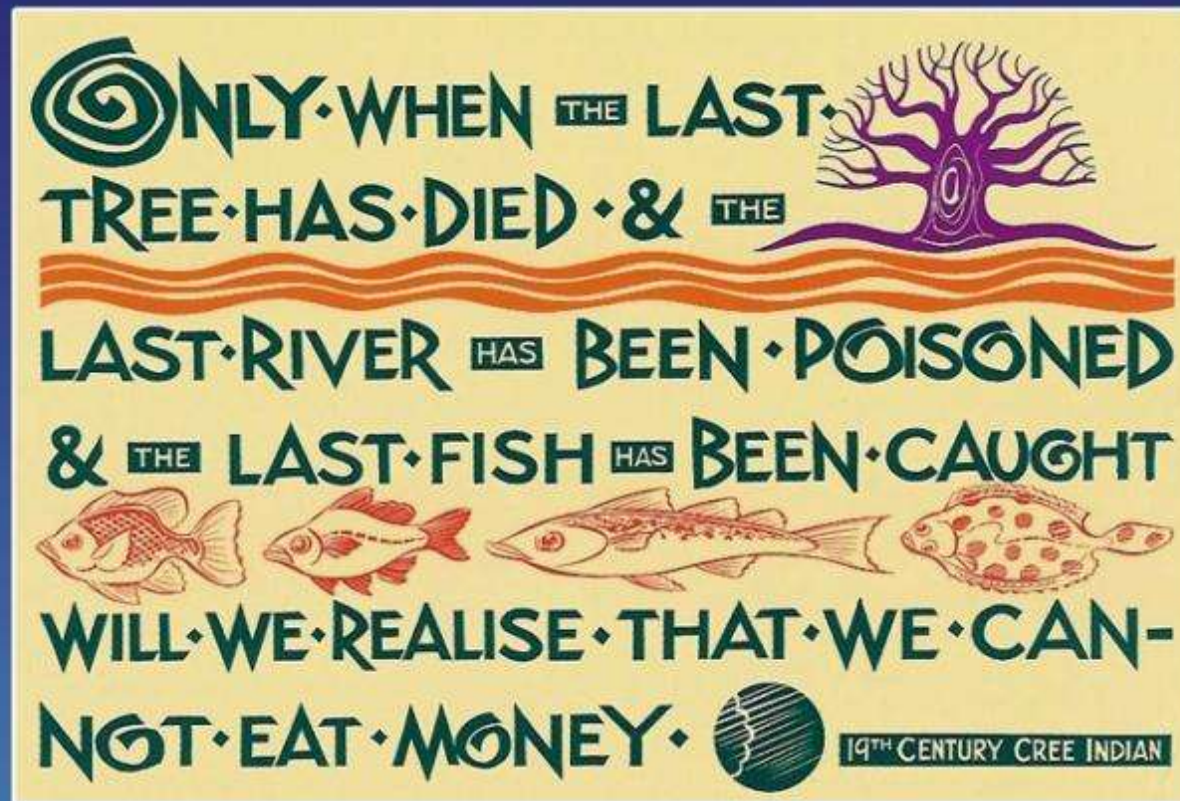
If they do they will see an out-pouring of creativity through self-help that is good for democracy, good for citizens and good for the economy.



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# TRIPLE BOTTOM LINE



'Creggan Enterprises shares a 19th Century Cree Indian perspective that informs us why the bottom line should not be only about money and why all businesses should be accountable to local communities'

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