

Recession, Resilience and Rebalancing Social Economies in Northern  
Ireland's Neighbourhoods: A Research Project funded by the Office of the  
First Minister and Deputy First Minister

## Summary of Key Findings

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June 2015

***Disclaimer: This research forms part of a programme of independent research commissioned by OFMDFM to inform the policy development process and consequently the views expressed and conclusions drawn are those of the author and not necessarily those of OFMDFM.***



# Acknowledgements

We would like to thank all the residents who gave up their time to take part in the research. We are grateful to Perceptive Insight, who undertook the household survey of residents, data from which are referred to extensively in this report. We very much appreciate the valuable support and constructive advice from our Research Managers at OFMDFM, Michael Thompson and Janis Scallon. We are also appreciative of the contribution of members of the project steering group who have provided us with really helpful advice. The steering group comprises: Lorraine Lynas (DARD); Richard Irwin (OFMDFM); Graeme Hutchinson (DETI); Alistair Pyper (DETI); Stephen Macdonald (DETI); Paul Nolan (CRC); Joe Reynolds (OFMDFM); Roy McGivern (DSD); Sharon Polson (Invest NI); Stephen Bloomer (NICVA); Dave Rogers (OFMDFM); Kathleen Healy (Community Foundation for Northern Ireland); Jennifer Hawthorne (NIHE); Fiona McCausland (DETI); and Lucy Marten (OFMDFM). We would like to thank our colleagues, Sarah Ward, Jess Bamonte and Emma Smith for their help in putting together this report and Martina McKnight and John Bronte for undertaking interviewing in Short Strand and Lower Castlereagh. Finally, we are particularly indebted to the team's expert advisor - Joe Frey from NIHE - who has provided us with invaluable advice and been so generous with his time. Any inaccuracies or omissions that remain in the report are, of course, solely our own responsibility.

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# Key learning

The key learning to emerge from the study, which was concerned with exploring economic hardship, individual resilience and the role of social economy organisations in four neighbourhoods in Northern Ireland, three of which are disadvantaged, is:

## **Many residents are struggling to 'get-by'**

The research found measuring 'getting-by' and economic hardship to be highly problematic. Notwithstanding this, one of its key findings is that many residents found it very difficult to make ends meet. They routinely ran out of money and fell behind on bills. And to 'get-by', many had to 'go without' and make sacrifices - they had to: skip meals; buy less nutritional, cheaper foods; not spend money on (so-called) 'luxuries', such as biscuits, cakes, dining out, and holidays; and use their home's heating sparingly.

## **Resilience is a flawed construct**

In recent times the concept of resilience has become increasingly popular with both policy makers and academics. The research found it to be an unhelpful and flawed construct. This is because resilience:

- over-states the extent to which living in economic hardship is a positive experience. Counter to the views of early academics writing in the field, the experience of residents 'getting-by' in challenging circumstances in our case study neighbourhoods was a largely negative one, with there being little evidence of positive connotations associated with it, specifically 'bouncing back' or 'flourishing'.
- is difficult to define and almost impossible to measure.
- neglects structure (i.e. the factors constraining people's lives) and suggests that residents living in disadvantaged neighbourhoods have more ability to shape their lives (agency) than they actually have.

## **The importance of social economy organisations in helping low income households 'get-by'**

Social economy organisations played an important role in helping low income households to 'get-by' in our case study neighbourhoods. They did so in a range of ways, including providing key services and activities at (usually) no cost; providing advice and support on a range of issues; and promoting well-being. However, their capacity to do so in the future may be undermined by three factors:

- funding cuts to the social economy sector in Northern Ireland
- growing demand for their services as the impact of public expenditure funding is felt by households across Northern Ireland
- a reduction in volunteering hours by local residents in disadvantaged neighbourhoods.

## **The social economy in disadvantaged neighbourhoods has been well resourced and remained stable for a long period but this is likely to change over the next few years**

Much of the social economy in Northern Ireland is dependent on public sector funding, but this is likely to decline over the next few years, affecting many organisations' ability to maintain the same level of provision. These organisations recognise the need to become more self-sufficient, but have not developed the capabilities or capacity necessary to do so. At the same time, the wider impact of welfare reform may affect people's ability to 'get-by' at an individual level, creating more demand for social economy services.

## **The social economy makes a small but significant contribution to the wider economy at a neighbourhood level**

Across our case study areas social economy organisations contributed more than £3 million per year and this figure increased over the course of the study, but the large majority of this income was concentrated in the East Belfast case study. The economic contribution of volunteers was greater, amounting to more than £10 million per year across the case study neighbourhoods.

## **Overall, the potential for the social economy to contribute to the economic rebalancing of disadvantaged neighbourhoods, either in the form of organisational activity, or volunteering by residents, is limited**

Although reductions in public sector funding could present an opportunity for social economy organisations to adopt new ways of working and become more independent, in the short-term at least, a shift to entrepreneurial social enterprise approaches to income generation is not a sustainable option for many organisations, who lack the capacity or capabilities necessary to enact such a change. Meanwhile, levels of volunteering in these areas have not changed; meaning volunteers replacing paid staff within these organisations is unlikely to occur on a major scale.

## **Policy makers should consider how best to devise strategies for the social economy that reflect its diversity at an area level**

The social economies in our case study neighbourhoods are diverse. They perform very different roles and functions in large urban centres than in rural communities. As such, approaches to supporting the local social economy that work in East Belfast are unlikely to be as effective in Sion Mills. Therefore, policies to support the development of social economy activity need to be receptive to area level differences, and understand that a 'one size fits all' approach is unlikely to be very effective.

## **Policy makers need to understand that transforming ways of working within the social economy will take time**

The social economies in our case study neighbourhoods have developed over a long period of time and have their roots in social, cultural and structural factors. As a result, it is unrealistic to expect new ways of working such as social enterprise to be developed quickly, as it will take time to develop the necessary skills, capabilities and capacities to effect the change that is necessary. During the next few years social economy organisations in every neighbourhood will need considerable practical support to build the capacity, capabilities and competencies necessary to become more self-sufficient and sustainable.

# Context

## 1.1. Introduction

After the financial crash of 2008 and with the arrival in power of a Coalition Government committed to balancing the books, 'austerity' and public sector spending cuts were the dominant discourses in debates about public policy at the beginning of the 2010s. And across the United Kingdom, there was concern about how disadvantaged neighbourhoods and their residents would cope (or not) in the 'new world' of austerity, economic stagnation, declining public sector spending at the neighbourhood level, reducing monies for neighbourhood renewal, reduced funding for the voluntary and community sector (VCS), and welfare reform.

Nowhere was this the case more than in Northern Ireland, where its greater reliance on the public sector made it even more exposed to these changes. This was why in the summer of 2011 the study team, which comprised Sheffield Hallam University, Queen's University Belfast and the University of Sheffield, submitted a research proposal to the Office of the First Minister and Deputy First Minister under its *Equality and Social Need Research Programme* to explore these issues in the context of Northern Ireland. The proposal and study were concerned with two issues in particular:

- First, how would 'austerity' impact on the lives of residents in disadvantaged neighbourhoods in Northern Ireland? Would they still be able to 'get-by' or not? Were there any factors that would help them to do so?
- Second, at a time when attention was focused on the impact of any decline in public sector spend in disadvantaged neighbourhoods on their economies, whether through welfare reform or a decline in funding to the VCS, would their social economies contribute to any rebalancing of local economies?

**This short report, which was written in June 2015, is concerned with highlighting the key findings to emerge from the study as a whole in relation to both issues. As such, it draws on material presented in the study's five other written outputs, which are highlighted in section 1.3.**

The study employed a case study approach. It had four case study areas, two of which, because they are interface areas, comprise two distinct neighbourhoods. Three of the case studies may be defined (using deprivation indices) as being 'disadvantaged'.<sup>1</sup>

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<sup>1</sup> See:

<http://www.ninis2.nisra.gov.uk/public/InteractiveMapTheme.aspx?themeNumber=137&themeName=Deprivation>



- Inner East Belfast, which comprises Short Strand and Lower Castlereagh
- Waterside in Derry/Londonderry, which comprises Top-of-the-Hill (which is also known as Gobnascale) and Irish Street; and
- Sion Mills, a village located close to Strabane.

The fourth case study neighbourhood - Erinvale, in the south-west of the Greater Belfast conurbation - is not disadvantaged and was chosen to act as a 'better-off' comparator to the disadvantaged neighbourhoods.

## 1.2. Research methods

The research, which commenced in early 2012 and concluded in early 2015, comprised a number of elements including:

- **In-depth interviews with representatives from organisations with a stake in the subject area of the study.** These were conducted at the beginning of the study with 26 interviews being carried out. Interviews were conducted with representatives of the following organisations: government departments; VCS representative organisations; social enterprises; and churches. The purpose of the interviews was to: set the research in context; identify key methodological issues; and identify criteria for the selection of the case study neighbourhoods.
- **Two household surveys**, one of which was conducted at the beginning of the study (the Wave 1 or 'baseline' survey) and one near its end (Wave 2 survey). Both surveys were conducted by the Belfast-based market research company, Perceptive Insight. The Wave 1 survey was conducted between December 2012 and March 2013. In all, 939 interviews were conducted. The Wave 2 survey took place between October 2014 and January 2015. In all, 931 interviews were conducted. 511 of these interviews were undertaken with respondents who were interviewed as part of the Wave 1 survey. Members of this group comprise the longitudinal cohort.
- **In-depth interviews with representatives from key local social economy organisations** in each of the case study neighbourhoods. As interviews took place in every year of the study, the research team was able to track their experiences over the course of the project. In all, nearly 50 local stakeholder interviews were undertaken.
- **A postal questionnaire survey of social economy organisations** in the case study neighbourhoods, which was conducted towards the end of study. The survey sought to profile and measure the activities of social economy organisations. Although the number of responses was relatively small - we received 19 completed questionnaires - because of our close links with local social economy organisations, the main ones in each case study neighbourhood were represented within this sample.
- **Longitudinal residents' panels**, initially comprising 20 residents in the disadvantaged areas and 15 in the comparator, ran for the duration of the study. The study team followed their lives over the course of the study. They did so in a number of ways including: conducting in-depth interviews with them at three points (2013, 2014 and early 2015); and, conducting photographic (photo novella) and solicited resident diary keeping exercises with them on two occasions.

### 1.3. Scope and structure of the report

The report synthesises the key findings from all of the study's five written outputs:

- A report highlighting the key findings to emerge from the Wave 1 survey of residents, which was written in 2013 (Hickman *et al.*, 2013). The report can be downloaded at: <http://www.ofmdfmi.gov.uk/recession-resilience-rebalancing-social-economies-ni-neighbourhoods-2.pdf>
- A report which explores how residents were coping financially at the beginning of the study, and the extent to which they were 'getting-by', which was written at the end of 2013 (Hickman *et al.*, 2014a). The report can be downloaded at: <http://www.ofmdfmi.gov.uk/getting-by-coping-and-resilience-initial-findings-january-2014.pdf>
- A report which profiles and explores the VCSs of the two areas that were identified in the Wave 1 household survey as having the highest levels of volunteering amongst our case study areas: Short Strand and Sion Mills (Hickman *et al.*, 2014b). The report draws on data garnered from the Wave 1 household survey and in-depth interviews undertaken with residents and representatives of social economy organisations. The report, which was written in the autumn of 2014, can be downloaded at: <http://www.ofmdfmi.gov.uk/understanding-higher-levels-of-volunteering-short-strand-and-sion-mills.pdf>
- A final report into the extent to which the (social) economies of our case study neighbourhoods have rebalanced and the role of social economy organisations within them (Dayson *et al.*, 2015). The report draws on data collected from all phases of the research, including that generated by the two household surveys and the survey of social economy organisations. The report, which has been published alongside this report, can be downloaded at: <http://www.ofmdfmi.gov.uk/index/equality-and-strategy/equalityresearch/research-publications/esn-pubs/equality-publications-2015.htm>
- A final report which examines how residents have fared financially over the course of the study and the extent to which they have been able to 'get-by' (or not) (Hickman *et al.*, 2015). In doing so, the report pays particular attention to a concept that has become increasingly popular in both the policy and academic communities: resilience. While the report draws on a range of data, it pays particular attention to data generated by the longitudinal resident panel and the two household surveys, with attention focusing on exploring the experiences of members of the longitudinal cohort. The report, which has been published alongside this report, can be downloaded at: <http://www.ofmdfmi.gov.uk/index/equality-and-strategy/equalityresearch/research-publications/esn-pubs/equality-publications-2015.htm>

In addition, a technical report which presents data generated from the Wave 2 survey of residents has also been published. This can be downloaded at: <http://www.ofmdfmi.gov.uk/index/equality-and-strategy/equalityresearch/research-publications/esn-pubs/equality-publications-2015.htm>

This report is divided into four parts, including this one. The second section highlights the key findings to emerge from the study in relation to 'getting-by' and resilience. In doing so, it synthesises the findings of the two reports produced by the study team on the subject. Section three highlights the study's key findings in relation to the social economies of the case study neighbourhoods, in doing so exploring volunteering patterns and the future prospects of social economy organisations

within them. It does so principally with reference to the final report on the subject (Dayson *et al.*, 2015) but also draws on findings from the thematic report on volunteering in Short Strand and Sion Mills (Hickman *et al.*, 2014b). The final section highlights the key learning to emerge from the study as a whole for policy makers and practitioners.

## Key findings: 'getting-by' and resilience

### 2.1. The extent to which households are 'getting-by'

Quantitative and qualitative data collected by the study team revealed that many residents in the case study neighbourhoods were struggling to 'get-by'. Survey data revealed that 14 per cent of longitudinal respondents in the disadvantaged neighbourhoods reported that they were finding it difficult to 'get-by' financially at the time of the Wave 2 survey: four per cent reported that they were managing very poorly; 10 per cent fairly poorly. This figure is lower than one might have expected when the following are considered:

- nearly half of longitudinal respondents reported that their income was less than £200 per week
- more than a fifth of longitudinal respondents reported that they were behind with at least one bill
- 37 per cent reported that they routinely run out of money
- 44 per cent were in receipt of an out of work or severe disability benefit.

In-depth interviews with panel members revealed that many were experiencing severe financial hardship and were clearly not 'getting-by' even though they reported that they were. These residents 'went without' and made 'sacrifices' to (reportedly) 'get-by'. They went without: 'luxury' food items, such as biscuits and cakes, other 'luxuries', such as dining out, day trips and holidays, and heating for their home.

There appear to be a number of reasons why fewer respondents than expected reported that they struggled to 'get-by':

- 'Getting-by' is a subjective concept, with interpretations of what it constitutes varying by household, with it meaning 'different things to different people'.
- The small number of respondents reporting that they were not 'getting-by' may be a reflection of low expectations.
- There was a sense when interviewing some panel members who had endured financial hardship over a long period of time that they had adapted to, and accepted, their situation.
- There was a sense that residents tried not to dwell on their situation, instead focusing on more important aspects of life which distracted them from their financial situation.

*"We have no luxuries, [the] furniture's all second hand, everything's handed down. We haven't bought anything new for this house in years. It would be nice to have a nice new suite but things like that you just make do with cos that's all you have...When we're in Asda to get groceries you'd love to go and buy yourself something... So is that 'getting-by' or not? I don't know." (Sharon, 35-44, unemployed, Sion Mills, second interview)*

*"It ['getting-by'] is to keep your head above water and keep going. Trying to make do with what you've got and not look for anything more than what you have." (Tony, 45-64, long-term illness, Top-of-the-Hill, third interview)*

*"[You] Just get used to it [financial hardship]. I tend to now just take every day as it comes and some days are better than others...So I just take every day as it comes and just get on with it." (Zara, 35-44, long-term illness, Lower Castlereagh, second interview)*

The proportion of longitudinal respondents reporting that were struggling to 'get-by' financially fell over the course of the study by three percentage points. Most respondents reported that they were 'getting-by' in both waves of the survey.

Only a relatively small proportion - a little over a third (37 per cent) - of longitudinal respondents in the disadvantaged neighbourhoods reported they had savings in the Wave 2 survey. This may be an issue in the future as most residents lack a financial 'buffer' to insulate themselves from financial shocks. For those residents who were able to save, credit unions were their preferred saving vehicle.

## 2.2. Understanding 'getting-by'

Logistic modelling analysis revealed that a bundle of factors was statistically associated with the 'getting-by' variable for the two waves of the survey. Noteworthy findings include:

- Certain population groups found it more difficult to 'get-by' than others. Specifically, younger people and people who were out of work/in receipt of disability benefits were more likely to find it difficult to make ends meet.
- A number of variables relating to place were related to 'getting-by'. These included: neighbourhood; trust in one's neighbours; and local people pulling together.
- Not unexpectedly, a reduction in income was an important driver of people's ability to 'get-by'.
- External support provided to low income households (i.e. 'unpaid'<sup>2</sup> help not provided by another member of the household), was found to be statistically associated with their ability to 'get-by'. Much of this support was provided by local social economy organisations.

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<sup>2</sup> It is important to be clear, here, about what is understood by 'unpaid help'. In the context of the research, it is understood to mean support that the beneficiary does not directly pay for. However, it is important to remember that this help may sometimes be paid for indirectly in the sense that is provided by a paid employee of a publicly funded social economy organisation.

Many residents were extremely able and skilful money managers, successfully employing a range of strategies to 'get-by', which are highlighted in Figure 2.1.

**Figure 2.1: Strategies for 'getting-by'**



### 2.3. Exploring resilience

In recent times the concept of resilience has been increasingly used by academics researching poverty and how people on low incomes cope and 'get-by' in the face of adversity (Harrison, 2013). The construct was employed to facilitate the exploration of the experiences of those resident panel members struggling to 'get-by'.

Attention focused on four issues which are contested in the literature on resilience:

- the extent to which resilience is a positive phenomenon, and linked to this
- the extent to which households experiencing financial hardship over time have any 'agency' i.e. the ability to influence and shape their own lives
- whether resilience is an innate attribute or a process, and something that can be passed on and/or learnt
- whether it is finite or not.

Academics have disagreed about the extent to which resilience is a positive phenomenon and three understandings have emerged. Some argue that it is about 'bouncing back' in response to a stressor; some that it is more about 'flourishing' and thriving in the context of adversity, (Burchardt and Huerta, 2009; Magis, 2010); while

others have argued that it is merely about 'surviving' and not 'being overcome' (Batty and Cole, 2010; Athwal *et al.*, 2011). Our research found that the last interpretation applied to residents in our case study areas - there appeared to be no positive connotations associated with their experience of 'getting-by' and they were merely 'keeping their heads above water'.

*"I get fed up and I feel as though I'm always tense. I can't relax. My sleep pattern is horrendous. I don't really sleep, cos your mind kicks in. You're thinking what if this happens and what if that happens. So you're tossing and turning. Most nights I probably wouldn't go to bed until 1am and then I'm back up again at 6. So [I get] about five hours [sleep] a night."* (Tony, 45-64, long-term illness, Top-of-the-Hill, third interview)

One of the reasons why narratives of 'bouncing back' or 'flourishing' have not been evident in our data is because most residents were not subject to one large stressor, such as redundancy, but instead were subject to multiple stressors over a sustained (and often, on-going) period of time. Thus, for most residents in our neighbourhoods, the episodic, shock paradigm of resilience does not have traction.

We found little evidence of resident panel members exerting agency, and a reoccurring theme to emerge from interviews with panel members was that they 'got-by' not because they made positive choices but because they had no choice.

*"It [resilience] just means to me that you have no other choice, that you would have to 'get-by' regardless.....I don't see it [resilience] as being a positive."* (Vicki, 30-34, full-time education, Top-of-the-Hill, third interview)

*"I'm not too sure you get used to it [financial hardship]. Nobody wants to get used to it. You don't have a choice. You have to live like it. It's as simple as that."* (Tony, 45-64, long term illness, Top-of-the-Hill, second interview)

The question of whether the ability to 'get-by' - or resilience - was an attribute that a subject either had or not, or the process by which subjects responded to a stressor was posed to members of the resident panel. Their interpretation was that resilience was very much an attribute, a characteristic which allowed some people (like themselves) to 'get-by'. A reoccurring narrative in interviews with panel members was that this attribute was a legacy of upbringing, in particular, the guidance they had received from their parents.

*"My mummy said: 'just pick yourself up off the floor and get on with it, cos nobody else is going to do it for you'. That was an attitude we were brought up with. We were all the same."* (Amanda, 65+, retired, Lower Castlereagh, second interview)

It is not possible to establish over the course of a study of this relatively short length whether resilience is finite or not. However, we found evidence to suggest that the capacity of some residents to 'get-by' appeared to be exhausted.

*"I'm resilient to an extent, to my own limitations and I think I'm getting to the very end of my own limitations...Yeah, I don't know how much more I can last and even that's worrying me as well too, cos it's like a deck of cards: if you took one away the whole lot's going to fall and what happens when it all falls? Probably what I'm doing now, just surviving...It can't go on indefinitely. But when it's going to come to an end I honestly don't know..."* (Tony, 45-64, long-term illness, Top-of-the-Hill, third interview)



## Key findings: social economy and volunteering

### 3.1. Defining and conceptualising the social economy

The second strand of the study focused on the **social economy**. Drawing on the work of Murtagh *et al.* (2014), this was defined by the study team in broad terms as the **full range of non-profit organisations and activities within civil society**, covering: informal self-help and mutual aid; philanthropy and fundraising; formal and informal volunteering; the ‘traditional’ grant aided voluntary and community sector; faith-based community activity; and publicly and commercially funded social enterprise.

This definition is in contrast to some narrower definitions of the social economy, particularly those used in policy discourses, which focus on market-facing social enterprise activity. However, the study team felt that a broader understanding of the social economy resonated more closely with our findings ‘on the ground’ in disadvantaged neighbourhoods, and enabled us to develop a more holistic understanding of the economic contribution and prospects of the social economy in these areas. This definition also enabled the study to adopt an analytical typology (adapted from Aiken *et al.*, 2011) that framed this strand of the research in an understanding that individuals, informal collective activity and more formal community, voluntary and social enterprise organisations all have a key role within the social economy of a neighbourhood. That is, they fulfil a series of *stewarding*, *community development* or *entrepreneurism* functions (Table 3.1).

**Table 3.1: Roles and functions of the social economy**

<b>Stewarding</b>	Provision of small, often time-limited and very specific interventions, activities or services, delivered by mainly small volunteer-run groups with a low income and no or only small amounts of public sector funding.
<b>Community Development</b>	Provision of local service delivery and engagement with local partnerships, based on a mix of income streams, including longer-term public sector funding to employ paid staff.
<b>Entrepreneurism</b>	Provision of larger social enterprises, based on commercial practices and business models, often with capital-intensive assets. Can also include delivery of outsourced or commissioned public services.

Through this typology the roles and functions of the social economy in a neighbourhood and its relationship with the public and market economies can be understood in the wider context of economic rebalancing.

### 3.2. Key characteristics of the social economies of the case study neighbourhoods

The research mapped the key characteristics of the social economy in each of the case study neighbourhoods. We found that social economy organisations fulfilled a broad range of purposes and served a wide range of population groups:

- The most commonly-cited **main purpose** of social economy organisations was 'community development', but a range of other activities were also identified, the most frequent being: 'education/training'; 'cultural'; 'advice/advocacy/information'; 'youth work/development'; and 'health/care.'
- The most commonly-cited **population groups** supported by these organisations were: 'people on low incomes'; 'children 5-13'; 'elderly people'; and 'young people'.

Despite these commonalities, the research found some significant differences in the architecture of the social economy at a neighbourhood level. Specifically, the social economy in our case study neighbourhoods differs in the following ways:

- The **size and maturity of the VCS**: for example, while Short Strand and Sion Mills have relatively a well-developed, long-standing and comprehensive group of VCS organisations, in Irish Street and, in particular, the better-off comparator, Erinvale, there are fewer organisations and they tend to be less well-developed.
- The **types of organisations that comprise the VCS**: for example, in the rural case study, Sion Mills, the organisations were relatively small and volunteer-led, were 'below the radar', and did not employ paid workers. By contrast, in Irish Street, Short Strand and Top-of-the-Hill, VCS activities were very much driven by paid workers employed by formally constituted, larger organisations.

When the research evidence is situated in the context of the social economy typology discussed in the previous section some clear differences are evident at a neighbourhood level. While most of the activities in Irish Street, Top-of-the-Hill, Short Strand and Lower Castlereagh could be characterised as *community development*, most in Sion Mills fell under the umbrella of *stewarding*. By contrast, *entrepreneurship* activities were very limited across the case study areas although discrete examples were found in Sion Mills and Lower Castlereagh.

### 3.3. The nature and form of volunteering in the case study neighbourhoods

The research also explored the scale of the social economy from an individual and household perspective through people's involvement in formal and informal volunteering. Overall, we found some significant variations in the pattern and nature of volunteering within the case study neighbourhoods. For example:

- Overall levels of **volunteering**, both formal and informal, varied considerably: it was highest in Sion Mills and Short Strand, and lowest in Top-of-the-Hill.
- There were some marked differences in the balance between **formal and informal volunteering** at a neighbourhood level. In Sion Mills and Erinvale, more people volunteered formally than informally while in Top-of-the-Hill and Lower Castlereagh the opposite was the case. In Short Strand and Irish Street the rates were broadly similar.

In terms of the types of groups and organisations people volunteered for, child-related activities ('youth/children's activities' and 'children's education/schools') were

most common followed by 'sports/exercise', 'local community or neighbourhood groups' and 'hobbies/recreation/arts/social clubs'. However, the prevalence of these organisations varied by area. For example, while sport-related volunteering was common in Short Strand, in Irish Street it was not. Similarly, while child-related volunteering was common in East Belfast (Short Strand and Lower Castlereagh) it was less so in Derry/Londonderry (Top-of-the-Hill and Irish Street).

In terms of the types of help people provided, the most common activity was 'raising or handling money/taking part in sponsored events', followed by 'organising or helping to run an activity or event', 'leading the group/member of a committee', and 'visiting people'. Again, the types of activities reported varied by area. For example, 'raising or handling money' was common in Short Strand but not in Top-of-the-Hill while in Sion Mills far more people reported that they had been involved in running an event than elsewhere.

Additional focused research and analysis was undertaken in two case study neighbourhoods - Sion Mills and Short Strand - to understand the neighbourhood level factors associated with higher levels of volunteering. A number of inter-related and inter-connected factors were identified:

- the characteristics of its residents, for example:
  - age: people aged 16-29 were most likely to volunteer with people over the age of 60 being considerably less likely to do so
  - formal qualifications: people with formal qualifications were more likely to volunteer than those without
  - socio-economic-grouping (SEG): people from the 'higher' ABC1 SEG were more likely to volunteer formally than those from the 'lower' C2DE group
  - households with dependent children: people from households with dependent children (including single parents) were found to be more likely to volunteer formally than those without children
  - health: people in good health were more likely to volunteer informally than those whose health was poor
- high levels of **children centred volunteering** appear to be associated with higher overall levels of formal volunteering
- having a **relatively stable community** with a comparatively high proportion of long term residents is a feature of higher volunteering neighbourhoods
- high levels of **community spirit and cohesion** contribute to higher levels of volunteering but it is important to recognise the reciprocal nature of the relationship: volunteering is likely to result in greater community spirit as well
- a local **volunteering tradition and culture** which is passed on from generation to generation and 'learnt' by younger generations seems to exist in areas of high volunteering
- **geographic factors**, such as size of area (small) and isolation (physical and cultural) can contribute to higher volunteering rates
- plentiful **opportunities to volunteer** and the **quality of local community spaces** are also vital enabling factor in areas where volunteering is high.

### 3.4. The economic contribution of the social economy in the case study neighbourhoods

The research used evidence gathered about social economy organisations and individual patterns of volunteering to consider the economic contribution of the social economy in the case study neighbourhoods. Overall this showed that:

- **Social economy organisations** contributed more than £3 million per year to the economies of the disadvantaged case study neighbourhoods through various sources of income and funding, and this increased by 35 per cent over the course of the study, from £3.4 million in 2011/12 to £4.6 million in 2013/14. This income was used to employ local people, purchase items from local businesses and maintain key neighbourhood assets used by local people.
- The majority of this income was concentrated in a few very large organisations in East Belfast, suggesting that whilst social economy organisations can make a significant economic contribution in central urban city locations where large organisations can be sustained and flourish, in smaller urban areas like Derry/Londonderry and rural places like Sion Mills where organisations tend to be much smaller, the potential economic contribution is far less.
- Very few social economy organisations were able to generate financial surpluses for reinvestment in local activities and services, and those that did generate surpluses only recorded very small amounts. This suggests that the extent to which social economy organisations in disadvantaged areas are able to reinvest money at a neighbourhood level for the benefit of local people is fairly limited.
- Social economy organisations in the disadvantaged neighbourhoods received funds from a diverse range of statutory and non-statutory sources but a significant proportion relied heavily on public sector income to sustain their activities, and social enterprise type trading currently plays only a limited role for most organisations. Given the planned reduction in statutory funding for social economy organisations over the next few years, this finding raises concerns about the ability of these organisations to maintain their existing economic contribution without a fundamental change in their business models.
- The estimated contribution of **resident volunteers** to the economies of our disadvantaged case study neighbourhoods was more than double that of social economy organisations, but declined over the course of the study, from £15 million in 2012/13 to £10 million in 2014/15.
- A majority of residents' voluntary activity was undertaken within the neighbourhoods in which they lived, something which was more commonplace in the disadvantaged neighbourhoods. In addition, a majority of formal volunteering was undertaken within social economy organisations operating in the neighbourhood, rather than in the public or private sectors.
- At a neighbourhood level the data revealed significant variations in the economic contribution of volunteers and there were also some significant fluctuations between Wave 1 and Wave 2. This highlights the potential volatility of participation at an individual level, which might limit the extent to which it can be considered a 'reliable' form of economic output.
- Despite these variations and fluctuations, one neighbourhood, Sion Mills, stands out as having a consistently high level of economic contribution by formal and informal volunteers, something which is supported by the qualitative case study findings discussed earlier in this report.

### 3.5. Future prospects for the social economies of the case study neighbourhoods

Social economy organisations in our case studies identified a number of challenges they are likely to face in the future. These can be categorised into two groups, funding and delivery:

#### *Funding*

- **Declining funding.** There was a consensus that the financial environment for social economy organisations would become more challenging in the future: approximately half of organisations felt that their income would fall in the next three years.
- **The pressure to become more 'self-sufficient' and 'sustainable.'** As a result of the financial pressures facing social economy organisations some were rethinking their funding and exploring the possibility of generating more of their own income to become more 'sustainable'.
- **Partnership working.** Social economy organisations felt that they would increasingly be required to work in partnership, a development many were not happy with.
- **Change in the approach to the administration of Neighbourhood Renewal funding.** There was a concern that the independence and identity of social economy organisations could be threatened by the change in how Neighbourhood Renewal funding is administered, with its administration shifting from the Department of Social Development to the new super-councils.

#### *Delivery*

- **Increasing demand for the services provided by social economy organisations.** There was a consensus that the demand for the services of social economy organisations had increased in recent years. This trend was likely to continue in the future because of cuts to public services and welfare reform, which it was feared would 'push' vulnerable households to the VCS.
- **Community capacity.** Volunteering hours fell over the course of the study. A number of stakeholders felt that this trend was likely to continue in the future as volunteers (understandably) devoted more of their time to their own struggle to 'get-by' financially.

# Key learning for policy makers and practitioners

## 4.1. 'Getting-by' and resilience

### *Measuring the extent to which households are 'getting-by' (or not) is highly problematic*

Measuring how well households are faring financially is a task fraught with difficulties and one should be careful not to overstate the importance of quantitative, self-reported assessments. This is because interpretations of what constitutes 'getting-by' vary by individual. Furthermore, and linked to this, some residents report that they are 'getting-by' when any objective assessment of their situation would conclude that they are not.

### *Many residents are struggling to 'get-by'*

Notwithstanding the difficulty of measuring 'getting-by', one of the key findings of the research is that many residents found it very difficult to make ends meet. They routinely ran out of money and fell behind on bills. And to 'get-by', many had to 'go without' and make sacrifices - they had to skip meals; buy less nutritional, cheaper foods; not spend money on (so-called) 'luxuries', such as biscuits, cakes, dining out, and holidays; and use their home's heating sparingly. Furthermore, living with financial hardship was a negative experience for households with it being a source of stress, anxiety, embarrassment and 'shame', and an experience that was draining and tiring and had a detrimental impact on children.

### *Some residents appear to be struggling more than others*

As noted earlier, logistic modelling revealed that residents in receipt of a means tested benefit; those who were disabled or had a long-term illness; and younger residents found it more difficult to 'get-by'. These groups will therefore be more susceptible to any future financial stressors.

### *Many residents are 'close to the edge' in terms of their ability to 'get-by'*

Many of those residents who reported that they were struggling to 'get-by' also reported that they could not trim their budgets further, with no scope for further 'sacrifices' to be made. For these residents, there was very much a sense that they were standing at the edge of a (financial) precipice, with any more financial stressors like to result in them 'falling' over it.

"Yeah, my income's static. In real terms it's gone down...What are you going to do? Stop eating? When you've cut back as much as you can, something has to go."  
(Coleman, 45-64, long-term illness, Erinvale, second interview)

### ***Money management and financial support and advice is not a panacea to economic hardship***

As welfare reforms have bitten in England, Scotland and Wales, and with the continued roll out of the Government's flagship welfare reform, Universal Credit, attention has focused on the role of financial support and advice in helping benefit recipients 'get-by'. However, while this type of support can help households manage their budgets more effectively, one of the key findings of this research is that it is their financial circumstances which is the key driver of their ability to 'get-by'. This finding is consistent with those of a recent study undertaken for the Department for Work and Pensions (Hickman *et al.*, 2014c), which found that it was the financial circumstances of social housing tenants in receipt of direct housing benefit payments that was the prime determinant of whether they managed (or not) on direct payment, with support being of relatively little importance.

### ***'Place' impacts on the ability of residents to 'get-by'***

This was a clear finding of both quantitative and qualitative research undertaken by the study team. While there are many ways in which place impacts on households' ability to 'get-by', two such ways appear to be the support provided by friends and family living locally and the local VCS, as will be highlighted in the next two sections.

### ***Importance of friends and family in relation to helping people to 'get-by'***

For many residents, it was the support provided by friends and family that allowed them to 'get-by', who more often than not, lived locally. Support came in many forms, including emotional, practical (such as childcare), and financial. Initiatives which disconnect low income households from this support by encouraging residential mobility, such as the Removal of the Spare Room Subsidy, may therefore have a detrimental impact on these households; it appears that many of our panel members would not cope, financially, if they were 'forced' to live elsewhere.

### ***The importance of social economy organisations in helping low income households 'get-by'***

Both qualitative and quantitative research activities undertaken by the study team revealed that social economy organisations played an important role in helping low income households to 'get-by'. They did so in a range of ways, including providing key services and activities at (usually) no cost; providing advice and support on a range of issues; and promoting well-being. However, their capacity to do so in the future may be undermined by three factors, all of which are revisited in section 4.2:

- funding cuts to the social economy sector in Northern Ireland
- growing demand for their services as the impact of public expenditure funding is felt by households across Northern Ireland
- a reduction in volunteering hours by local residents in disadvantaged neighbourhoods.

### ***Resilience is a flawed construct***

The research has highlighted a number of theoretical problems with the construct of resilience, a concept that has become increasingly popular with both policy makers and academics in recent years. It has found that, counter to the views of early writers in the field, the experience of residents getting-by in challenging circumstances in our case study neighbourhoods was a largely negative one, with there being little evidence of positive connotations associated with it, specifically 'bouncing back' or 'flourishing'.

Some authors have argued that the 'problem' with resilience is related to language, and have offered alternative descriptors such as 'resourcefulness' (MacKinnon and Derrickson, 2013). However, we feel that the 'problem' is conceptual and there are inherent flaws with the construct that no changes in the discourse associated with it can mask. Resilience is difficult to define and almost impossible to measure adequately. It neglects structure and suggests that residents living in disadvantaged neighbourhoods have more agency than they actually have. And the suggestion that resilience is in any way a positive phenomenon presents an unrealistic picture of the lives of low income households struggling with the day-to-day grind of simply 'getting-by' - there was no evidence of residents in our case study neighbourhoods deriving any satisfaction from somehow 'getting-by' in very difficult financial circumstances.

However, that is not to say that they did not exhibit a bundle of positive characteristics that helped them to 'get-by'. These included: adaptability; ingenuity (many residents are highly creative, ingenious and effective money managers); stoicism; resourcefulness; selflessness; and high levels of endurance.

### ***The importance of researching the experiences of vulnerable households***

Given the fundamental problems with the construct of resilience, and its misuse by some policy makers who have been attracted to it because it is consistent with political discourses which emphasise self-help, it may be helpful not to use the term. But while the term may be flawed, it is imperative (in a context of public sector cuts and continuing welfare reform) that research continues into the lived experiences of low income households in disadvantaged neighbourhoods in Northern Ireland (and further afield), whether this research is badged as resilience research or not. And the those support structures that allow residents to 'get-by' should also be researched and understood. Particular attention should focus on two whose potency may be undermined in the future:

- the support provided by local social economy organisations (as noted earlier, their capacity to deliver effective services may be affected by declining state funding of the VCS in Northern Ireland); and,
- support provided by friends and family (as will be explored in more depth in section 4.2, low income households may become more inward looking in response to any reduction in their incomes).

## **4.2. Social economy and volunteering**

### ***The social economy fulfils a variety of important roles and functions in disadvantaged neighbourhoods***

The research has highlighted the diverse size, scope, form and function of social economy organisations in the case study neighbourhoods. For the most part, these organisations are small 'traditional' voluntary, community and faith-based groups whose main role and purpose relates to *stewarding* and *community development*.



There appear to be very few organisations providing an *entrepreneurship* function, particularly beyond East Belfast. In most areas, the social economy functions through a combination of paid staff and volunteers, with volunteers more prominent in neighbourhoods where organisations have few or no members of paid staff. Where organisations do employ paid staff these are typically funded through public and charitable grants, with fewer staff employed to deliver commissioned services or in market facing roles.

It is clear from all of our case study neighbourhoods that the social economy, through local voluntary, community and faith-based activity, and formal and informal volunteering, plays a vital role in disadvantaged areas, with more than nine out of 10 people valuing its role<sup>3</sup>. Organisations and groups provide important services and support a range of community activity that is highly valued by local people. In addition, high levels of volunteering are strongly associated with community spirit and social capital, both key ingredients of a 'strong community'.

***The social economy in disadvantaged neighbourhoods has been well resourced and remained stable for a long period but this is likely to change over the next few years***

In our case study neighbourhoods voluntary, community and faith organisations have fared relatively well over the course of the study, reporting a small increase in income in each area; but overall volunteering levels have remained static at best, and declined in some areas.

Despite its importance and relative stability over the course of the study the social economy is entering a period of unprecedented uncertainty and is likely to be transformed and look very different in 3-5 years' time. Large parts of the sector are heavily reliant on public sector funding, but this seems certain to decline significantly over the next few years, affecting many organisations' ability to continue delivering the same level and type of services. These organisations recognise the need to become more self-sufficient or sustainable, but there is little evidence that they have the capability or capacity to meet this challenge in the immediate future. At the same time, the wider impact of welfare reform may affect people's ability to 'get-by' at an individual level, creating more demand for voluntary services and with potentially adverse implications for activities such as formal and informal volunteering.

*"Cos of austerity coming in here we realise there's more people out there that will be dependent on something that they try to do for them." (Social Economy Organisation representative, Sion Mills)*

*"I think the community sector is needed more too, with health services cuts, older people are relying on us more for different types of services and home help and that's all gone." (Social Economy Organisation representative, Irish Street)*

***The differing role and function of the social economy at a neighbourhood level mean that the impact of funding reductions may vary by area***

Some of our case study neighbourhoods are likely to cope better than others. For example, Sion Mills with its strong tradition of volunteer-led organisations and activity may be shielded from the impact of any cuts whilst Irish Street and Top-of-Hill, which

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<sup>3</sup> While the final report on social economy organisations provides an insight into the sector's role, the report on volunteering in Short Strand and Sion Mills is particularly illuminating in this respect (see: <http://www.ofmdfni.gov.uk/understanding-higher-levels-of-volunteering-short-strand-and-sion-mills.pdf>)

rely more on paid workers funded through public sector grants, could see significant scaling back of community activity if funding is reduced. By contrast, East Belfast, with its larger and more sustainably-resourced organisations, may find it easier to develop new enterprising and entrepreneurial approaches to resourcing neighbourhood level activity.

***The social economy makes a small but significant contribution to the wider economy at a neighbourhood level***

Across our case study areas social economy organisations contributed more than £3 million per year and this figure increased over the course of the study, but the large majority of this income was concentrated in East Belfast. The economic contribution of volunteers was greater, amounting to more than £10 million per year across the case study neighbourhoods.

***There are wide disparities in the number of social economy organisations and the level of volunteering when comparing our disadvantaged case study neighbourhoods***

These disparities have implications for the potential of the social economy to play a role in wider economic rebalancing at a neighbourhood level. In areas where volunteering levels are high, and/or in areas where there are a number of locally-responsive and sustainably-funded social economy organisations, there exists the potential for the social economy to be a part of the wider economic rebalancing process. Conversely, in areas with low levels of volunteering and/or where there are fewer, poorly-funded or unsustainable social economy organisations, the economic potential of the social economy is severely limited.

***There is no evidence that volunteering in disadvantaged neighbourhoods is likely to increase***

The expected cuts in public sector funding of the social economy suggest that there will be increased demand for volunteers within social economy organisations to fulfil roles previously filled by paid staff. However, there are no indications from this study that there is potential for volunteering to increase significantly. Across our disadvantaged case study neighbourhoods the proportion of people volunteering and the amount of time spent volunteering decreased between 2012/13 and 2014/15 and fewer than one in five residents volunteered formally in each of these years with even fewer volunteering informally. Indeed, there is an argument to suggest that volunteering hours will fall as residents in disadvantaged neighbourhoods become more inward-looking as they grapple with the challenge of simply 'getting-by' on a day-to-day basis, an argument which has been propounded by the New Economics Foundation (2012) based on a study of English neighbourhoods.

***Overall, the potential for the social economy to contribute to the economic rebalancing of disadvantaged neighbourhoods, either in the form of organisational activity, or volunteering by residents, is limited***

Although social economy organisations appear to have thrived in recent years they are facing the likelihood of major cuts in their public sector funding at a time when competition for non-statutory charitable funding is increasing. Although this presents them with an opportunity for them to adopt new ways of working and become more independent, in the short-term at least, a shift to entrepreneurial social enterprise approaches to income generation is not a sustainable option for most organisations, many of whom lack the capacity or capabilities necessary to enact such a change. Meanwhile, levels of volunteering in these areas are at best static and at worst declining; meaning volunteers stepping in to replace or enhance the previously well-

funded activities of social economy organisations is unlikely to occur on a major scale.

***Policy makers should consider how best to devise strategies for the social economy that reflect its diversity at an area level***

This research has highlighted the diversity of the social economy in our case study neighbourhoods. It performs a very different role and function in large urban centres like East Belfast (and to a lesser extent Waterside) than in rural communities such as Sion Mills. As a result, policies to support the local social economy that work in East Belfast are unlikely to be as effective in Sion Mills. Therefore, policies to support the development of social economy activity need be receptive to these area level differences, and understand that a 'one size fits all' approach is unlikely to be very effective.

***Policy makers need to understand that transforming ways of working within the social economy will take time***

The research findings are clear that the social economies in our case study neighbourhoods have developed over a long period of time and have their roots in social, cultural and structural factors. As a result, it is unrealistic to expect new ways of working such as social enterprise to be developed quickly, as it will take time to develop the necessary skills, capabilities and capacities to effect the change that is necessary. During the next few years social economy organisations of all shapes and sizes in every neighbourhood will need considerable practical support to build the capacity, capabilities and competencies necessary to become more self-sufficient and sustainable.

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# Sheffield Hallam University

## *Summary of key findings*

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