

Developing a framework to Support Social Enterprises



MSME Division

Ministry of Industry Commerce Agriculture & Fisheries

Overview

- ▶ Countries across the globe are confounded with social ills such as, crime, poverty, environmental degradation, unemployment, marginalization of minority groups amongst others.
- ▶ These social ills undermines all strategic policy and financial interventions of governments
- ▶ Traditionally, social ills have been addressed by government agencies or not- for-profit entities.
- ▶ However, due to the rising social degradation resources allotted to these interventions have not been sufficient to yield the intended benefits.

As a consequence, the Social Enterprises Model rose to prominence

- ▶ **Definition** - A business whose mission is to solve social, economic or environmental problems at the community and/or national level through effective and ethical business practices with the reinvestment of profits to the social mission.”
- ▶ Addressed social ills such as, crime, poverty, environmental degradation, unemployment, marginalization of minority groups amongst others



Role of Policy

- ▶ This update to the Policy now ensures that Social Enterprises are firmly under the policy framework of the GOJ
 - ▶ Harmonize the efforts of implementing partners
- ▶ Alignment with national goals – Vision 2030
 - Goal 8: Decent Work and Economic Growth; Goal 9: Industry, Innovation and Infrastructure; Goal 10: Reduced Inequalities & Goal 12: Responsible Consumption and Production.
- ▶ Provides a programmatic focus for the sector in terms of addressing challenges and pitfalls

Current Framework to support Social Enterprises

- ▶ The Updated MSME & Entrepreneurship Policy 2018
 - ▶ Passed as a White paper by parliament in July 2018
 - ▶ Social Value Creation is one of the 6 pillars of the Policy
- ▶ Social Enterprise Working Group jointly chaired by PIOJ & MICAF - oversight group

Characteristics of the Jamaican Social Enterprises sector

- ▶ Utilizes enterprise centric models and practices to solve social problems in society.
 - ▶ Engages in substantial economic activity
 - ▶ Pursues an explicit and primary social aim that benefits society
 - ▶ Dual responsibility of creating social value and ensuring financial viability.
- ▶ Profits/income/revenue generation is essential -
 - ▶ key issue for consideration is redistributed to shareholders – limits
 - ▶ re-invested into the achievement of the social mission.
- ▶ Participatory Governance structures & democratic decision-making processes.

Priority Actions for developing the Social Economy

- ▶ Creating an Business Enabling Environment for social enterprises to operate
- ▶ Creating and designing financial products tailored for social enterprises
- ▶ Build the capacity of social enterprises by access to business development support services

Priority Actions for developing the Social Economy (cont)

- ▶ Ensure widespread awareness of the concept while promoting creativity and innovation in addressing social issues
- ▶ Support the establishment of national organization with responsibility for organizing, supporting and advocating for the social enterprise sector

Direction for Social Enterprises

- ▶ Examination of possible legal structure for SEs
 - ▶ Establish consensus for SEs to become an official legal status
 - ▶ Consistent legal and tax treatment;
- ▶ Increased opportunities for SEs to access funding from private and public sources
 - ▶ Design of a financial product for Social Enterprises - work being undertaken by the DBJ
- ▶ Mapping exercise for Social Enterprises
 - ▶ Greater visibility and recognition
- ▶ Establish, measure and document the value and impact of social enterprises on the national economy

Thank You

Any Questions??