

INWORK European Conference

“Social Inclusion, Work Integration and Social Entrepreneurship”

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Work Integration and Social Enterprises: dynamics and challenges in Europe

Julie RIJPENS

Centre for Social Economy

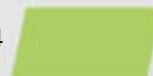
HEC Management School, University of Liege



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?



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)

SOCIAL ENTERPRISE

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)

SOCIAL ENTERPRISE

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"

SOCIAL ENTERPRISE

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

SOCIAL ENTERPRISE

D. The EMES approach of the social enterprise

- What is important to better understand the significance of the EMES approach
 1. The criteria are **not conditions** to fulfil to “deserve” the social enterprise label
 2. 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 (included 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)

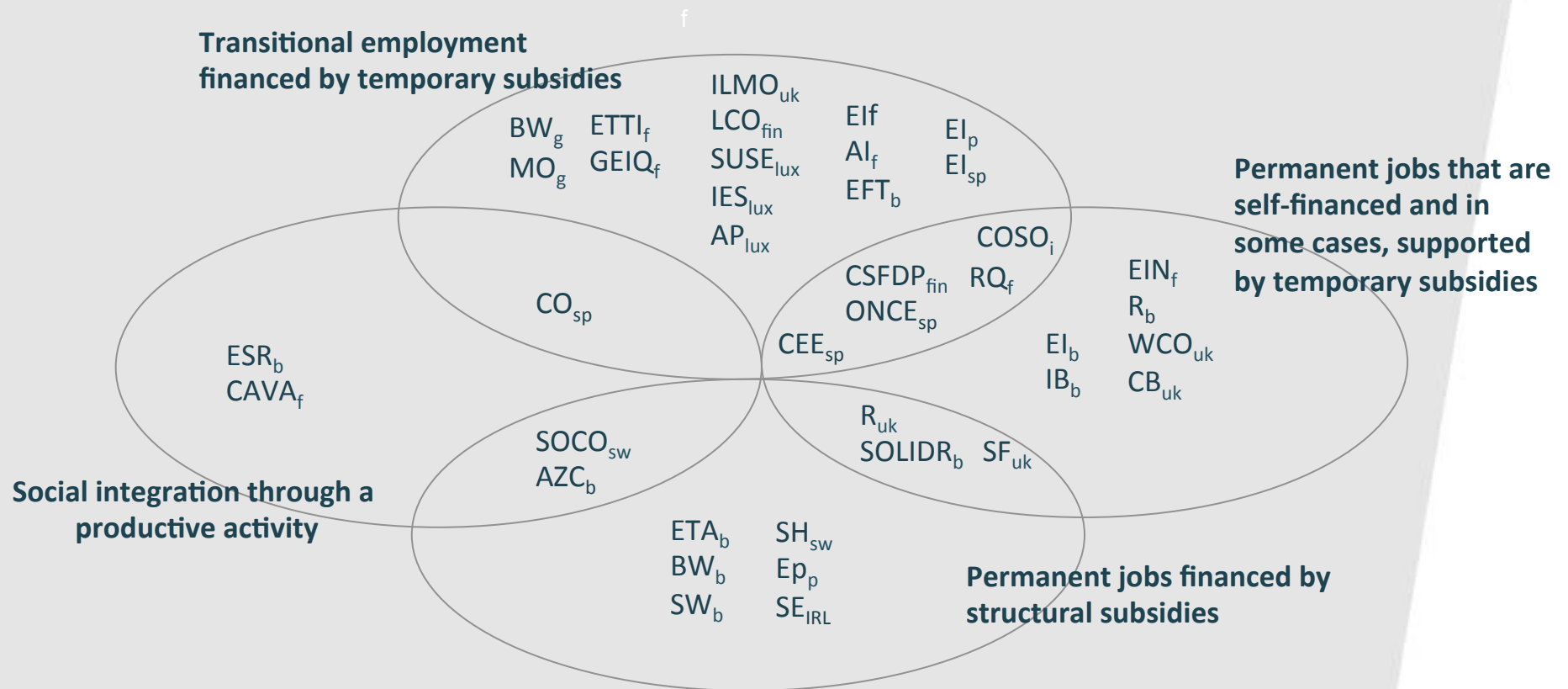
C. The hybrid nature of the WISEs : Multiple objectives

- 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)
 - ⇒ low participation of the beneficiaries

C. The hybrid nature of the WISEs : Multiple objectives



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

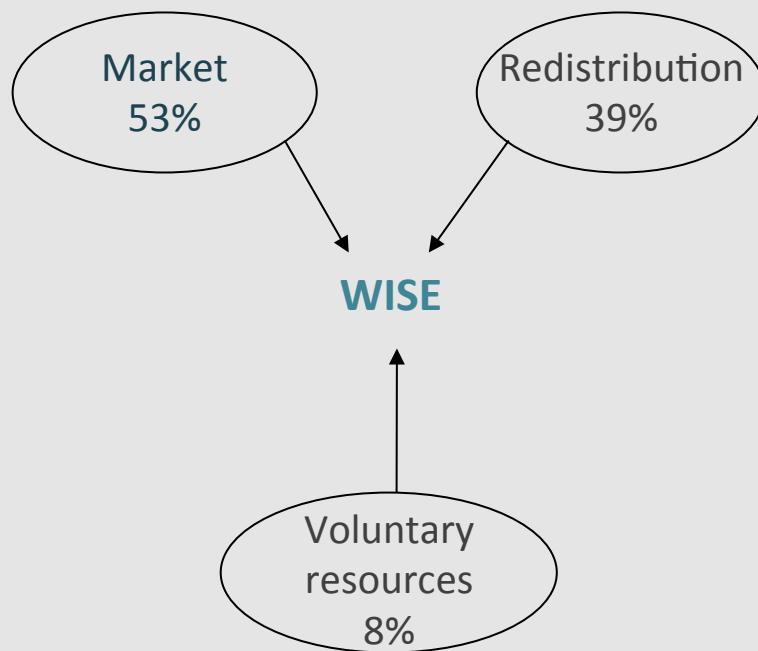
- From different sources:
 - Public versus private actors
 - State, enterprises, individuals

- From different types:

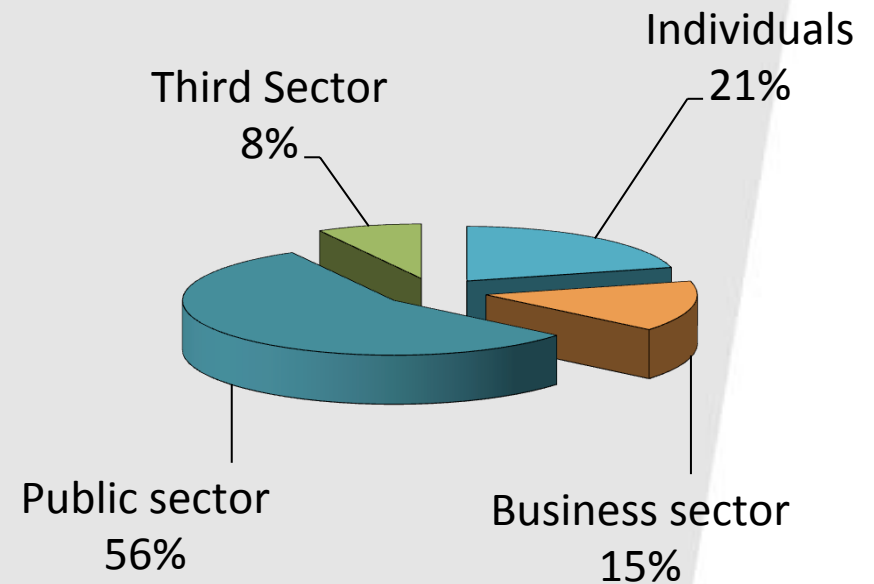
Monetary resources	Non-monetary resources
Market resources Non-market resources Donations, philanthropy	Volunteering Social capital

C. The hybrid nature of the WISEs : Multiple resources

Distribution of resources



Sources of resources



Source: EMES-PERSE

C. The hybrid nature of the WISEs : Multiple stakeholder

- Representation of the stakeholders in the board of directors

Board	#WISEs	Proportion
One type of stakeholder	64	41 %
Multiple types of stakeholders	93	59 %
TOTAL	157	100 %

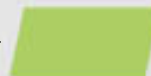
- Influence of the stakeholders in the multi-stakeholder WISEs

Category	User	Volunteer	Staff	Enterprises	Public auth.	Association	Other	Total
Average	5%	20%	21%	10%	13%	14%	18%	100%

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**

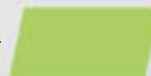
CHALLENGES

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)



FURTHER READINGS

- Publications from the EMES network (www.emes.net)
 - ELEXIES research project (2002-2003) on the Work Integration Social Enterprises in Europe
 - PERSE research project (2001-2005) on the socio-economic performance of the Work Integration Social Enterprises in Europe
- Publications from the ICSEM research project (www.iap-socent.be)
- Nyssens, M. (2006), *Social Enterprises. At the Crossroads of Market, Public Policies and Civil Society*, Routledge, London.
- HUYBRECHTS, B., MERTENS, S. & RIJPENS, J. (2014), “Explaining stakeholder involvement in social enterprise governance through resources and legitimacy”, in J. DEFOURNY, L. HULGARD & V. PESTOFF (Eds.), *Social Enterprise and the Third Sector: Changing European Landscapes in a Comparative Perspective*, Routledge, London & New York, p. 157-175.
- Rijpens, J. (2014), “Explaining diversity in social enterprise governance through the organisation-environment interactions. The case of WISEs”, *PhD thesis in Management Sciences*, HEC Management School, University of Liege.



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Thanks for your attention!

Julie RIJPENS

julie.rijpens@ulg.ac.be

<http://www.ces.ulg.ac.be>

