Work Integration and Social Enterprises: dynamics and challenges in Europe

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1. What is a social enterprise?
   – The debate on the concept of the social enterprise
   – The European approach of the social enterprise

2. What is a Work Integration Social Enterprise (WISE)?
   – Definition of the WISEs and context of emergence
   – The hybrid nature of the WISEs

3. What are the current challenges in the European work integration field?
1. WHAT IS A SOCIAL ENTERPRISE?
A. The context of the debate on the social enterprise

– Debate within the third sector and emergence of new entrepreneurial dynamics in the social economy

– Evolution of the public financing dedicated to the third sector organisations in terms of financing mechanisms (quasi-markets, contracts, call for projects)

– Actors involved in the debate:
  • Innovative social economy organisations (social cooperatives, work integration associations, etc.)
  • SE federations (recognition)
  • Public authorities (new legal forms, specific accreditations)
  • Researchers (social sciences and then business schools)
B. Legal forms within the European countries

- Pioneer role of the “social cooperatives” in Italy (1991)

- New legal forms
  - cooperative forms for social enterprises
    e.g. “solidarity social cooperatives” (Portugal - 1998), “social cooperatives” (Greece -1999), “service social cooperatives” (Spain – 1999), “collective interest cooperatives” (France - 2002)

  - social enterprise labels given to commercial companies
    e.g. “company with a social purpose” (Belgium – 1996), “community interest company” (UK - 2005), “law on the social enterprise” (Italy - 2005)
C. Scientific debate on the concept of the social enterprise

- Two major conceptions anchored in the US context
  - The "earned income" school of thought
  - The "social innovation" school of thought

- One conception anchored in the European context
  - The “EMES approach”
D. The EMES approach of the social enterprise

- An economic project and an entrepreneurial dynamic
  - A continuous activity producing goods and/or selling services
  - A significant level of economic risk
  - A minimum amount of paid work

- A social purpose
  - An explicit aim to benefit the community
  - A limited profit distribution
  - An initiative launched by a group of citizens or civil society organisations

- Participatory governance
  - A high degree of autonomy
  - A participatory dynamic, which involves various stakeholders
  - A decision-making power not based on capital ownership
D. The EMES approach of the social enterprise

1. What is important to better understand the significance of the EMES approach

   a. The criteria are not conditions to fulfil to “deserve” the social enterprise label

   b. The criteria are defining an « ideal-type » and permit to position the organisations within the “galaxy” of the social enterprises

   ➤ A methodological approach that permits to analyse the diversity of social enterprises on various dimensions.
2.

WHAT IS A WORK INTEGRATION SOCIAL ENTERPRISE?
A. What is a Work Integration Social Enterprise (WISE)?

– Organisation that pursues a social purpose of work integration, through a productive activity, of people who are marginalised on or excluded from the traditional labour market
B. The context of emergence

– Evolution of the public policies
  • 1970s-1980s: emergence of WISEs before their institutional recognition
  • 1990s: active employment policies in a context of structural unemployment

– Current context
  • Active labour policies available to any type of enterprise (including WISEs)
  • Specific accreditation for WISEs giving right to public subsidies
C. The hybrid nature of the WISEs

- “ELEXIES” research project (EMES) – 2002-2003
  - Goal: to describe the main specific features of WISEs in 12 European countries

- “PERSE” research project (EMES) – 2001-2004
  - Goal: to measure the social and economic performance of work integration social enterprises
  - Sample: 162 WISEs from 11 European countries
  - About 40 types of WISEs

- “ICSEM” research project (IAP-SOCENT) – 2013-2017
  - Goal: to compare social enterprise models and their respective institutionalisation processes across the world
  - Current scope: more than 200 researchers from some 50 countries
C. The hybrid nature of the WISEs: Multiple objectives

- Economic objectives:
  
  - Development of an economic activity that supports the work integration purpose
    - Often adapted to the target publics (marginalised and/or low qualified people)
    - Development of niche markets (e.g. recycling)
    - Collective dimension of the production (e.g. social services, proximity services, recycling)
C. The hybrid nature of the WISEs: Multiple objectives

- Social objectives
  - Work Integration through a productive activity
    - Transitional employment
    - Permanent self-financed jobs
    - Permanent jobs financed by structural subsidies
    - Socialisation through a productive activity
  - For some WISEs: empowerment of the target public (participatory and democratic management)

BUT:
- Instrument for the integration in the « first » labour market
  - Domination of the transitional model
  - Professionalization (pressure of the competition)
    \(\Rightarrow\) low participation of the beneficiaries
C. The hybrid nature of the WISEs: Multiple objectives

Transitional employment financed by temporary subsidies

Social integration through a productive activity

Permanent jobs that are self-financed and in some cases, supported by temporary subsidies

Permanent jobs financed by structural subsidies

Source: EMES-PERSE
C. The hybrid nature of the WISEs: Multiple objectives

- Socio-political objectives
  
- At the level of the enterprise: importance of the networking and participation to several networks
  
- At the level of the field:
  - multiple interactions between WISEs and public authorities → recognition
  - more recently and to a lower extent, interactions between WISEs and the private sector
C. The hybrid nature of the WISEs: Multiple resources

- From different sources:
  - Public versus private actors
  - State, enterprises, individuals

- From different types:

<table>
<thead>
<tr>
<th>Monetary resources</th>
<th>Non-monetary resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market resources</td>
<td>Volunteering</td>
</tr>
<tr>
<td>Non-market resources</td>
<td>Social capital</td>
</tr>
<tr>
<td>Donations, philanthropy</td>
<td></td>
</tr>
</tbody>
</table>
C. The hybrid nature of the WISEs: Multiple resources

**Distribution of resources**

- **Market** 53%
- **Redistribution** 39%
- **Voluntary resources** 8%

**Sources of resources**

- **Public sector** 56%
- **Business sector** 15%
- **Third Sector** 8%
- **Individuals** 21%

Source: EMES-PERSE
C. The hybrid nature of the WISEs: Multiple stakeholder

- Representation of the stakeholders in the board of directors

<table>
<thead>
<tr>
<th>Board</th>
<th>#WISEs</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>One type of stakeholder</td>
<td>64</td>
<td>41 %</td>
</tr>
<tr>
<td>Multiple types of stakeholders</td>
<td>93</td>
<td>59 %</td>
</tr>
<tr>
<td>TOTAL</td>
<td>157</td>
<td>100 %</td>
</tr>
</tbody>
</table>

- Influence of the stakeholders in the multi-stakeholder WISEs

<table>
<thead>
<tr>
<th>Category</th>
<th>User</th>
<th>Volunteer</th>
<th>Staff</th>
<th>Entreprises</th>
<th>Public auth.</th>
<th>Association</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>5%</td>
<td>20%</td>
<td>21%</td>
<td>10%</td>
<td>13%</td>
<td>14%</td>
<td>18%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: EMES-PERSE
3. WHAT ARE THE CURRENT CHALLENGES?
CHALLENGES

1. To recognise the specific features and manage the WISEs’ hybridity/diversity
   - to sustain the innovative capacity of WISEs by linking actors from various backgrounds and resources from diverse sources

2. To assess/measure the WISEs’ global performance
   - to demonstrate the added value of WISEs (and social enterprises) compared to other types of operators, particularly on quasi-markets
   - To better highlight and recognise their economic weight, social impact and innovative potential

3. To foster the development of WISEs (and social enterprises) as another way to govern common goods and to contribute to the general interest
4. To foster the development of WISEs as an economy able to contribute to the local development
   – And not as an intermediary economy that only compensates the failures of the traditional labour market

5. To contribute to build new relationships between solidarity and territories
   – Logic where the social enterprises (incl. WISEs) become one dimension of a development policy that relies on the enhancement of local potentials
   – Recognition of plural forms for entrepreneurship
   – Alliances between various types of operators (co-creation, co-implementation, co-development)
• Publications from the EMES network (www.emes.net)
  – ELEXIES research project (2002-2003) on the Work Integration Social Enterprises in Europe
• Publications from the ICSEM research project (www.iap-socent.be)
Thanks for your attention!

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