

THE ROLE OF SOCIAL ENTERPRISE IN EUROPEAN LABOUR MARKETS

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The part of the project in which this paper takes place is co-ordinated by Eric BIDET (Centre d'Economie Sociale, University of Liège, Belgium) and Roger SPEAR (Co-ops Research Unit, Open University, Milton Keynes, UK).

The ''ELEXIES'' Project

This project is specifically concerned with the different types of social enterprise for integration, also known as work integration social enterprise (WISE) in 12 EU countries. Its aim is to identify and describe their main characteristics as social enterprises, the type of work integration they provide, their numbers, and how they have developed and are supported. The ultimate goal of the project is to build a database accessible on internet.

The study is conducted using the EMES Network definition of social enterprise as a common reference point and guideline for determining the social enterprises to be included in the study. The EMES definition distinguishes, on the one hand, between criteria that are more economic and, on the other hand, indicators that are predominantly social.¹

Four factors have been applied to corroborate the economic and entrepreneurial nature of the initiatives.

a) A continuous activity producing goods and/or selling services

Social enterprises, unlike the traditional non-profit organisations, are normally not engaged in advisory activities as a major goal or in the redistribution of financial flows (as, for example, grant-giving foundations). Instead they are directly involved in the production of goods and the provision of services to people on a continuous basis. The provision of services represents, therefore, the reason, or one of the main reasons, for the existence of social enterprises.

b) A high degree of autonomy

Social enterprises are voluntarily created by a group of people and are governed by them in the framework of an autonomous project. Although they may depend on public subsidies, public authorities or other organisations (federations, private firms, etc.) do not manage them, directly or indirectly. They also have the right of participation and to terminate the project.

c) A significant level of economic risk

Those who establish a social enterprise assume totally or partly the risk of the initiative. Unlike most public institutions, their financial viability depends on the efforts of their members and workers to secure adequate resources.

d) A minimum amount of paid work

As in the case of most traditional non-profit associations, social enterprises may also combine monetary and non-monetary resources, voluntary and paid workers. However, the activity carried out in social enterprises requires a minimum level of paid workers.

¹ See C. Borzaga & J. Defourny (2001), *The Emergence of Social Enterprise*, London, Routledge, pp.16-18.

To encapsulate the social dimensions of the initiative, five indicators have been selected:

i) An initiative launched by a group of citizens

Social enterprises are the result of collective dynamics involving people belonging to a community or to a group that shares a certain need or aim. They must maintain this dimension in one form or another.

ii) A decision-making power not based on capital ownership

This generally means the principle of "one member, one vote" or at least a voting power not distributed according to capital shares on the governing body which has the ultimate decision-making rights. The owners of the capital are obviously important, but the decision-making rights are shared with the other stakeholders.

iii) A participatory nature, which involves the persons affected by the activity

Representation and participation of customers, stakeholder orientation and a democratic management style are important characteristics of social enterprises. In many cases, one of the aims of social enterprises is to further democracy at local level through economic activity.

iv) Limited profit distribution

Social enterprises not only include organisations that are characterised by a total nondistribution constraint, but also organisations like co-operatives in some countries, which may distribute profits only to a limited extent, thus avoiding a profitmaximising behaviour.

v) An explicit aim to benefit the community

One of the principal aims of social enterprises is to serve the community or a specific group of people. To the same end, a feature of social enterprises is their desire to promote a sense of responsibility at local level.

The database of work integration social enterprise has been produced for each Due to different circumstances in each country (especially legislative country. frameworks) there have been slightly varied approaches to mapping the sector. Researchers have generally made a great effort to ensure that the most interesting and progressive initiatives are represented. There are certain types of social enterprise which have their own legislative framework, and which are exclusively concerned with work integration. The second type, concerns those social enterprise which are exclusively engaged in work integration, but though they are recognisable as a distinctive type, they do not enjoy a complete and specific legal recognition, and thus generally operate under a range of different legal forms also used by organisations out of the field of work integration. Other types of social enterprise do not have their own specific legislation, and only a proportion of that type will be engaged with work integration. Researchers have made particularly strong efforts to ensure that the first two categories are included, but lack of data has meant that some of the latter category may be missing.

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Transversal Report for the Elexies Project supported by the Troika group of Ministries in charge of the social economy (Belgium, France and Sweden).

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Introduction

This report covers the findings of a study of social enterprise providing work integration in 12 European countries. It is specifically concerned with the different types of social enterprise for integration (SEI), also known as work integration social enterprise (WISE). The study has identified and described their main characteristics as social enterprises, the type of work integration they provide, their numbers, and how they have developed and are supported. One outcome of the project is the development of a database on WISE in Europe, accessible on internet.

Throughout the industrialised world we are seeing the remarkable development of social enterprises. These socio-economic initiatives are part of the third sector, operating between the profit oriented private sector, and the public sector. Numerous studies have shown that we are in the process of replacing the traditional welfare state with a mixed economy of private, public and third sector providers. Within this changing context we are seeing the emergence from the social economy of a new form of enterprise with social purposes: the social enterprise.

These social enterprise operate in a range of fields including work integration, where they combine training and the development of skills of marginalised people within an enterprise with social dimensions that trades in the market. Such active labour market policies have become particularly important for assisting a wide range of marginalised people (unemployed and disabled) who are at risk from permanent exclusion from the labour market and social exclusion from civil society.

These initiatives can be seen in many countries where they are well known as effective instruments of social and economic policy. For example different forms of "enterprise d'insertion" may be seen in France, Belgium, and Portugal, social cooperatives exist in different forms in Italy, Sweden, and the UK, and so on. Generally a wide variety of organisations dealing with the integration of the disadvantaged and disabled people can be found in most countries. The aims of the project were to:

- determine different types of social enterprise operating in the field of work integration in each country; and specify their numbers and characteristics: legal structures, support structures, links with policy measures; this constitutes a European database that will be accessible on the internet to inform policy and practice.
- develop criteria of innovation as a basis for assessing best practices; this covers legislative means, the mix of resources (public, market, social capital), access to markets (public/private), competition issues and social clauses, support structures, target groups and the role of public authorities;
- based on these innovation criteria and other factors, select some cases for research and for each country write up case studies of best practices which will also be published on the internet;
- through a series of seminars in 2003 (France, Belgium and Sweden), bring together the various stakeholders and stimulate discussion about best practices and related development issues;
- ensure that the case studies and the database of types of WISE/SEI are readily accessible via the web and publications.

The project covered 12 European countries (Netherlands, Greece, and Denmark did not participate). The project was a collaboration between partners in 2 networks (EMES and ENSIE) and the federation of worker co-ops and social enterprise (CECOP). EMES is a European network of universities and centres of research in all 15 countries of the European Union, and its researchers study social enterprise, the third sector and civil society. ENSIE (European Network of Social Integration Enterprises) is concerned with developing, supporting and representing social enterprises for work integration.

The study of different types of social enterprise operating in the field of work integration was conducted using the EMES network definition of social enterprise as a common reference point and guideline for determining the social enterprises to be included in the study. The EMES definition distinguishes, on the one hand, between criteria that are more economic and, on the other hand, indicators that are predominantly social (see Section 1.2 for details of these criteria).

1. General features of work integration social enterprise in Europe

This section reviews some of the major recent trends in European labour markets, the main features of work integration social enterprises and how they have arisen to meet labour market challenges.

1.1. Main trends in European labour markets

In many European countries the employment rate is quite low compared to USA and Japan - this is due to early retirement, permanently sick and disabled people, and a more extensive social security net, notably in the case of pensions and benefits to unemployed. However the rate has shown a marked improvement since the mid 90s

(from 60% to 64% in 2001). This can be attributed in part to changes in the structural features of European labour markets, making them more flexible (Employment and Social Affairs, 2002, Employment in Europe 2002, European Commission). Thus this has reversed a trend during the period 1970-1994, when there was increasing structural unemployment.

The general picture on employment rate masks substantial disparities between countries based on gender, and age. And there are wide variations in the role played by part-time and fixed term employment in different countries.

The situation for employment is matched by a general decline in unemployment over the same period (from 10% to just under 8%), though this has turned up again during the last year or so. Again this level is less favourable than the picture in the USA and Japan, although those two countries, especially Japan, have been following an opposite trend toward rising unemployment during the last few years.

Other important trends to note are that the skill content of employment is rising across all age groups, and the definition of the required skills has broadened, firstly to include new occupations and professions, secondly to include softer skills of communication and problem solving, and thirdly to include basic work into personal and social skills (for very disadvantaged people).

At the same time there have been other important policy changes that have opened the labour market to new groups of people. In particular over the last 20 years we have seen a de-institutionalisation of social care (for mentally ill and disabled), moves towards community care, and policies focused on moving people from welfare to work.

These general labour market trends, and the national differences set the scene for labour market policies that target different groups and which have different priorities. The most important labour market policy measures in recent years have been those reducing structural unemployment. These have focused on improving the functioning of the labour market, through:

- improving information (employers and employees)
- improving skill levels through training
- improving access and mobility (by making it easy for employers and employees to relocate)
- improving the matching process jobs with people (through public and private agencies).

However with lower unemployment, concern for those suffering social exclusion has led to approaches that deal with a variety of interacting problems. This has resulted in an emphasis on more active labour market policies for these more disadvantaged groups. Concern for social exclusion can also be seen in the development of a series of measures for tackling poverty and social exclusion.

We have also seen new policies for bringing the disabled into the labour market. But market failures remain, and one of the most important trends in policy (that favours WISE initiatives) has been an increasing recognition that many labour market programmes have failed to make the necessary connections between training and employment (for a variety of reasons). The response has been an emphasis on much tighter linkages between work and employment, both in the design of programmes, and through partnerships with employers of various types.

Type of initiative	Individualised	Collective
/Outcome		
Temporary	Temporary training	Work integration social
training/employment	scheme (with regular	enterprise
	employer)	
Training + permanent	Training + Placement with	Work integration social
employment	regular employer	enterprise

Types of Work Integration

Permanent employment outcomes tend to be gained by better skilled/easier to employ, whilst the more disadvantaged in the labour market frequently lack employment opportunities after temporary training and work schemes.

These developments have opened the field for specialist work integration initiatives such as WISE, particularly for the more disadvantaged (and disabled) albeit on a relatively small scale.

1.2. Social enterprise in general

This study has been based on the work of the EMES network (a researchers' network studying social enterprise in Europe). This work has helped developed a rigorous approach to defining the field of interest based on an established set of criteria for defining social enterprise. These criteria distinguish, on the one hand, between criteria that are more economic and, on the other hand, indicators that are predominantly social.

Four factors have been applied to corroborate the economic and entrepreneurial nature of the planned initiatives.

a) A continuous activity producing goods and/or selling services

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One of the principal aims of social enterprises is to serve the community or a specific group of people. To the same end, a feature of social enterprises is their desire to promote a sense of social responsibility at local level.²

² Further details about the EMES network research projects are available on the website: <u>http://www.emes.net</u>

Further details of different types of social enteprise in Europe, and approaches to their study can be found in Defourny and Borzaga, 2001, Social Enterprise in Europe, Routledge. £70.

1.3. WISE in general

Due to different circumstances in each country (esp. legislative frameworks) there have been slightly varied approaches to mapping the sector. Researchers have generally made a great effort to ensure that the most interesting and progressive initiatives are represented. Three broad types of social enterprise have emerged in terms of recognition and legal structures:

- 1) There are certain types of social enterprise which have their own legislative framework, and which are *exclusively* concerned with work integration (such as type b) social co-operatives in Italy).
- 2) The second type, concerns those social enterprise which are exclusively engaged in work integration, but though they are recognisable as a distinctive type, they do not enjoy a complete and specific legal recognition, and thus generally operate under a range of different legal forms also used by organisations out of the field of work integration (examples are: social integration enterprises in Ireland, *empresas de inserção* in Portugal or *entreprises d'insertion* in France and Belgium, labour co-operatives in Finland).
- 3) Other types of social enterprise (such as worker co-operatives in the UK) do not have their own specific legislation, and only a proportion of that type will be engaged with work integration.

In this ELEXIES project studying work integration social enterprise, researchers have made particularly strong efforts to ensure that the first two categories are included, but lack of data has meant that some of the latter category may be missing.

Based on the work of ENSIE and the project team the dimensions of work integration have been elaborated. Social enterprises for integration have a great heterogeneity at the European level. They are characterised according to:

- the type of subsidies that they receive from public authorities (principally through employment policies): permanent, temporary, or mainly self-financing;
- the type of employment they provide for marginalised people: temporary or permanent;
- the importance they give to training in their activities
- the extent to which they develop a sense of dignity and citizenship through empowering processes and structures;
- the extent to which they are avoiding further marginalisation of disadvantaged and disabled people, and move towards sustainable and egalitarian systems of work integration.

A database of work integration social enterprise has been produced for each country (this will be made available on the web by the end of the project). This covers the main types of WISE for each country. In these country reports (on the web) there are introductions to each country typology, and this sets the scene, explains the approach and reviews the major players (and types of WISE/SEI) operating in that country.

The lack of data in many countries has been a major barrier to more comprehensive work, but nonetheless the database provides a rich and varied picture of what is happening in this field in most countries of Europe. Some overall comments or reflections on the picture emerging is appropriate:

- There are quite a wide range of types of WISE/SEI operating in each country in some there are a large number, in other countries very few different types; the reasons for this are unclear it may depend on coherence of national policy especially if there is specific legislation for the sector, and for the organisations of the third sector in general, extent of regional variation and local autonomy, etc.
- There appear to be different levels of maturity and development between countries depending on legislative and policy frameworks; thus some countries appear to have older more well established initiatives than other countries, with work integration enterprises for disabled people having begun earlier in several countries.
- The legislative frameworks supporting such initiatives vary considerably by country with for example Italy providing full recognition of the legal form of social co-operative, with a supporting policy framework. In most countries, the WISE/SEI operate under a legal status that belongs to the social economy, typically using the same legal forms as most co-operatives and non-profits in that country, but occasionally the WISE/SEI use a classic commercial legal status (like some integration enterprises or *entreprises d'insertion* in France).
- The level of autonomy of these work integration social enterprises is also varied with some organisations, in particular those which have been part of the state sector, still having the status of quasi-public enterprises; but in many cases there seems to be an increasing tendency for the state to distance itself from the management and ownership of these enterprises.
- Finally, as noted above, there is a general lack of reliable up to date data on this sector, generally because national statistics on the social economy are rather limited, and national umbrella organisations, where they exist, are not sufficiently well resourced to establish their own databases.

1.4. Similarities – emerging typologies

The 3 different types of legislative contexts (mentioned in 1.3 above) provide some explanation for diversity between countries; thus Italy, with a favourable context for social co-ops (and co-ops in general) has emerged as a leader in this form of social enterprise. This emergence of similar forms of social enterprise can be seen in developments in many other countries (examples of isomorphic tendencies), including the introduction of new legal status such as the entreprise à finalité sociale in Belgium (1995), the social solidarity cooperative in Portugal (1998), the social initiative cooperative in Spain (1999), the social cooperative with limited responsibility in Greece (1999), and the société coopérative d'intérêt collectif (SCIC) in France (2001). The replication of social co-ops in other countries has been an intended development, and since similar terminology is used in each country, mapping such developments is relatively easy. This is not the case when attempting to identify other similar types across the wide and diverse spectrum of initiatives encountered in Europe! However a number of factors seem to stand out as important in differentiating between types, and consideration of these factors is an important step in determining the emerging typologies. We may split the factors in two fields: those concerned with the type of social enterprise and those concerned with work integration.

The latter is more straightforward, and includes the following:

- **integration objectives** this covers the training/employment mix, the type of job contracts and target groups. *Training* may be concerned with social integration and/or work professionalisation, while *employment* may be oriented to transitional vs permanent employment.
- **training and job contracts:** depending partly on the emphasis given to employment and qualifications, some WISE give little more than on the job training, others strongly emphasise formal training; while others develop a mix of formal and informal training. The integration objectives will have an effect on the types of contracts offered to work integration participants: trainees, short-term, temporary or permanent contracts.
- **target groups**: disadvantaged in the labour market and/or disabled. Some social enterprise are concerned with specific target groups, while others are more generalist. Many countries have different benefit regimes for the above target groups (disabled vs disadvantaged); and this can limit the extent of employment; two important factors limiting the success of WISE initiatives are: the extent to which employment will need to be permanently subsidised after training due to permanent skill deficits (this is likely to apply to the more disabled people); and difficulties overcoming recidivism into unemployment (fore example due to attitudinal and cultural problems associated with the "difficult to employ" disadvantaged in the labour market).

With regard to the different type of WISE, the following 5 variables seem most important (derived from those collected for each type of WISE by project partners): goals, structure, governance, resources, relation to environment.

- **goals**: this includes orientation and ideology; thus some are very commercial while others give greater priority to social goals and as a result are likely to be more marginal; some are strongly linked to promoting a specific target group and thus may have advocacy (for a community or an ethnic minority) as a (political) goal. This factor links with others so that a more social (but marginal) WISE may have a more connected form of governance, and be more embedded in its environment.
- **structure**: this ranges from simple to complex. A simple WISE will be atomistic: not closely linked to other social enterprises (or their activities); a complex WISE may consist of a number of related projects sometimes organised synergistically (so that for example workers in an ILM move onto a service providing arm of the operation); typically a holding structure is used to manage the different projects/organisations (for example Terre in Belgium); an alternative complex form is where the WISE is part of a federated structure e.g. the social co-ops in Italy and their local consortia (consorzi). Finally a more complex form of structure exists where the WISE is closely linked to other social enterprise through partnership or network arrangements (for example social firms in the UK are often sponsored by partnerships of voluntary and health organisations, and these may have continuing roles through governance structures, etc. even though the WISE is formally independent.

- **governance**: this may be member-based with democratic arrangements for electing the board (as in the case of co-operatives of users, producers, or multi-stakeholders); and such members may be of a single type (users or producers) or mixed as in the case of members of a community electing their board. Finally boards may not be democratic or member based, but representative of diverse stakeholders (including in some cases state agencies, local government, and/or private charities or foundations financing the WISE) through a process of self-appointment or self-replication, as in the case of many associations. Of course self-replication may also take place in democratic structures which are relatively moribund. This distinction between two broad types of social enterprise is reflected in the literature, for example: the distinction made by Gui³ between mutual benefit organizations and general interest organizations.
- **resources**: the analytical framework developed by the EMES group has established the importance of differentiating between market resources (from the market or state contracts), non-market resources (such as state subsidies which are redistributive) and resources arising from reciprocity (social capital, donations, and volunteer work) frequently these may be from members of the community or sympathetic networks. The type of goal will tend to influence the mix of resources, thus more commercial WISE will rely most on market income, and while reciprocity may have been important in getting them established (and subsidies), the extent of their social goals will reinforce norms of reciprocity. For the very commercial WISE the risks are greater of isomorphisms leading them closer to capitalistic-like enterprises.
- **environmental relations**: some WISE are deeply embedded in their community structures or like-minded networks (e.g. of environmentalists, or ethnic groups), while others have more strongly developed market relations; the old framework of "gemeinschaft/gesellschaft" indicates the nature of such different relationships with the social and economic environment. The pattern of relationships is reinforced by the resource mix and the types of goals that predominate.

These and other integration factors and social enterprise variables will be developed in more depth in subsequent sections.

Despite the importance of the above 5 variables in helping to explain the different patterns of organisation and behaviour of WISE, it is apparent that only a few of the wide range of possible types of WISE appear to have emerged. Thus certain configurations seem more prevalent than others, and so it is possible to make suggestions about emerging typologies despite the wide variations and the different terminologies used. The following are some of the major types encountered:⁴

- Social co-ops (Italy, UK, Sweden, Spain). These tend to be more commercial, offering permanent jobs. Worker co-ops and the labour co-ops from Finland may be considered an allied structural form.

³ Gui, B, (1991) The Economic Rationale for the Third Sector, Annals of Public and Co-operative Economics, Vol 62, 4:551-572.

⁴ Note this tentative typology is still subject to discussion amongst EMES and ELEXIES project members.

- Associative structures providing temporary/permanent employment (voluntary organisations in UK, integration enterprises in France and Belgium, work integration social enterprises in Ireland). These are often linked to specific target groups.
- Community owned structures with training/employment initiatives (neighbourhood enterprises or *régie de quartier* in France, community business in the UK, Sweden, and Ireland))
- Transitional employment enterprises: in the UK (ILMs), France (associations intermédiaires, entreprises de travail temporaire d'insertion, or ETTI), Belgium (entreprises de formation par le travail), Portugal (empressa de inserção), Luxembourg (structures reconnues d'utilité socio-économique and initiatives d'économie solidaire). The widely differing resource mix depends on the levels of disadvantage of individuals and communities.
- Sheltered workshops for disabled people: such WISE exist in most of the countries, but they are the two main types of WISE in Sweden (social cooperatives and sheltered workshops for disabled or *Samhall*), and there are three different types of these WISE in Spain (Enterprises of the Spanish National Organisation for the Blind or *ONCE* -, occupational centres and special employment centres).

We also see trends within these types, thus sheltered workshops are becoming privatised (or more distant from the traditional model of state ownership and control).

1.5. Size of the Sector

Due to the paucity of reliable data it is impossible to give more than a very approximate idea of the scale of the WISE sector in different European countries based on secondary data gathered (usually from umbrella organisations) by research partners in this project: see the table below:

Preliminary estimates of the scale of social enterprise in Europe

	Number of WISE	Persons Involved (regular staff and beneficiaries)
Austria		
- social economic entreprises	59	1 700
- NP employment projects	120	1 900
Belgium		
- EI Wallonie (2001)	41	287 (extrapolation)
- EI Bruxelles (2001)	5	24 (19 benef)
- ETA Wallonie (2000)	61	6 932 (6 075 benef)
- EFTA Wallonie (2000)	64	508
- ETA Bruxelles (2000)	15	1 585 (1 450 benef)
- EFTA Bruxelles	9	
- Ateliers sociaux (2002)	110	2 900 (2 400 benef)
- Centres de soins (1998)	55	
- EI flamandes (2002)	26	240 (170 benef)
- Ateliers protégés 2002)	68	14 470 (13 870 benef)
Finland		
- labour coops (1999)	200	1 500
- coops for disabled	10 to 20	
France		
- CAVA (1998)	110	
- entreprises d'insertion (1999)	796	4 700 (full time regular staff)
- associations intermédiaires (2000)	1 013	17 100 (full time regular staff)
- régies de quartier (1999)	130	3 500 (full time regular staff)
- ETTI (1999)	220	4 000 (full time regular staff)
Germany		
- social firms	6-7 000	
Ireland		
- sheltered for disabled (1997)	215	7 900
Italy		
- social coops (2000)	1 915	33 000 (13 570 disadvantaged)
Luxembourg		
- RUSE (2001)	8	400
- KUSE (2001) - économie solidaire (2002)	37	750 (500 disadvantaged)
- intégration handicapés (2002)	14	600
Doutugal		
Portugal	561	3 758
- insertion companies (2001)	564	
- sheltered employment (2001)	39	646
Spain (100.1)	270	0.000
- special employment centres (1994)	379	9 989
- occupational centres (1994)	493	23 890
- ONCE (2000)	10	52 143*
- social integration (1999)	19	1 132**
* 23 000 for Lotto, 11 300 in ONCE F ** 714 workers, 133 volunteers, 285 gr		orporacion ONCE

** 714 workers, 133 volunteers, 285 grant-aided people

Sweden		
- social coops (2002)	90	1 400*
- local community (2002)	8	110
- Samhall (2002)	800	27 000 (25 000 disabled)
* Estimation from a sample of 44 W	ISE; 900 supported via t	the National Health Insurance System, 200
subsidised salaries, 300 in subsidised	d work training programr	nes.
UK		
- worker/social co-ops	419	2 514
- community businesses	400	3 500
- social firms	38*	380
- ILM organisations	65	5 300
- quasi-state social enterprise	80	11 400
- vol. org. initiatives		
* There are a further 154 social firm	s (emerging or potential)	

Total (12 countries)14 209239 977*Note that these are preliminary estimates and that data is missing for 2 countries and is incomplete for
others, because of this, the figure for total employment is undoubtedly much bigger.

2. National specificities in comparative perspective

This section examines similarities and differences across the 12 European countries studied, by looking at history/growth, structures and legal status, resource mix, and goals, entrepreneurship and characteristics of the integration activities. It is based on a study of the characteristics of each type of work integration social enterprise found in the 12 partner countries. Forty two types were found, serving the needs of disadvantaged and disabled people (see Appendix 1, but note that data on WISE is not well developed so there may be other initiatives that warrant inclusion in this list). Despite the apparent large number of different types, many bear strong similarities to each other and as noted in Section 1.4 above, preliminary analysis indicates that 5 broad types predominate.

2.1. Maturity (history and growth)

In most countries, the WISE created to deal with the integration of disabled people generally appeared before other types of WISE: This is typically the case in Belgium (60s), France (70s), Finland (80s), Portugal (80s), or Spain (ONCE was founded in 1938, occupational centres and special employment centres in the 80s).

More precisely, as noted above (1.3), the respective situation of the WISE very much depends on the different national contexts, and especially on the situation of the labour market and labour policies - ranging from countries facing high unemployment rates and a large structural unemployment for more than 20 years (for example: France, Spain, Belgium) to countries like the U.K. or Luxembourg where the unemployment rate is around 3%, or like Germany where the labour market situation changed radically in the early 90s because of reunification.

These different contexts have led to different initiatives being created, and the development of the more dominant (and influential) forms - such as social co-ops in Italy, labour co-ops in Finland, etc. In some countries the original forms have become dominant, and have even led to replication elsewhere in Europe, whereas in other

countries several different forms of WISE featuring several legal status, goals and/or resources co-exist together. Thus social co-operatives in Italy were formed in the 80s, and specific legislation proposed in 1981, they were not fully recognised until social co-op legislation was approved in 1991. While in Greece social co-op legislation was not achieved until 1991. The first Finnish labour cooperative was established in 1993. In Portugal, the programme insertion companies (*empresas de inserção*) was launched in 1998. And we have seen sheltered workshops gaining increased independence from the state in different countries as marketisation trends develop differentially. So in the UK, *Remploy* (sheltered workshop) was created with independent governance while retaining state ownership at the end of the second world war; but in Portugal *Emprego Protegido* (sheltered workshops) were formed from 1983; and in Sweden, *Samhall* (sheltered workshops) began their path to greater independence from the state in the 90s. In Belgium, the first WISE appeared in the 60s to deal with the situation of the disabled (*entreprises de travail adapté*, or adapted work enterprises) and diversified from the 70s, and mainly the 80s, to address other targets.

2.2. Structures and legal status

Although a few WISE can opt for a classical commercial status, like some integration enterprises in France, the legal status preferred by most types of WISE is that of social economy (non-profit, or cooperative, or a derived form like business with a social purpose - *société à finalité sociale* - in Belgium).

When considering different types of WISE, it is clear that there are a range of structures supporting entrepreneurial activity – ranging from a conventional enterprise form to a partnership structure to a holding structure controlling several social enterprise projects. Similarly one can identify work integration activities which cover single purpose activities (training and employment for a single target group) to integrated multi-functional activities which conduct training, temporary and permanent employment, placement services, and support for placements within mainstream organisations.

A wide range of structures are encountered (but see emerging typologies above. These include: co-ops, voluntary organisations, partnership structures (multi-stakeholder, quasi state); and user/employee/community/multi-stakeholder owned and controlled.

In Ireland, WISE are generally legally incorporated as either a limited company (by share/guarantee) or an industrial and provident society, the legal form adopted by cooperatives. Their range of social enterprises are concerned with housing provision, local development organisations, social enterprises providing personal and proximity services, credit unions, work integration social enterprises, community co-operatives. In Germany, most social enterprises of the first type (social firms) are incorporated companies (*Gesellschaft mit beschränkter Haftung*, or GmbH); social enterprises of the second type are co-operatives.

In Luxembourg, one finds almost all kinds of legal status: non-profit organisation *(association sans but lucratif)*, cooperative and commercial status *(société à responsabilité limitée*, or limited liability company). However, as the state has a preference to support non-profits for accounting reasons, most of the structures

include several legal units: a non-profit structure and a commercial structure. All social economy initiatives *(initiatives d'économie solidaire)* use the legal status of a non-profit.

In Portugal, insertion companies may have several legal forms, namely associations, co-operatives, foundations or private institutions of social solidarity.

In Spain, special employment centres as well as occupational centres may be publicly or privately owned such as foundations, associations or associated employment cooperatives. With regard to the use of any potential profits, the centres may or may not be profit-making in nature. The ONCE Corporation (*Corporación ONCE*) is a not-forprofit corporation. The first social integration enterprises took the legal form of associations, but the promoters came to consider other legal forms, providing greater institutional recognition, such as foundations, workers' co-operatives and co-operatives.

According to the French law, the intermediate voluntary organisations (or *associations intermédiaires*, a form of transitional employment social enterprise) and the neighbourhood enterprises can only be non-profits (associations), but the integration enterprises can use either the legal status of an association, or a cooperative, or a commercial company. In 1992, 75% of them were associations, but this share is constantly declining to the benefit of the commercial status. In 1997, there were only 66% of integration enterprises with an associative status. The ETTI (temporary work integration enterprises) must adopt an autonomous legal personality with the exclusive aim to integrate people in difficulty, but they can either use an associative or a commercial legal status.

In Belgium, most of the forms of WISE use either the legal status of business with a social purpose or co-operative (integration enterprises), or the legal status of non-profit organisation (adapted work enterprises, *entreprises de formation par le travail* - or on-the-job training enterprises -, *entreprises sociales d'insertion non labellisées* – or work integration social enterprises -, *centres de soins* – or work-care centres).

2.3. Main resources and goal orientation

There is considerable diversity within the WISE sector regarding the mix of funding and orientation - (market oriented, mixed economies, state subsidised). This is sometimes conditioned by restrictive legislation (*and associated practices such as in Germany*); and the extent to which there has been a marketisation of state funding arrangements (transforming subsidies into contracts, etc). At other times it may be due to problematic linkages to the welfare system – where there maybe a benefits and wages trap particularly for people with disabilities. To get round this and provide motivation for workers there are different approaches: these include the payment of something like pocket money, to real wages but only for a few hours per week, to fully employed at a good wage rate.

However in most WISE, there is a logic of employment not a logic of volunteer work operating in these initiatives, but the board of directors is often composed of volunteers. This does not negate the importance of social capital as an important resource both at the initiation stage (see next section) and as a permanent source of resources for the social enterprise; this specific resource is reproduced as an outcome of social enterprise activities.

The key features of social capital are that the community or social organisation has *trust, norms and networks* that improve the effectiveness of its economic and organised social activities. It is argued that the associative nature of many social economy organisations and their strong links to the community provide a uniquely favourable basis for the utilisation of social capital, and its reproduction and accumulation. Trust is central to establishing social capital through norms of reciprocity within social/economic networks. Repeated transactions help create reputation for trustworthiness and reliability. The benefits reinforce the norms, the level of trust and the strength of relationships in the network.

The key features of social enterprises which favour the creation and utilisation of social capital are:

- multi-stakeholder governance (building on community relations, and associative networks)
- user linkages
- organisational form giving worker involvement/participation
- norms of reciprocity, solidarity, within enterprise, and with the community
- ideology/structures favouring partnership with community stakeholders

In Belgium, market resources represent 35% of all financial resources in the case of on-the-job training enterprises (*entreprises de formation par le travail*), 50 to 60% in the case of sheltered workshops (*ateliers protégés*), 50% in the case of social workshops (*ateliers sociaux*). The rest is covered by public subsidies, donations, and volunteering.

In Ireland, WISE mobilise different sets of resources: income generated in the market place from the commercial sale of goods and services, financial assistance from the state (often in the form of grant-aided employment/capital grants) and volunteerism from within the local community and voluntary sector. As a whole, 50% of social enterprises obtained at least 75% of their income from the public sector, and only 22% generated at least 75% of their income from trading.

In Germany, social enterprises organized by welfare organizations depend mostly on public subsidies and grants.

In Italy, it is possible to identify at least six possible sources of income: market resources coming from the sales to the private and public sectors, resources deriving from the public administrations, public contributions not related to contracts, donations or other private contributions, work carried out by volunteers, saving realised through exemption from the social security contributions.

In Luxembourg, the sheltered workshops (*structures d'intégration pour les publics handicapés*) have mixed resources: between half and two third of their budget is covered through agreements with ministries (labour, family affairs, youth, or social solidarity), and they also receive subsidies from the European Social Fund. Resources from the market rarely represent more than one third, and the rest is covered by donations by the foundations which carry the structures.

In Spanish special employment centres, the resources gathered by the special employment centres may be monetary or non-monetary. Although volunteers constitute a sizeable body, monetary resources predominate. Funding may come from private sources, public sources or a combination of both. The so-called private resources comprise contributions from the owners of the centres themselves, thirdparty contributions and all or part of the profits which may be derived from the activity of the centre (depending on whether the centre is for-profit or non-profit). Public funding is divided into two large groups: aid which is provided for in the framework of employment development programmes to create special employment centres, on the one hand; and maintenance aid, which can be obtained in the framework of employment support programmes, run by the public authorities, on the other hand. Maintenance aid can comprise grants per job held by a disabled person, allowance from Social Security contribution and grants to adapt the workplace and remove architectural barriers to the employment of disabled workers. As for social integration enterprises; an important and growing part of the business income comes from commercial activities within the private or public markets.

In France, the main resources of the neighbourhood enterprises come from the services they provide to the social housing companies (HLM), e.g. cleaning, maintenance, garbage management, painting, etc., to the municipality, and to the residents (repairs).

2.4. Entrepreneurship: mode of initiation

There are different loci of initiating activity – National, Regional, Municipal, Social Economy. And support policies vary from the top down to bottom up, with a large and increasing intermediate category of partnership (which may be social economy specific or general). For a very similar goal, for example integration of the disabled people, initiative can come from the State (Samhall in Sweden) or from the civil society (social coops in Italy).

In Belgium, it is said that most WISE have been launched by the civil society, e.g. parents of disabled, residents, etc., and in Ireland, many WISE are initiated by locally based voluntary and non-profit organisations. But in Germany the situation is more varied: Municipality owned social enterprises are launched by the municipalities, Social enterprises organized by welfare organizations are launched by a local welfare organization, but Social enterprises organized by local initiatives are launched by citizens and social firms and co-operatives are launched by private persons, former long-term unemployed people, private entrepreneurs, local companies and/or trade unions.

In Italy, most social co-operatives in general and work integration social co-operatives in particular (especially the co-operatives created in the last 5 to 7 years) are private initiatives, designed to overcome the shortcomings of labour policies for the work integration of disadvantaged people. Also in Luxembourg, the legally recognized structures for socio-economic purposes have developed from private and civil society initiatives, the social economy initiatives have been created by the two main national federations of trade-unions, and the sheltered workshops have been launched by private foundations controlled by civic movements.

In Portugal, according to the law, the insertion companies must be created by a group of citizens legally organised as a non-profit collective body and sheltered employment may be created by co-operatives. In Spain, most special employment centres, and occupational centres are private initiatives launched by the parents of disabled people to create jobs adapted to the needs of their children. As for social integration enterprises, the majority of promoters are family collectives, Christian communities, community associations or self-employment schemes ONCE was founded on the initiative of the State, and holds the public concession of an official lottery.

In France, if the integration enterprises come mainly from an initiative launched by social workers, the *associations intermédiaires* originate from more diverse sources: social workers, but also associations dealing with exclusion, members of trade-unions, rural associations, members of associations populaires. ETTI (temporary work integration enterprises) have similar founding promoters like the integration enterprises, and the neighbourhood enterprises are not always launched by a group of citizens, but can also be launched by municipalities or social housing providers, and in the cases where the residents initiate the neighbourhood enterprise, they have to include these two other kinds of partners.

2.5. Integration: target groups and the beneficiaries

In many countries, the WISE deal especially either with disabled people or with other marginalized workers. However a few specific features can be observed according to each country, and to each type of WISE.

In Ireland, 73% of workers in social enterprises were previously unemployed and women constituted 48% of "management employees". In the WISE, employees can include the long-term unemployed and other specific categories of people such as lone parents, travellers and small farmers. And the Irish report says that "some of the more recent social integration enterprises have begun to include their employees and end users on the management board".

In Germany, the municipality owned social enterprises employ long-term unemployed people getting social assistance; social enterprises organized by welfare organizations employ youth unemployed, long-term unemployed and unemployed people living on social assistance or who are confronted with poverty in other ways.

In Italy, the social coops deal with disadvantaged people, i.e. those with physical or mental disabilities, drug addicts, alcoholics, minors with problem families and prisoners on probation.

In Portugal, whereas sheltered employment involves disabled persons with an average capacity to work which is equal to or higher than 1/3 of the normal capacity required from a non-disabled worker, the insertion companies address the long-term unemployed and the unemployed who are at a disadvantage in the labour market, namely alcoholics in rehabilitation, guaranteed minimum income beneficiaries, the disabled, former convicts, young people at risk, lone parents, people with psychiatric disorders in rehabilitation, the homeless, drug addicts in rehabilitation and prostitution victims.

In Spain, the special employment centres give priority to employing people with physical, mental and sensorial disabilities, but in practice most disabled workers are people with mental disabilities. The requirements that the disabled must fulfil in order to enter an occupational centre are the following: to be of working age, to have been assessed and certified accordingly by the multi-disciplinary teams referred to in the LISMI, and to have a reasoned decision from the multi-disciplinary team stating that, given the severity of the disability, employment in an enterprise or in a special employment centre is impossible and that it is thus necessary for the person to join an occupational centre. The ONCE Corporation is the workplace integration and the training of visually disabled people. The objective of social integration enterprises is to offer employment to those people who are systematically excluded from the labour market.

In France, the *associations intermédiaires* are the only type of WISE which employs more women than men suffering disadvantage. And the Temporary work integration enterprises (ETTI) are the type of WISE where the beneficiaries have the shortest experience of unemployment: More than one third of employees in the ETTI have experiences less than 1 year unemployment compared with less than one quarter in the other types of WISE (*associations intermédiaires* and integration enterprises).

2.6. Integration: training and job contracts

As mentioned above (§ 1.4), the importance and characteristics of training and job contracts depend on the emphasis given by each kind of WISE to employment and qualifications.

Employment contracts may be temporary (for transitional employment WISE which aim to raise the chances of permanent employment by combining good training with work experience) or permanent; training may be formal, or informal (on the job); and with periods of full-time training, but more often it is part-time to ensure integration with work experience. Many initiatives attempt to give "real work" experience by developing market oriented work cultures, "real jobs" and "real wages". The extent to which they can achieve this depends on how disadvantaged (disabled) their target group is, and their success in attracting and managing a mix of resources.

In German social enterprises organized by welfare organizations, more often the training is considered as simply being part of the occupational measures. Pure vocational training is also not very common in the social enterprises organized by local initiatives; part-time training courses for people who are working in the framework of occupational measures are more widespread. Training measures similar to those organised in other types of work-integration social enterprises do not exist in the social integration enterprises studied in this identification sheet. In the course of their activities the employees are qualifying themselves through on-the-job training.

In Italy, B-type social co-operatives do not only help disadvantaged workers (through on-the-job training and integration programmes), but they can also be a valuable source of information for private enterprises: social co-ops, thanks to the work they have done with disadvantaged workers, have a good knowledge of the real productive capacity of the disadvantaged workers and they can therefore help firms define which job is the most suitable for each worker. In Luxembourg, training offered by the legally recognized structures for socioeconomic purposes are generally not formalised, but belong to a process of learning by doing. Considered as a key element of individual evolution, training delivered in social economy initiatives is organised as value units and take place during working hours, either in the structure itself, or in partnership with other institutions. The staff of the sheltered workshops are involved in full-time training programme on a one to three years basis.

In Portugal, although training is not compulsory. the insertion companies propose a training contract defined by the Institute of Employment and Professional Training (*Instituto do Emprego e Formação Profissional*, or IEFP), which acts as a training organisation. Each trainee is granted a training scholarship amounting to 70% of the national minimum wage (except in cases in which a more favourable treatment is defined by law). In the sheltered employment, on-the-job training in a probation regime is foreseen for up to 9 months. This training is accredited by the IEFP.

In Spain, when discussing protected employment, it is usually considered that the disabled person should follow a training process, which begins with continuous vocational training courses, intended to give the worker the professional qualifications required for a job in a special employment centre, and which subsequently supplemented by training in other areas such as social and personal skills. In occupational centres, training is the most important element, as evidenced by their objectives of occupational therapy and in the field of personal and social adjustment services. For the ONCE Corporation as well, academic and vocational training is a key requirement when it comes to finding a job which will contribute to a disabled person's development and social integration. Also social integration enterprises provides people who are not readily employable with a professional and personal training. This training is vital to help them to behave "normally" in society and to develop their skills, in order to reduce or eliminate their disadvantages in relation to average productivity in the market.

In France, training offered in the centres for adaptation to working life (*Centres d'Adaptation à la Vie Active*, or CAVA) as well as in the integration enterprises, and the neighbourhood enterprises, is still limited and a learning by doing training focuses on the acquisition of practical knowledge. A few *associations intermédiaires* allocate some time to the training of their staff in association with local training institutes, but they are a minority.

2.7. Participation of the persons affected by the activity

For most types of WISE, the participation of the persons affected by the activity (disabled people –or their parents- or marginalized workers) is not required by the law. Therefore the extent of participation is varied and often not easy to evaluate. In Luxembourg, very few WISE advocate a participative logic that includes all the workers. Thus, there is almost no participation in management by workers and persons affected by the activity.

In Portugal, insertion companies are organised according to an entrepreneurial management model though decision-making power is never based on capital

ownership. Although the participation of the persons involved in the activity is expected, in most cases this participation is not really effective. In the sheltered employment, the participation of the workers is promoted and supported, for example through the creation of discussion forums with the follow-up team. However, given the characteristics of these workers, in practice this participation is difficult to achieve.

In Spain, depending on the legal form chosen by the special employment centres, the workers will have more or less decision-making power. In any event, their decision-making power will also depend on their degree and type of handicap; for example, people with mental disabilities, i.e. most of the people recruited in special employment centres, do not participate in the decision-making process. Within the ONCE Foundation, the board of trustees, that is the decision-making body, comprises representatives from the ONCE Corporation, state federations of organisations for the disabled and members of the Ministry of Employment and Social Affairs.

In France, no specific legal obligation has been introduced in the temporary work integration enterprises (ETTI) to encourage the participation of the persons affected by the activity or the workers. In the case of the intermediate voluntary organisations, the participation of the workers is even forbidden by the legal status itself.

2.8. Governance and autonomy

In most cases, the legal status used by the WISE guarantees a sufficient level of autonomy. However, depending mainly on their structure of resources and involvement in public programmes, on their mode of initiation and on their historical background, the level of autonomy and the mode of governance can be very varied in practice in the different forms of WISE.

In Ireland, reliance on government supported labour market programmes could be argued to limit the autonomy of the organisation in "recruiting employees" given that grant-aid is available only for certain categories of "employees" (as determined by the funding agency). In Germany, compared to labour market projects directly run by the municipalities, Municipality owned social enterprises represent an increase of autonomy in strategic planning, financial affairs, use of different kinds of employment measures and organisation of projects. However, these social enterprises remain closely linked with the goals pursued by the municipalities. Social enterprises organized by welfare organizations and social enterprises organized by local initiatives depend on subsidies from the municipalities or the Federal Labour Office or on programs run by other labour market authorities. Therefore their degree of autonomy is rather low. When a social firm is set up with the support of counties programs, the county ministry of labour or other related county ministries (or a consultant engaged by one of these ministries) have a significant influence on the choice of the goods or services which will be produced by the social firm. But in the first year after their setting up, the social firms are nearly independent.

Italian social co-operatives are, in most cases, created by a group of people or by another co-operative (especially A-type social co-operatives) and their decisionmaking process is characterised by a high degree of autonomy. Also in Luxembourg, the legally recognized structures for socio-economic purposes and the sheltered workshops enjoy a high degree of autonomy. The subsidies they receive from the public sector do not imply public intervention in their management or in their commercial decisions. On the other hand, due to their mode of functioning (necessity of a public partner to initiate each project) and to their financing structure (mixed public financing), the social economy initiatives enjoy a relatively low degree of autonomy for their development policies and their major orientations.

In Portugal, insertion companies have administrative and financial autonomy; sheltered employment are legally and economically autonomous but subject to the tutelage of the Ministry of Social Security and Labour in matters such as evaluation of the working conditions; fiscal matters and control of the initiatives as well as of the supports they receive; respect of the defined rules.

In Spain, although special employment centres and occupational centres may depend on public grants, they are not run – be it directly or indirectly - by public institutions. Their promoters enjoy autonomy in their decision-making. As well, enterprises of the ONCE group enjoy a high level of autonomy, although representatives from the Treasury, the Ministry of Employment and Social Affairs and the Ministry of the Interior sit on their general council.

In France, if the neighbourhood enterprises aim to put the resident at the centre of the process, the municipalities and the social housing companies (HLM) can be in a dominant position that limits de facto the autonomy of the WISE.

2.9. Existence and role of umbrella structures

Information on these has shown that they are clearly important both at the start up phase and subsequently. This may range from political roles such as representation, to services for member organisations which enhance their capabilities to meet economic and social goals, including the importance of development structures in focusing and stimulating entrepreneurial activity. Federal bodies also play important roles stimulating good practices through benchmarking and supporting learning networks amongst communities of practitioners. General lessons about good practice relating to umbrella structures have not emerged during this project.

3. Lessons from the case studies

Analysis of the cases studies has revealed a wide range of lessons linked to good practices: these include both internal factors especially specialist expertise, factors for managing stakeholder relations, and strategies for managing risk, sustainability and innovation.

The importance of good external relations: for example: Netzwerk:

Once the Society was formed it was felt that they needed a strong national association behind them to make the challenges ahead easier to handle. They chose to join the Diakönie (social work organisation of the evangelical church movement in Germany) as here they saw their own beliefs and their interest in humanistic values best reflected.

Diakönie offers several aid schemes which the society is entitled to bid for and is also able to help in periods of particular financial difficulty as well as offering their members legal advice and organising advisory groups.

Embedded community relations driving continual innovation: Netzwerk:

This is important for the continuity of the society and for giving it enough space to continually optimise their working conditions and introduce innovative but locally needed projects. They operate within their community and are part of the community itself, not only though supplying temporary employment for the communities most disadvantaged but by offering services in the community which could otherwise not be fulfilled.

Multi-dimensional Expertise: Netzwerk:

In their ten years existence Netzwerk Mittwieda e.V. has built up considerable skills not only in the integration of the socially disadvantaged but in running their Society as a reliable partner for the local and regional administration. And Childcare Works successfully managing complex funding streams:

Income generation exists from the nursery at Bridge End (in the Gorbals) and One Plus (in Greater Pollok). Income is generated from private fees. However, private fees are not the major source of revenue. The programme is designed around the ILM model and this is funded by grants. The Funding sources are a complicated balance as Childcare Works is actually a part of *Glasgow Works*. *Glasgow Works* itself receives funding from *Scottish Enterprise Glasgow*, *Glasgow City Council*, the *European Social Fund*, *Training for Work*, and *New Deal*. Childcare Works itself works with the same funding partners as *Glasgow Works* and also has other funding partners, namely *Social Inclusion Partnership Funds* and *Childcare Strategy Funds* (via the Scottish Executive).

Professional and technical know-how: Opcion:

The Junco Programme offers the companies a rapid reply network to its labour needs. This network is based on a computerised, permanently updated, database of young people who reside in the public attention centres who are interested in working. The network ensures that within twenty-four hours a company will have at least one candidate for the position which needs to be covered. This possibility is based on a very agile information system between the reception centres and the cooperative.....

And:

A professional accompanies the youngsters to the interviews, values his skills (which permits an improvement in his future orientation) and offers himself as a reference for the contracting company. From that moment, the reference professional maintains periodical contacts with the company and the centre the youngster comes from. This allows us to detect and solve any problem in the labour relation of the youngster, favouring a suitable climate for the success of the insertion.

Ways of managing risk: Netzwerk:

By operating in a variety of businesses: from the beginning of the Society it was decided that the offer (should be as diverse as possible to minimise the economic risk and the dependency on any one type of funding. And: The Society works with about 12-15 different sources of finances. The financial risks they face are reduced to a certain extent by this diversity as they can stretch out periods of low financing by the one financier through compensation by another. This is particularly important in times of political stalemate. However the economic risk for such a company is high. They cannot determine political decisions on state aided programmes and their yearly economic result springs from the target group they employ and not the target group consumer.

Flexible exit strategies: Terre:

Although some occasionally express the desire to move to the mainstream economy sectors. It is their choice. To this effect a job-coaching unit is in place within the <u>R.E.S.</u> (*Réseau d'entreprises sociales*) to help them find work in a "conventional enterprise".

Developing a learning culture: Terre:

A weekly programme for continuing education enables the consultation, training and education of workers for decision making.

Participatory management: weekly meetings with all the workers provide continuing training based on transparent information. These meetings are an ideal space for respectfully consulting everyone.

And Furniture Resource Centre (FRC):

The recruitment and development team run the "University of the People" with the brief of developing everyone in the organisation. It also manages the training contracts. Innovation abounds. The team creates incentives for people to stay – so, for example, it offer HGV training when the company requires only LGV-trained drivers – on the condition that they pay back the company if they leave. Similarly, they offer free training in other skills outside of the FRC's activities on the understanding that the person will leave. If they don't, they have to pay the company back. It also works actively to support people in their jobs. Many, for example, have debt problems and they offer money management courses and personal support.

Integrating different types of stakeholders through participation and involvement:

Terre:

The members of the General Assembly are the Group workers that specifically apply for membership. The sole membership criterion is: being a worker for at least one year. Currently, 75 workers are members and they meet 3 times a year together with about 10 external voluntary workers.

Tamrinki/ Kotikontu:

The activities in the co-operative are based on the participation of visually impaired members, they are both owners and employees (workers) in their own company - Co-operative Tamrinki.

In a small co-operative like Kotikontu it is common that all important decisions are made together and this increases the participatory nature of the co-operative. All the members are involved in everyday life in co-operative and it is almost impossible to not participate.

Maintaining stakeholder relations: Netzwerk:

Ex-Employees often keep up their contact with the Society over a number of years after leaving, may themselves become permanent employees and use the opportunity offered to deal with social problems which handicap them on the work market to find long term solutions.

- Partnership logic Creating organisational partnerships (internally/externally): Terre: <u>ACOUSTIX S.A.</u>, a trading company, was created for the business development of a sound-insulating product in partnership with some private investors. Through this partnership, Pan-Terre SASF gained commercial know-how that it did not have.
- Partnership logic for entrepreneurial action: Opcion:

The initiative came from two cooperatives and an association which met to share information about the needs of the system of protection of minors in Madrid. The three ran residences or flats for minors protected by the state, and noticed something very important: "*then we detected that the children who were looking for jobs, although they lost them continuously, began to stabilise their situation better than the children who gave up work and even those who were studying.*"

And:

- Partnership logic for entrepreneurial action: Co-labour:
 - In 1983 a few friends, including the social worker of the Bamerthal hostel a hostel for young people under guardianship of the Judge responsible for Youth in the North of the country, members of the "Mouvement écologique", an environmental organisation, and representatives of the small breeders association, are defining together the main lines of a structure for developing activities in the environmental sector for unemployed youngsters in difficult social situations.

Partnership logic - internally within a complex structure: Terre:

The Groupe Terre is a group of social economy enterprises. Their fields of activity are varied, but recycling and the <u>environment</u> are historically predominant. The allocation of the surplus follows an order of priority: first to reserves, then to projects and investments in the North, as well as for funding development projects in the South and, finally, to the improvement of working conditions. This allocation plan is voted on at the General Assembly, based on a recommendation from the board. Each enterprise in the Group contributes in proportion to its own results.

And similarly for: Childcare Works:

Childcare Works is made up of seven different core projects located in seven Social Inclusion Partnership areas in Glasgow. Business development and coordination of the projects for the Childcare Works programme is led by CEiS. CEiS is a Glasgow based charitable company, limited by guarantee, working in the not-for-profit sector. Each core project is locally based and is typically part of another company all of which are not for profit companies limited by guarantee.

And: FRC:

The Furniture Resource Centre Group [FRC] is made up of several elements. At the heart of the Group is the Furniture Resource Centre, which is a registered charity. There is also a wholly owned trading subsidiary – Bulky Bob's – a high street store (Revive, a company limited by shares) and a joint venture company, the Cat's Pyjamas. (...) One innovation that doesn't feature strongly in the Social Account is their use of networks and partners. However, it is more than obvious from the staff and from their culture of creativity and partnership building. Their longest partnership is with the charity Create who recycle white goods (fridges, cookers, etc.). They help each other out as they both recycle different things.

And: Greenworx:

It lies within a network that encompasses the Shaw Trust, other projects, commercial partners and Local Authorities. (...) To maintain the theme of how interconnected the project is with other partners, much of their future business plans will be decided by the actions of others. Ergo, the Shaw Trust management team has a major input into development.

Developing innovative practices: Terre:

This <u>limited company with a social purpose</u>, (which is formally approved for work-integration activities), makes insulating_panels from recycled paper and straw, without the addition of resins and chemicals. This product has been invented by the Group, which owns the patents and licences.

And:

To sustain and develop solidarity through employment requires human and financial means. A new unit for research & development has been created in 2003, where three persons have currently half a dozen projects in hand.

Innovating - flexible ways of working: Tamrinki:

Some of the members earn part of their incomes from pensions and some from unemployment fees. Full time working is rarely possible because of the physical limitations. It is very important that members can combine work and social benefits creatively within their disabilities. There is also some unpaid work or voluntary work involved because co-operative forms also special community for the members. Also those members who have difficulties in finding work still feel they belong to the group and they participate voluntarily in actions within the co-operative.

Innovative – a readiness to experiment: L'Olivera:

The family model was extremely unorthodox: the idea was that the community life of the people settled there created a community core, where disabled people were integrated. It was not so much a centre designed for assistance, but an extensive home for young people looking for a community experience. But, the entry of new people changed the initial spirit of the experience to become more professional and more cooperative. Although the idea of a commune was left behind, the community idea was upheld. For example, such important issues as shared decision-making or the very minimal difference among wages were sustained. Furthermore, the rural environment and the closeness among the people promoted bonding, generating a kind of extended community.

And FRC:

In the initial stages of recruitment, FRC uses innovative targeting techniques. "We advertise in pubs, laundrettes, bookies ... anything to reach the people we want".

Innovation – new ways of addressing a range of needs: L'Olivera:

L'Olivera has always been committed to the generation of productive economic alternative for the region, based on the promotion of the values and resources of the area. It has undertaken activities related to leisure time, seeking to add value to the environment and has participated in the region's Association of Integral Development that has been started. The commitment of the cooperative to development in the region is one of its identifying marks.

Curva Quatro has as working areas the gardening, laundry and interiors cleaning. It's a Centre that, in terms of innovative aspects, is turned for the exterior services supplying to the general community, and the development of activities into the unmet social needs such as home-care, proximity services and green spaces arrangements, in the way that it relates to its stakeholders: through innovative partnerships.

And: Childcare Works:

There are also innovative elements to the programme. The connection to the local childcare forums has been instrumental in the success. One aspect has been that the childcare forums give a clear indication of what is *needed* in the community. Thus the model is not as supply side orientated as first impressions might suggest. The forums provide clear indications of what's required, which, together with the element of rolling recruitment means that training can be quickly adapted to meet demand. In the One Plus nursery in Greater Pollok, for instance, there were two school age trainers/assessors and one early years trainer/assessor. Knowledge of community need led to a subtle change in training, with one trainer/assessor switching from school age training to early years training because there was a higher demand for early years workers.

Innovation – a readiness to challenge conventional categories: L'Olivera:

In many cases, people with disabilities also have symptoms of social maladjustment in general, of exclusion. The limits tend to become diluted and are more ambiguous. There are people with the *disability certificate* although what they really suffer is a problem of *social exclusion*. These are people who, under different conditions, would be competent people, they are borderline cases, the homeless, or people with mental illnesses who suffer maladjustment derived from their mental illness. "*These barriers are slightly artificial: society changes and problems change*".

And:

Co-labour: most of the integration programmes in Luxembourg and most of the measures proposed to support employment by the authorities never exceed 18 months. The social workers of Co-Labour believe that it is necessary to evaluate the required integration time on an individual basis. Therefore, the integration paths proposed by this co-operative can be extended beyond the deadline foreseen in the framework of the measures, even as far as an openended contract.

Indeed, an open-ended scheme can sometimes help people progress beyond their current difficult situation, to stop the logic of failure, regain self confidence and confidence in the others and to solve problems that have accumulated over difficult periods of their lives.

The need to innovate to overcome perverse incentives: Opcion3:

The special condition of social initiative cooperatives is reinforced by the policy of the public administration which is careful to the extreme with the aid for the programmes, in practice just financing the contracting of the staff and the consuming of materials associated with the implementation of the activity. There is therefore no possibility of any surplus to "share" in the shape of a dividend. This situation has harmful effects in that something of enormous importance for an improvement in the quality and the development of a sector of modern social attention is not permitted either; there is no surplus to reinvest in improving the facilities and resources of the cooperative, to offer a better service, or in new projects of social attention to the same or to another excluded social collective (new offices, new computer equipment, etc.).

Innovation to meet contrasting challenges: Co-labour:

Even if the Co-Labour philosophy is to guarantee the quality, the skills, knowhow and commitment indispensable for economic success of the activities undertaken, the challenge taken up since 1983 by Co-Labor has been to reconcile economic and financial constraints with social and environmental imperatives, in other words, to put economic efficiency in the service of social equity.

High quality performance: Childcare Works:

The success rate is extremely high in people moving on from Childcare Works. The success rate is different for each project and there are no cumulative statistics but overall the average is above 70% of positive outcomes (i.e. 70% of people on the ILM programme go into permanent jobs). Participants move on into a variety of jobs, in nurseries and out of school care, as special needs assistants, classroom assistants and in youth work. They move after completing the ILM programme (lasting one year). An after care team tracks graduates from the programme for at least six months.

At the leading edge of performance measurement: FRC:

The Furniture Resource Centre actively promotes social enterprise. It believes in two guiding principles: first, an ability to adapt and, second, a genuine commitment to business and to social aims, encapsulated in what it terms *triple bottom line accounting*.

4 Issues and challenges

The following points have emerged from information provided by partners in the case studies and elsewhere. The impression is that while they may have emerged from specific country experiences, they are not unique to some of the social enterprises in that country but are shared by some other countries.

Financing WISE

Frequently WISE draw on diverse funding sources with different requirements, time horizons, and logics of operation (incentives, etc.). In many cases the complexity of managing these requirements is a challenge (as exemplified by Childcare Works in Scotland, where success has also led to multiple projects). Diverse funding sources in some WISE may be contrasted with dependence on single funding sources where questions may be raised on the impact on autonomy (for example quasi-state sheltered workshops). Clearly there is likely to be a balance between the demands from a complexity of funding sources and dependence arising from a single source. Many organisations may not yet have found this balance, thus: in Ireland, over 65% of the social enterprises surveyed indicated a level of dissatisfaction with support from the public and private sectors.

Managing Risk

Another issue which is partially linked to diversity and type of funding source is how risk is managed. This may have implications for the extent to which diversity of funding sources is seen as an advantage; as in the case of Netzwerk which sought multiple funding sources to avoid the risk of collapse from overdependence on one (or a few) sources; FRC mentioned the "complex and fragile funding patterns" in relation to major funding gap they encountered due to unfulfilled matched funding At the level of the enterprise there appears to be a readiness to requirements. externalise risk from the state (municipal/regional/national). Contracting out of public services has the effect of externalising the variations in demand so that the enterprise has to manage this uncertainty. This transfers to the individual level, when an enterprise needs to downsize or it fails, and individuals risk unemployment again. Disadvantaged people who have given up secure benefits to join a WISE seem to bear undue/excessive risks in such situations, particularly if they are disabled people who would face considerable difficulty securing replacement employment or the reinstituting of their benefits. Guarantee systems for managing individual risks seem underdeveloped currently. And one approach (Childcare Works) is to negotiate local agreements with agencies responsible for benefits. At the enterprise level joining a federation may be one approach to reducing risk (as in the case of Netwerk and its federation Diakonie).

Clearly developing more sustainable enterprise is one part of the solution, but more complex inter-organisational arrangements (such as holding structures in Terre, or partnership arrangements in Greenworxs "interconnected projects with other partners") seem to offer another route to sustainability besides complementary (further) work on guarantee systems.

Regulatory Constraints

A variety of regulatory constraints may hamper the effective operation of WISE. Thus, for example, inflexibilities in the benefits systems may mean that a smooth transition from benefits to full employment may be problematic due to inability to move incrementally from one system (benefits) to the other (employment). This results in part-time working – mentioned in a number of cases.

Bureaucratic constraints may limit the type of people that can be employed, and bureaucratic procedures add to the costs of employment.

Similarly restrictions on surplus and how it may be used, limit the potential for investment by a WISE (mentioned in Opcion3 case). And this may result in perverse incentives or a lack of incentives to perform more effectively.

A different kind of constraint is related to charges of "unfair" competition from the SME sector. This has the effect of restricting the flexibility of operation of a WISE, and thus limiting the growth of the sector. Another "competition" issue is whether it is possible to contract with social clauses (i.e. specifying added social value) rather than contracting on basis of lowest price.

Legal concerns may be at the root of some regulatory constraints; so use of volunteers may be problematic where there are state contracts; or depending on a country's legal framework volunteers may not be useable within certain legal structures (such as co-operatives).

Improving Conventional Solutions vs Social Innovations

As argued in the Finnish case studies, typically conventional employment schemes frequently offer only temporary palliative relief from unemployment and exclusion. WISE initiatives are frequently great improvements on the conventional solutions, but even their performance does not achieve success for everyone. Though as seen in the last section (on cases of good practice) a high level of innovation and continuing development of best practices offers a way forward with proper finance.

On the other hand, it is clear from a few examples that major social experiments are being launched within the WISE sector. The story of L'Olivera (and other cases such as Terre) show great vision, strong ideals and high levels of innovation, which may indicate major new paths for social enterprise in work integration. While many WISE offer significant improvements on conventional solutions, one should not lose sight of the potential for major change offered by the most innovative cases.

Innovation, standardising effective models and replication

While the last section produces a testimony to the effectiveness of WISE and in particular their striking capacity for innovation, there remains some concerns that this excellent experience is not fully capitalised upon. Frequently it falls to underresourced and fragmented support structures (federations, development agencies) to achieve this in diverse socio-political contexts where translation of experiences is non-trivial. Nonetheless the spread of some effective models (such as social co-ops)

and some new social enterprise structures (e.g. multi-stakeholder organisations) provides some grounds for optimism.

In addition, the increasing interest in the Open Method of Coordination, which gained adherents through its use in the Poverty Programme, favours the conclusion that networks can play key roles in improving benchmarking and transferring good practices. Undoubtedly one area of work that would improve such an approach would be the development of better quantitative data relating to performance and scale/diversity of the social enterprise sector.

5 Recommendations For a better recognition of the contribution of the integration social enterprises for social inclusion in the European Union

Introduction: The political orientations as defined by the European Council

At the occasion of the European Council of Lisbon and Feira in March 2000, the members of the European Union have taken a major step making out of the fight against social exclusion and poverty one of the key elements for the modernisation of the European Social model. The promotion of social integration has been claimed as a key point of the EU global strategy to achieved its strategic aim from now to 2010, that is to become the most competitive knowledge economy and one of the most dynamic in the world, able to reach a sustainable economic growth together with a qualitative and quantitative improvement in term of employment and a greater social cohesion. It has also set up as an aim, full employment in Europe, in a new society, better adapted to the personal choices of the women and men.

Poverty and social exclusion have complex forms and shapes that oblige us to call upon a wide range of policies in the framework of this global strategy. Nevertheless a quality job is the key element for social inclusion.

In order to promote a quality employment we ought to develop the integration through work capacities, mainly thanks to the acquisition of skills and long term training. The implementation of these aims by the EU in the framework of the European strategy in favour of employment contributes also in the fight against exclusion. The economic growth and social cohesion are mutually reinforced. A society with a higher social cohesion and less exclusion is the token for a more effective economy.

The role of the social economy is highlighted:

Within the social economy one finds a multitude of occasions for integration and employment. The organisation of the third system can be defined as private and autonomous, having among other missions to reach social and economic aims of common interest, to limit the monopolising strategies, single or private of the profits and work for the local collectivities or for groups of persons coming from the civil society and having common interests. They are often managed jointly by all concerned actors, mainly paid workers, voluntary workers and users.

With the right support the social economy can contribute in a more efficient way to the enlargement of the labour market and the creation of new possibilities for low qualified workers or with their abilities reduced so that they can use their skills and be fully active in their professional life. There are several examples on how the social economy potential is used. Italy, France, Belgium, Luxembourg and Sweden develop the social economy as a sources of employment for low qualified workers, as a potential production tool via measures aiming at simplifying the legal framework, facilitate the access to public services and working as a network for the public administrations.

Preserve and encourage the development of social economy

A) At the European level

It is recommended:

- to allow the States to support their social integration enterprises, including through financial direct support, on the basis of a clear provision of a social services contract and on the basis of reliable and regular evaluations;
- to recognise the specificity of the mission of the social integration enterprises, which in fact, can not be regarded as exerting an unfair competition with respect to the so called "traditional" enterprises;
- to recognise that a large number of them fulfil general interest missions for which the rules of the market cannot be applied if we want to guarantee the access for all without conditions of solvency of the people to whom these services are addressed;
- to leave the possibility to introduced social clauses in the calls for tenders of the public markets in particular in the form of quotas and by the introduction of selection criteria privileging the social aspects allowing to adopt proposals such as "better saying socially" over others "saying less financially";
- to state the specific role of the Work Integration Social Enterprises in the Green Paper on entrepreneurship;
- to recognise the high added value of the capital with a social aim, generated by these enterprises;
- to explicitly specify the role of the WISE⁵ in the European strategies for employment and for social inclusion as a complement of the public actions;
- to start with a step of recognition of the representativeness of the WISE in the sectorial social dialogue and the European social dialogue by supporting the dialogue with all the EU institutions and the European Trade Unions Confederation;
- to insert specific lines in the European action programmes, for example in the programmes supported by the European Regional Development Funds (FEDER), as it is the case of measure 4 (or D) of the Equal programme financed by the ESF: "To reinforce the social economy (third sector), and mainly the public interest services, by concentrating in the improvement of the quality of the jobs";
- to work for the recognition of the general interest enterprises at the level of the EU bodies, and mainly by the Parliament and by the Economic and Social Committee.

⁵ Work Integration Social Enterprises

B) At a national level in each country of the EU

Work Integration Social Enterprises call upon all the public powers and the national social actors in order to:

- Value the contribution of the WISEs in the Social Inclusion National Action Plans and to include them in the global strategies fighting against exclusion;
- Admit the possibility to set up its own tax system and appropriated legal forms for the WISE;
- Favour the creation of employers regrouping for integration and qualification,
- Encourage the creation of social enterprises under the co-operative form that would like to set up the possibilities offered by the recent statute of the European Co-operative society, as soon as it is adopted;
- Work for the labelisation of the WISEs that respect a specific work schedule based on the nature of the mission after /under agreement with the public powers;
- Encourage the negations for collective agreements specific to the sector;
- Define the target groups leaving the possibility to operated with "mixed" populations;
- Think about the integration of the sector within the social organisation representative at a national level ;
- Find the tools to collect reliable statistics for the activity of the sector;
- Assure the possibility to set up mixed financing procedures (private, public, and donations) and support the financial tools that support specifically the sector.

C) Within the Work Integration Social Enterprises

The representative movements commit themselves to:

- To give clear and transparent account of their activities allowing to value the social mission that they develop when they are supported by the public powers;
- Privilege the participation of all parts concerned in their enterprise project;
- Support themselves within a network to encourage the creation and development of the integrating enterprises;
- Integrate and support the creation of similar networks in the candidate countries;

- Support the creation and implementation of a participative management policy;
- Take all their place in the movements representing the social economy in general;
- Carry on with the first initiatives started on the definition of criteria for a future labelisation and the tools for the social audit for the evaluation of their activities;
- Go even further in the transparency of the allocation and repartition of the profits in the case of the social enterprises "for profit" supported by the public powers (but that are in reality "not for profit ones").

Because they have a social goal, through work and citizens integration project for those who can not benefit from all their rights, because they have put themselves at the heart of the economic system and they contribute to the innovation and social cohesion, because they have a highly pedagogical and integrating role, the Work Integration Social Enterprises constitute the key element for the construction of a solidarity based and more competitive Europe in which the whole of the citizens can have their place.

Within a European project that combines social, economic, cultural and ecological development Work Integration Social Enterprises only claim one thing: the recognition by all the related forms of the decisive key role they play in this project.

Appendix 1ELEXIES Project: list of abbreviationsThe Work Integration Social Enterprises in Europe

<u>Germany</u>

 SF_g : Soziale Betriebe und Genossenschaften = Social Firms and co-operative = Firmes Sociales et Coopératives

 MO_g : Kommunale Beschäftigungsgesellschaften = Municipality-Owned SE = Entreprises Sociales Municipales

 WO_g : Beschäftigungsgesellschaften von Wohlfahrtsverbänden = SE organised by Welfare-Organizations = Entreprises Sociales mises en place par des Organisations Sociales

 LI_g : Beschäftigungsgesellschaften von Lokalen, Unabhängigen Initiativen = SE organised by Local Initiatives = Entreprises Sociales organisées par des Initiatives Locales.

<u>Belgium</u>

 EI_b : Entreprises d'Insertion = Work Integration Enterprises (or Integration Enterprises)

 ETA_b : Entreprises de Travail Adapté = Adapted (or Sheltered) Work Enterprises

EFT_b : Entreprises de Formation par le Travail = On-the-job Training Enterprises

 $SOLIDR_b$: Entreprises Sociales d'Insertion SOLID'R = SOLID'R WISE

 ESR_b : Entreprises Sociales d'Insertion actives dans la Récupération et le Recyclage = WISE with Recycling Activities.

SW_b: Sociale Werkplaatsen = Ateliers Sociaux = Social Workshops

 IB_b : Invoegbedrijven = Entreprises d'Insertion = (Work) Integration Enterprises

 BW_b : Beschutte Werkplaatsen = Ateliers Protégés = Sheltered Workshops

 AZC_b : Arbeidszorgcentra = Centres de Soin par le Travail = Work Care Centres

<u>Spain</u>

CEE_e = Centros Especiales de Empleo = Special Employment Centres = Centres Spéciaux d'Emploi

 $CO_e = Centros Ocupationales = Occupational Centres = Centres Occupationnels$ $ONCE_e = Empresas de la Organización Nacional de Ciegos de España = Enterprises$ of the Spanish National Organisation for the Blind = Entreprises de l'Organisation Nationale Espagnole des Aveugles EI_e = Empresas de Inserción = Social Integration Enterprises for people at Risk of Social Exclusion = Entreprises d'Intégration Sociale

<u>Finland</u>

LCO_{fin} = Labour Co-operatives = Coopératives de Travailleurs

 $CSFDP_{fin}$ = Co-operatives Social Firms for Disabled People = Coopératives et Entreprises Sociales pour les Personnes Handicapées

France

 $CAVA_{fr}$: Centres d'Adaptation à la Vie Active = Centres for Adaptation to Working Life

*EI*_{fr} : Entreprises d'Insertion = Work Integration Enterprises

AI_{fr} : Associations Intermédiaires = Intermediate Voluntary Organisations

 RQ_{fr} : Régies de Quartier = Neighbourhood Enterprises

 $ETTI_{fr}$: Entreprises de Travail Temporaire d'Insertion = Temporary Work Integration Enterprises

 $GEIQ_{fr}$: Groupements d'Employeurs pour l'Insertion et la Qualification = Employers Organisations for Work Integration and Training

 EIN_{fr} : Entreprises Insérantes = Long-Term Work Integration Enterprises

<u>Italy</u>

 $COSO_{it}$: Cooperative Sociali di tipo b) = Coopérative Sociale de type b) = B-type Social Co-operatives

<u>Ireland</u>

 UCS_{irl} = WISE : Tackling Long-Term Unemployment and Developing Community Services = pour la lutte du chômage à long-terme et le développement de services communautaires

PDLD_{irl} = WISE : for People with Physical Disability and/or Learning Difficulty = pour personnes présentant un handicap physique ou des difficultés d'apprentissage

Luxembourg

SUSE_{lux} : Structures reconnues d'Utilité Socio-économique = Legally Recognized Structures for Socio-economic Purposes

IES_{lux} : Initiatives d'Economie Solidaire = Social Economy Initiatives

AP_{lux}: Structures d'intégration pour les Publics handicapés (ateliers protégés) = Sheltered Workshops

<u>Portugal</u>

EI_p = Empresas de Inserção = Insertion Companies = Entreprises d'Insertion

EP_p = Emprego Protegido = Sheltered Workshops = Ateliers Protégés

United Kingdom

WCO_{uk} = Worker Co-ops = Coopératives de Travailleur

CB_{uk} = Community Businesses = Enterprises Communautaires

SF_{uk} = Social Firms = Firmes Sociales

ILMO_{uk} = Intermediate Labour Market Organisations = Organisations liées aux Marchés Intermédiaires du Travail

 R_{uk} = Remploy (Large Quasi-State Enterprise) = Entreprise quasi-publique Remploy

 VOE_{uk} = Volontary Organisation with Employment Initiatives/Enterprises = Organisations Volontaires avec des Initiatives/Entreprises d'Emploi

<u>Sweden</u>

SOCO_{sw} = Social Co-operatives = Coopératives Sociales

SH_{sw} = Samhall = Sheltered Workshops for Disabled

Appendix 2Typology of enterprises

The following table was the basis for the monographs, and was useful in the development of thinking about WISE typologies. It is based on the framework for gathering data on each type of WISE, which are listed on the website.

Country	Type of organisatio n	Status / legal form	Type of target groups	Type of work contracts	Resources	Autonomy	Recognition	Number of organisatio ns (or approxima tion)	Number of bebeficiari es (or approxima tion)	Training of the beneficiaries	Decision- making power of the beneficiaries	Networks or federations	Taking into acocunt of a sustainable development approach	Other remarks
			disabled		Proportion	strongly	law			compulsory	high (co-	no	yes	
		association	people	traditional	of	linked to	recognition				decision)			
		/ non-profit		fixed-	subsidies :	public	none			optional	low (limited	yes (indicate	no	
		organisatio	people	term	high	authorities	other :				representation)	the names):		
		n (NPO)	with social	contract	(more than	linked to				not foreseen	inexistent		sometimes	
		company	and / or	open-	70%)	public								
		со-	occupationa	ended		authorities								
		operative	1 difficulties	contract	intermediat	linked to a								
		other		other	e (30 to 70	network								
				temporary long- term	%) low (less than 30 %) inexistant (0 %) (indicate if tapering off)	(NGO, charity organisation) very independent								

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