



# WISE

**Work Integration  
Social Enterprises  
as a tool for  
promoting inclusion**

austria  
belgium  
finland  
italy  
malta  
poland  
romania  
spain

**A WISE way of working**  
**Work Integration Social Enterprises and  
their role in European Policies**

## **Guidelines for European policy makers**



With the financial support of the European Community Programme for  
Employment and Social Solidarity PROGRESS (2007-2013)

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# Introduction

All over Europe, **WISEs** (Work Integration Social Enterprises) play an important role in promoting social inclusion and employment.

This report demonstrates the important role WISEs play in achieving many of the European Union's objectives. It addresses specific guidelines to European policy-makers in order to promote the role of WISEs in European policies.

The guidelines are the result of a two-year project, part of the EU's PROGRESS programme, that has allowed organisations representing social enterprises and WISEs from eight Member States, European networks, institutions and experts to discuss the contribution of WISEs to employment, inclusion and enterprise policies and the role they play within National Action Plans (NAPs) for inclusion, National Reform Programmes (NRPs) and Structural Fund Operational Programmes (OPs).

## Social enterprises and WISEs

The project examined the types of support that exist for WISEs, irrespective of their legal form or affiliations. In our approach to 'social enterprise' we decided to follow the EMES 'ideal type' in the Weberian sense. It may be summarised as follows: *"Social enterprises are not-for-profit private organisations providing goods or services directly related to their explicit aim to benefit the community. They rely on a collective dynamics involving various types of stakeholders in their governing bodies, they place a high value on their autonomy and they bear economic risks linked to their activity"*.<sup>1</sup> This 'ideal type' may be articulated to reveal nine criteria which social enterprises will tend to embody to a greater or lesser degree. They are:

### **Economic criteria**

Continuous economic activity  
A high degree of autonomy  
A significant level of economic risk  
Some level of paid work  
Limited profit distribution

### **Social criteria**

An explicit aim to benefit the community  
A citizen-led initiative (civil society)  
Democratic decision-making, not based on capital  
A participatory nature, involving those affected

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1. Defourny, J. and Nyssens, M. (2008), "Social Enterprise in Europe: Recent Trends and Developments", *EMES Working Paper* series, no. 08/01, Liège.

WISEs are a specific type of social enterprise. They can be defined according to the following minimum common denominators. They are:

- private and autonomous enterprises operating on the market,
- where the disadvantaged workers have employee rights under national labour law,
- and whose core mission is the integration through work of disadvantaged people.

Additional criteria, included in the EMES ideal type, such as democratic decision-making, are present in many WISEs and have proven advantages, but cannot be counted among the minimum common denominators among all WISEs.

The third characteristic mentioned above, namely the core mission, is fundamental because this is the reason why WISEs manage to displace thousands of disadvantaged persons from the conventional welfare structures in which they were simple objects of assistance, to re-integrate them fully in society by transforming them into producers and generators of value for themselves and for others. By so doing they “make a drastic choice: organising themselves in a different way, they lower the threshold of the capacity of workforce utilisation, and, in this way, generally lower the threshold of access to the labour market, extending the employment capacity beyond the implicit frontiers defined by the entrepreneurial systems on the basis of their productive, organisational and profit-related demands”. Therefore, WISEs “can be considered to be an economic sector in their own right, characterised by the fact that they occupy a specific space which is defined not so much by what they produce, but by the way they produce it, and by the very specific characteristics of their workforce”.<sup>1</sup>

Job creation for disadvantaged persons is the main function of the enterprise, whereas, in conventional enterprises, it is considered to be an externality to be managed with the lowest possible impact on the main function of the enterprise, which is profit. It is a Copernican reversal of a basic entrepreneurial paradigm: the utilisation of disadvantaged workforce, which is an externality in conventional enterprises, becomes the main function to be maximised in WISEs. The cost of work integration thus becomes internal to the enterprise, and is covered by the income deriving from its productive activities.<sup>2</sup>

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1. Scalvini, F. (2006) : “La cooperazione sociale di inserimento lavorativo”, *Impresa Sociale*, January-March 2006

2. *Ibid.*, p 27

This Copernican reversal operated by WISEs should be mirrored by a substantial shift in public policies. The fact that the integration of disadvantaged workers no longer represents a negative externality to be tolerated, but, on the contrary, an objective to be pursued, should logically generate the following shift in public policies:

- A shift from a system of externalities towards a system of incentives, so as to allow WISEs, as a specific private actor, to implement their general interest objective in the best possible way.
- An adaptation of the activities of the corresponding public administrations to the organisational technology and the operational choices produced by WISEs, in a spirit of effective subsidiarity.

WISEs are neither a form of decentralisation of public services provided by the public sector nor a hidden form of penetration of private business into social services; they are a new form of organisation of public services which benefit from a high degree of autonomy and management initiative. WISEs provide an important innovative support to the strengthening of the social economy and the economy in general. As social enterprises, WISEs are important actors in the transformation of the “third sector” into the revival of the community-based market economy.

## A rich panorama

From the very beginning, the project partners were well aware that the variety of models of WISEs represent a richness, but also a complexity, in the European panorama and that different models respond to different needs and are the consequence of different cultural, social and political traditions and contexts.

They identified important distinctive elements of WISEs that should be acknowledged and promoted at local, national and European levels. The most important of these are summarised in the tables that follow.

WISEs are an important component of the social economy and they represent an important economic actor in society. Their different approach enables thousands of disadvantaged persons to enter the production cycle in a long-term and sustainable way, re-acquiring the complete economic and social dignity that derives from being workers in the true sense and, in many cases, even members and co-owners of the firms.

The element of participation is also very important in WISEs, since it helps not only to create a friendly working environment, but also to build the trust and self-confidence of persons at risk of social exclusion.

## WISE project results

On this basis, the project has produced:

- **Eight national (Austria, Belgium, Finland, Italy, Malta, Poland, Romania and Spain) and four regional (Lombardy, Marche, Campania and Latium) reports**, which describe the different types of WISEs, analyse the policies supporting them (with a specific focus on NAPs and structural funds) and identify policy best practices.
- **Four bilateral peer reviews (Austria-Italy, Spain-Malta, Belgium-Finland and Romania-Poland)** to compare WISE models, discuss national policies and identify elements of transferability and policy messages.
- **Eight cross-cutting reports** to set out how WISEs could make a better contribution to policies in the country concerned and to identify policy guidelines for national and local policy-makers.
- **This set of ten European strategic guidelines** addressed to European policy-makers.

All these project outputs are available on the project web site:

[www.wiseproject.eu](http://www.wiseproject.eu)

## Acknowledgements

Different kinds of partners were involved in the project and collaborated very concretely in the activities and the results achieved. We want to thank them all:

### Project leader:

Gruppo Cooperativo CGM (Co-operative Group of the National Consortium of Italian Social Co-operatives Gino Mattarelli) – [www.cgm.coop](http://www.cgm.coop)

### National partners:

**Austria** : BDV – Bundesdachverband für Soziale Unternehmen (Association of Social Enterprises) – [www.bdv.at](http://www.bdv.at)

**Belgium**: Pour la Solidarité – [www.pourlasolidarite.eu](http://www.pourlasolidarite.eu)

**Finland** : Idekoop Osuuskunta – [www.idekoop.fi](http://www.idekoop.fi)

### Italy:

AGCI Solidarietà (General Confederation of Italian Co-operatives) – [www.agci.it](http://www.agci.it)

Assoferr (National consortium for training and advice) – [www.assoferr.net](http://www.assoferr.net)

Aster-x (Italian consortium of the third sector) – [www.aster-x.it](http://www.aster-x.it)

DROM (national consortium of social co-operatives) –  
[www.consorziadrom.org](http://www.consorziadrom.org)

Inforcoop (Legacoop national training institute) – [www.inforcoop.it](http://www.inforcoop.it)

Legacoopsociali (Legacoop Federation of Social Co-operatives) –  
[www.legacoopsociali.it](http://www.legacoopsociali.it)

**Malta:** SOS Malta (Solidarity Overseas Service) – [www.sosmalta.org](http://www.sosmalta.org)

**Poland:** Fundacja Pomocy Wzajemnej Barka – [www.barka.org.pl](http://www.barka.org.pl)

**Romania:** FDSC – Fundatia Pentru Dezvoltarea Societatii Civile  
(Civil Society Development Foundation) – [www.fdsc.ro](http://www.fdsc.ro)

Ministry of Labour, Family and Equal Opportunities

**Spain:** COCETA (National Confederation of Workers Co-operatives) –  
[www.coceta.es](http://www.coceta.es)

CONFESAL (National Confederation of Participative Enterprises) –  
[www.confesal.es](http://www.confesal.es)

### European organisations:

CECOP (European Confederation of Workers' Co-operatives, Social  
Co-operatives and Social and Participative Enterprises) – [www.cecop.coop](http://www.cecop.coop)

DIESIS (European and International Research and Development Service for  
the Social Economy and Co-operatives) – [www.diesis.coop](http://www.diesis.coop)

EAPN (European Anti Poverty Network) – [www.eapn.org](http://www.eapn.org)

EMES (European Research Network) – [www.emes.net](http://www.emes.net)

OECD/LEED Programme – [www.oecd.org](http://www.oecd.org)

This project was financially supported by the European Community  
Programme for Employment and Social Solidarity PROGRESS (2007-2013)

<http://ec.europa.eu/social/main.jsp?catId=327&langId=en>

## 10 RECOMMENDATIONS FOR POLICY-MAKERS

### 1. WISEs and European policy – towards an integrated approach

The Political Guidelines for the next Commission speak about achieving a sustainable and inclusive economy, centred on the fight against unemployment and the improving of social cohesion. WISEs have a major problem of visibility both at national and EU level, although they have a proven potential to contribute to achieving these overarching objectives. Whilst there have been some improvements in the visibility of social economy in the NAPs/inclusion and in the Social OMC, this has not generally been reflected in the broader Lisbon Strategy. Through the Social OMC, reference to WISEs has been made in successive Joint Reports. There has been a significant increase in the support given to the social economy, particularly in relation to Active Inclusion. The EC Communication of 2008 recommends “providing support for the social economy and sheltered employment as a vital source of entry jobs for disadvantaged people, promote financial inclusion and microloans, financial incentives for employers to recruit, the development of new sources of jobs in services, particularly at local level, and raise awareness of labour market inclusiveness”.

Last year, an important Peer Review on the role of social economy in active inclusion was carried out in Belgium. In terms of the Lisbon Strategy, there is little explicit mention of the social economy, except for a few countries (Belgium, Luxemburg, Portugal and Sweden). As a result, WISEs are rarely mentioned in the National Reform Programmes or in the Commission's Annual Progress Report.

The European Economic Recovery Plan underlines the “reinforcement of activation schemes, in particular for the low-skilled, involving personalised counselling, intensive (re-)training and up-skilling of workers, apprenticeships, subsidised employment as well as grants for self-employment and business start-ups”. However, WISEs are not mentioned anywhere in the European Recovery Plan. National recovery plans have also, more often than not, failed to mention this important source of quality employment and social inclusion, tailored to address the specific needs of vulnerable populations, which are the ones bearing the brunt of the downturn. Social economy and specifically WISEs have a cross-cutting nature, which requires an integrated approach, combining different policy tools to make them effective.



## RECOMMENDATIONS

- ✦ References to WISEs should be explicit in the Lisbon process (National Reform Programmes) and in the new post-Lisbon architecture, emphasising their positive role in achieving active inclusion and other objectives in European and national policy-making.
- ✦ Political and financial support should be made available for research, mutual learning and exchange of experience, in order to boost WISEs at both the EU and national levels.
- ✦ At European level, better coordination is required between social inclusion, employment, enterprise and competition policies, as well as the DGs in charge of them.
- ✦ At the same time, a better correlation between ESF and ERDF programmes could allow WISEs to access not only funding for training and research (soft support), but also funding for investment (hard infrastructure).
- ✦ The potential of WISEs to contribute to a speedy recovery, by creating quality jobs and improving access to employment for those furthest from the labour market, needs to be further explored and supported.

### A new tool for policy co-ordination

*Poland's new high-level working group on the social economy enables different ministries to co-ordinate their policies.*

Poland has recently constituted the *Social Economy Working Group for Systemic Solutions*, with 20 members nominated by the Prime Minister. They include three Ministers (Labour and Social Policy, Economy, Finance), representatives of other public bodies (Ministry of Regional Development, Department of the Public Utility Sector and Group of Strategic Advisers of the Prime Minister), along with representatives of social economy organisations (SKES, FISE, Barka Foundation, NAUWC, etc.) and academics.

The group's main task is to discuss strategies and proposals to foster the development of the social economy and to make sure that it is taken into account in the government's strategic documents. It has four sub-groups dealing with legal issues, financial infrastructure, education and strategy, so as to create synergies and coordination between different policies and tools affecting the social economy. The group's first strategic document is a draft *Social Economy Pact for the Modernisation of the Polish Social Model 2030*, as a contribution to the recently-published *Poland 2030* report. It was discussed by representatives of institutions and the social economy at the Third Polish Social Economy Conference, which took place in Warsaw on 21 September 2009.

The Working Group is a major result of the strategic approach of Polish social economy organisations, which started within the EQUAL programme. Besides funding a good number of social enterprises, EQUAL promoted a national thematic network and two major European Conferences (Warsaw 2006 and Gdansk 2008) that raised the interest of policy-makers in the role of social enterprises.

Moreover, the pioneering work carried out under EQUAL has now been followed up with a sizeable effort under the Human Capital operational programme of the ESF and 16 regional operational programmes.

## 2. WISEs and employment

The focus on full employment and quality jobs goes back to the initial objectives of the European Employment Strategy in 1997. Since 2000, there has been an increasing consensus on the development of Make Work Pay and Active Labour Market Policies, reflected in successive Joint Employment Reports. In 1999, the European Employment Guidelines highlighted the importance of realising the potential of social economy to create jobs and provide much needed services, while in 2001, the Guidelines for the National Action Plans for Employment emphasised the need to develop the social economy under the entrepreneurship pillar. In 2008, the endorsement of the Active Inclusion Recommendation by the EPSCO has played a crucial role in emphasising personalised pathway and integrated approaches to supporting those who are furthest from the labour market, recognising “social economy and sheltered employment as a vital source of entry jobs for disadvantaged people”. In 2009, this was further reflected in the EC Communication *A Shared Commitment for Employment*, which specifically identifies social economy as a solution for providing access to employment to vulnerable groups.

The Joint Employment Report, the Key Messages of the Employment Summit, the Trio Presidency Operational Programme and others place an emphasis on effective labour market policies tailored to individual needs, the promotion of employment for vulnerable groups, the fighting of labour market segregation and the need to ensure more inclusive labour markets. WISEs are autonomous entities, which are fully entrepreneurial and whose main goal is to help people who are at risk of permanent exclusion from the labour market (poorly qualified persons, long-term unemployed, people with disabilities, migrants, etc.) towards sustainable employment and integration in society. These enterprises integrate people back into work and support their social participation in general through productive activity. At European level, WISEs prove, through their daily action, that it is possible to reconcile the three dimensions of the original Lisbon Strategy, i.e. the economic, employment and social dimensions.

### RECOMMENDATIONS

- ➔ WISEs should be actively supported through the European Employment Strategy.
- ➔ A specific Guideline on social economy, with a particular reference to WISEs, should be adopted for the 2010-2020 period.
- ➔ WISEs should be the subject of specific Peer Reviews within the European Employment Strategy.
- ➔ Quality of work and fair wages should be ensured to all workers of WISEs.



## WISEs tackle skills shortages

The Tampere region in Finland, home to Nokia among other famous names, faces labour market bottlenecks as it converts from heavy industry to high-tech and service employment. This was the opportunity to create 29 social enterprises, creating work for long-term unemployed and disabled people.

In 2004, Finland adopted a law on social enterprises which offers enhanced wage subsidies to firms which employ at least 30% of disabled and/or long-term unemployed workers. Today there are over 200 such companies – and a large proportion are in and around the country's industrial centre, Tampere.

Why? In large part because of an EQUAL partnership called *Pirkanmaan Syke* – 'Pulse of the Tampere Region', and its unique marketing approach. It aimed to kill two birds with one stone – structural unemployment and social exclusion. It therefore contracted companies that were facing a labour shortage, and suggested they engage people who were disabled or long-term unemployed.

The project was based in the offices of Ensimetri, a business advice agency located in the city centre, and followed a nine-step process. The key was to make it easy for companies to find the right employees.

A telephone survey resulted in a list of 700 companies that were interested in becoming social enterprises, and the project's advisers found out their requirements and asked the employment office for a list of suitable candidates. Once the employers had made their choice, Syke then acted on their behalf to negotiate the amount of subsidy that could be paid. It thus provided the missing link between employment and social inclusion instruments.

Website: <http://www.ensimetri.fi/palvelut/syke>

### 3. WISEs and social inclusion

The recent EC Communication *A Shared Commitment for Employment* underlines the belief that the best way out of exclusion is employment, and that social Europe starts with a job. The Swedish Presidency has underlined that people excluded from the labour market signify “high economic, social and individual costs”. However, a job is not always a certain route out of poverty, and social exclusion does not always depend on having a job – particularly for people who are not able to work or find a decent job.

WISEs have a proven potential to provide sustainable opportunities for decent employment, but also to promote active inclusion based on lifelong learning, self-development and empowerment, a process rooted in respect for human dignity and rights. They also offer great potential as a model of ethical, social and economic development for mainstream business, but also for public sector services, showing how to make local services and jobs accessible and inclusive to the most socially excluded through participative and empowering methods, based on bottom-up local development.

WISEs are, therefore, an important tool for inclusion, not just in the labour market but in society as a whole, as they are a means of empowering people, and promoting the integration of marginalised groups through participation. They support social cohesion and social stability, by investing in people. In line with the EC Communication on Active Inclusion, WISEs represent a very useful tool, that provides better access to those furthest from the labour market to quality jobs, while also supporting their empowerment and social participation. Through the services they provide, WISEs further contribute to putting into practice the integrated approach needed for the active inclusion of vulnerable groups.

## RECOMMENDATIONS

- ✦ **As a key instrument in the delivery of integrated approaches for active inclusion, WISEs should represent a key priority for the Social OMC and the EU.**
- ✦ **More explicit recognition should be given to WISEs as particularly effective tools for inclusion within the Social OMC.**
- ✦ **WISEs should be the subject of specific Peer Reviews within the Social OMC, to deepen mutual learning.**
- ✦ **The importance of WISEs in delivering effective active inclusion approaches for people that are furthest from the labour market should be emphasised.**



## Green jobs bring inclusion in Graz

*With its employment company (Beschäftigungsgesellschaft), the Austrian province of Styria gives WISEs the incentive to become successful businesses.*

Austrian law provides for three types of WISE, each addressing the problem of work integration in a different way. Two types – *Sozialökonomischer Betrieb* (social-economic enterprise) and *Gemeinnütziges Beschäftigungsprojekt* (charitable employment project) target long-term unemployed people, while *Integrationsbetriebe* (integration enterprises) cater specifically for disabled people.

However the province of Styria (Steiermark) has interpreted the national guidelines in an innovative way to create the statute of *Beschäftigungsgesellschaft* (employment company). There are around ten of these in the province. What distinguishes them is that their wage subsidy regime follows an entrepreneurial logic, not a purely administrative one. This means that if the enterprise works well and makes a surplus, then money is not automatically clawed back by the labour market office (Arbeitsmarktservice). This gives the firms an incentive to trade efficiently, serve its customers better, launch innovative services and offer more effective integration.

Such is the case of Ökoservice in Graz, which provided some 45 jobs in a cluster of environmental businesses. It hires out reusable drinks containers for events such as parties and football matches, it collect, shreds and composts garden waste, and it recycles electrical and electronic waste. Nearby BAN – Beratung, Arbeit, Neubeginn – ('Advice, Work, New Start') employs 50 people collecting, refurbishing and reselling furniture and household equipment. Together, Ökoservice and BAN have succeeded in building up a cluster of allied businesses that remain viable while serving the city's environmental and social objectives by training and employing long-term unemployed people.

Website: <http://www.oekoservice.at>

## 4. WISEs and anti-discrimination

In the context of the European Employment Strategy, Member States were encouraged to develop measures to facilitate the labour market integration of minorities under their National Action Plans. The political Guidelines for the new European Commission, as well as the Trio Presidency Operational Programme, highlight the need to promote inclusive labour markets and to combat labour market segmentation. The Open Method of Coordination on social protection and social inclusion also targets poverty and exclusion experienced by ethnic minorities, migrants and other disadvantaged groups.

EU financial support to counter discrimination is available through the ESF. WISEs offer personalised and flexible work integration schemes, putting people's specific needs first and acknowledging diversity of age, experience, work capacity, personal circumstances etc. In the context of stepping up efforts towards more inclusive labour markets, where employment opportunities should be open to all those willing and able to pursue them, WISEs provide sustainable work placements for vulnerable workers, such as long-term unemployed, migrants and ethnic minorities, disabled people, older people, former prisoners, recovering drug users and alcoholics, thus supporting not only their professional integration, but also their social inclusion and participation in society.

## RECOMMENDATIONS

- ◆ **Emphasise the particular role of WISEs in combating the segmentation of the labour market and fighting discrimination, by prominently mentioning them in the evaluation of the National Action Plans.**
- ◆ **Promote an integrated approach in anti-discrimination legislation inside and outside the labour market, based on all the grounds of article 21 of the Charter of Fundamental Rights of the EU, highlighting WISEs as an important tool contributing to inclusive labour markets.**



## Fighting disability and discrimination

*In Romania, a WISE provides employers with anti-discrimination training as well as employing disabled people and manufacturing wheelchairs.*

**Motivation Romania** started as a non-governmental organisation in 1995, to support the socio-professional integration of people with disabilities. It now operates as a social enterprise, providing a wide range of services, including manufacturing standard and personalised wheelchairs, physical rehabilitation and occupational therapy for people with disabilities, printing and gardening. In an effort to prevent isolation from society and from the labour market, Motivation employs people with disabilities at all levels of the enterprise. It provides both stable employment and transitional placements, to facilitate access or re-entry to the “open” labour market. Empowerment, as well as training and skills upgrading, are a fundamental part of the experience. Motivation also conducts extensive campaigns to raise awareness among employers and the wider community about the skills and rights of people with disabilities, and the social benefits of integrating them into the labour market. The enterprise supported the setting up of a network of regional centres for the employment of people with disabilities, providing services such as life coaching, counselling, matching labour supply and demand, as well as post-employment follow-up. Anti-discrimination and equal opportunities training is also provided to 338 employers. The enterprise started with initial financial support from the PHARE programme, and then accessed an ESF grant in 2007. Currently, all proceeds of the enterprise are reinvested to support its work integration programme and service delivery.

Website: <http://www.motivation.ro>

## 5. WISEs and enterprise and competition policies

The Employment Summit made clear the need to create a friendly environment for entrepreneurship and job creation, as well as to invest in innovative approaches to encourage entrepreneurship. The EC Communication *A Shared Commitment for Employment* specifies that “creating jobs requires the right environment for entrepreneurship, innovation and self-employment”. The European Economic Recovery Plan highlights the importance of reducing administrative burdens and promoting entrepreneurship. WISEs effectively contribute to the stability and pluralism of economic markets, but are often faced with difficulties in complying with elements that are not compatible with them.



## RECOMMENDATIONS

- ✦ Policies encouraging entrepreneurship should take the particularities of WISEs into account, and business support agencies should be aware of their needs. Measures should be taken in favour of support structures for the creation and development of WISEs.
- ✦ Competition rules should take into account the characteristics of social economy organisations (including WISEs) and not just the shareholder company model.
- ✦ European legislation on State Aid should take into account the specific general interest mission of WISEs through adapted policies.
- ✦ As article 48 of the European Treaty recognises the plurality of business forms, European company law and accountancy standards should guarantee a level playing field to embrace all forms of doing business, including WISEs.

### Appropriate business support for WISEs

*WISEs have a complex set of jobs to do, and need support that understands that fact. A key element of that support comes through networking with other enterprises that share the same problems.*

One of the key characteristics of WISEs is their strong relational element. This richness extends to the relationships that social enterprises have with other organisations, such as public authorities or other businesses. They have a propensity to build networks, whether to exchange information, to improve their practice, to dialogue with government, or to address new challenges – for instance by setting up new enterprises. This means that they need external support of a specific type.

Many initiatives for the support of WISEs and social enterprises already exist in Europe and elsewhere. In Italy **consortia** of social cooperatives provide several kinds of services and strategic advice both at local and national level. They are constituted by social cooperatives both of type B (WISEs) and of type A (social services providers), thus creating important synergies and exchanges between the two types of social enterprises.

In Sweden, 25 branches of **Coompanion** (formerly Cooperative Development Agencies) offer support to new and existing cooperatives and social enterprises. They have played an important role in promoting the recognition of WISEs as a specific entrepreneurial form. A distinctive feature of Coompanion is its financing mechanism, an effective mix of public funding (national and local) and private funding (local organisations and members).

In Poland, there are about 40 CESs (Support Centres for the Social Economy), funded by the European Social Fund. They promote the creation of social enterprises and provide specialised support to the existing ones. Many of them are managed by social economy organisations.

In Spain, **FAEDEI** (Federation of Entrepreneurial Associations of Integration Enterprises), **COCETA** (Confederation of Workers Cooperatives) and **CONFESAL** (Confederation of Participative Enterprises) represent and promote WISEs at national and regional level (through their regional branches).

## 6. WISEs and public procurement

When public authorities make purchases that exceed the financial threshold established by Community law, a public call for tenders has to be issued according to European legislation. The main principles in public procurement are openness, impartiality, fair and equal treatment of the bidders and transparency. The directive on the co-ordination of procedures for the award of public contracts, published in 2004 (directive 2004/118/CE), and acknowledged by the regulations on tenders (legislative decree 163/2006), explicitly allows social and environmental criteria and reserved public contracts. However, European legislation allows for different interpretations by the member states. While some national legislations make it possible to use social clauses in the procurement process, other do not.

The European Commission will launch, by the end of 2009, a handbook on *Buying social: a guide to taking account of social considerations in public procurement*. This handbook will try to increase the awareness of public authorities of the possibility to include social and environmental clauses in public procurements. Social clauses within public contracts are generally designed to promote re-entry into employment or training for certain categories of workers, or to introduce measures in favour of employment. In its handbook, the EC encourages public authorities to support social inclusion through promoting social economy organisations, e.g.: ensuring that firms owned by or employing persons from ethnic/minority groups – for example cooperatives, social enterprises, and non-profit organisations – have equal access to procurement opportunities; ensuring access to decent work for persons with special needs; promoting supportive employment for persons with disabilities.

Social clauses can effectively be included in public procurements, but they are seldom used by the authorities. There is also a need to account for the whole value (not only the monetary part) in public budgeting, as well as in procurement. The EU's last Public Procurement directive (2004/18/EC) has introduced a framework through which contracts for public services must be specified and awarded in a transparent and competitive process. The EU directive provides for environmental and social clauses, and gives local authorities wide scope to avoid the levelling down of social services, and to encourage high standards and community benefits, namely in the field of social inclusion.

For small contracts, public procurement rules do not apply. In this case, purchases can be made following a discretionary procedure, by which public bodies can take the social mission of WISEs into consideration in the decision to purchase a product or service. WISEs produce benefits not only for their users, but also for the whole community and the public sector. They therefore often tender for socially-responsible public procurement contracts.



On the specific issue of reserved public contracts, article 19 of Directive 2004/18/EC on Public Procurement states that “the Member States may reserve the right to participate in public contract award procedures to sheltered workshops or provide for such contracts to be performed in the context of sheltered employment programmes where most of the employees concerned are handicapped persons.” Although this article concerns public tenders at European level, its implementation at this level is likely to be complicated. First, the notion of “sheltered workshops” has disappeared from virtually all national legislations and has not been defined at the EU level: thus, there is the risk that such reserved public contracts will, de facto, remain national. Another risk is that such a lack of a clear definition can

favour “opportunistic tenderers” which, in order to win the tender, hire disabled and disadvantaged persons without ensuring them long-term employment prospects, and do not necessarily have such goal in their core mission.

## RECOMMENDATIONS

- ✦ Public authorities should promote social clauses in public procurement and new models for closer co-operation between the private, public sector and WISEs.
- ✦ Capacity building, training and specific assistance should be provided to public authorities for including (more often) social, ethical and environmental clauses in public procurements.
- ✦ Impact measurement tools such as Social Return on Investment should be used to assess the full contribution WISEs make.
- ✦ Regarding decent work criteria, provisions for long-term job sustainability and workers’ safety should be added to the technical and economic requirements in call for tenders.
- ✦ Public authorities should be offered guidance in properly interpreting the spirit of article 19 of Directive 2004/18/EC and limiting the risk of ineffectiveness or wrong utilisation. Thus, public authorities should be encouraged to ensure that the tenderers are enterprises in which the disabled are workers with long-term contracts and in compliance with national labour law, and which can show that the long-term integration through work of disabled and disadvantaged persons is part of their core mission.

### Contracting local services to a consortium of WISEs

*The north Italian city of Brescia has been working with WISEs since 1984. It is a partnership which has stood the test of time.*

For the last 25 years the municipality of Brescia (Italy) has assigned to B-type social cooperatives the management of green spaces through agreements and public tenders containing social clauses. The first contract was signed in 1984 – before WISEs were legally recognised in Italy – and it has been renewed or extended several times since then.

This initiative has aided the start-up and development of social enterprises that carry out the social and work integration of disadvantaged people (disabled, ex-drug addicts, psychiatric patients, etc.).

The experience is innovative, as the contract explicitly includes a social clause which acknowledges the “twofold product” of type B social cooperatives (the care of public parks and gardens and the integration into work of disadvantaged persons).

It also represents a new form of partnership between a local authority and a network of social cooperatives. The authority used this partnership to promote an active labour market intervention for vulnerable people groups and recognises the consortium as a structure which provides a significant added value in terms of efficiency and efficacy.

The experience has many best practice elements, on matters such as the types of contracts used, cooperatives’ strategies to secure and increase contracts, social clauses, and the various benefits derived (for the disadvantaged people, quality of social and economic production, savings for the community, etc.).

## 7. WISEs and services of general interest

The EC Communication *New Skills for New Jobs* forecasts that “in 2020, almost three quarters of jobs will be in services”. The Communication *A Shared Commitment for Employment* stresses the need for reinforced schemes for validation of skills, especially in sectors with high employment growth potential, such as health or long-term care services. The EPSCO Meeting of June 2008 focussed on social services as a tool for active inclusion, strengthening social cohesion and increasing employment. By their core mission – (re)integration into the labour market of the most disadvantaged and socially excluded groups – WISEs provide more than a mere workplace, and should be seen as crucial providers of services of general interest, thanks to which those who are the furthest from the labour market are able to (re)enter it. They provide many people with the necessary training and skills in fields with a high job growth potential, skills which will be much needed in the near future, as underlined by the Political Guidelines for the next Commission and by the Trio Presidency Operational Programme.

The work integration of disadvantaged persons is a service of general interest in itself. But WISEs often also provide other goods or services of general interest to the community in which they are located, including to the most disadvantaged members of that community. Often, these activities are undertaken in partnerships with public authorities. However, care must be taken so that WISEs are not used as a kind of transition towards the privatisation of public services with a for-profit goal.

### RECOMMENDATIONS

- ↔ **Clarify the legal framework applicable to services of general interest and social services of general interest at the EU level (mandate, state aid, public-private partnerships), including different stakeholder and WISEs**
- ↔ **Recognise the social added value of WISEs and promote their role as providers of services of general interest.**



## Social clauses improve social services

The city of Espoo, part of the Helsinki conurbation in Finland, has beaten a pioneering path in working with WISEs to deliver social services. It was the first public authority in Finland to incorporate social criteria into its public procurement process.

The HOT project, part of the EQUAL initiative, set up a social enterprise, EDIAS Hoiivapalvelut Oy (EDIAS Care Services Ltd), employing long-term unemployed and disabled people and migrants, who find it difficult to find a job. It employs these people in the provision of social and health services, such as cleaning, shopping and befriending, to elderly residents of Espoo. The project also helped the city authorities to develop their procurement policies by developing social clauses. These make jobs for long-term unemployed and disabled people one of the factors that are judged in awarding public contracts.

This enables the city to achieve two objectives at the same time – not only delivering better services to its elderly residents, but also creating permanent jobs for long-term unemployed people.

As a result of the project, social criteria – the employment of long-term unemployed people, people with reduced work ability, persons with disabilities and immigrants in jobs with meaningful duties and ordinary salary – are written in the city's strategy and guidelines for procurement. The project could have far-reaching effects, as every year Finland's public authorities purchase goods and services worth €22.5 billion through public procurement procedures.

Websites: [www.hothanke.fi](http://www.hothanke.fi), <http://www.ediashoiva.fi>

## 8. WISEs and local/regional development and cohesion policy

The Trio Presidency Operational Programme emphasises the need for “special initiatives to assist the most vulnerable groups and communities”, supporting a “greater emphasis on social cohesion, closing the gap between different social groups”. Also, the Trio will “place a specific emphasis on tackling disparities in employment and economic terms and social inequalities”.

The EC Communication *A Shared Commitment for Employment* strongly encourages “the development of new sources of jobs for individuals and businesses, notably at the local level”. WISEs network with all the relevant actors (local authorities, families, social and health services etc.), in order to provide an integrated solution to problems of excluded people (employment, housing, health care, etc.). Indeed, WISEs play an important role in local development and social cohesion. Because of their local roots, their general interest goals, and their consequent financial and governance structure, WISEs create jobs that do not delocalise, even in the present context of an open economy and competitive market.

Member-based WISEs (such as cooperatives), owned and controlled by their member-stakeholders, are key actors in the sustainable development of the territories where they operate. For those WISEs which also provide goods and services of general interest (additionally to work integration itself), their member-based character (where users and/or providers are part of the enterprise) is also a guarantee of the quality, affordability, accessibility and long-term sustainability of the services provided. WISEs also play an important role in the regional cohesion, as they usually reinvest their economic surpluses in the territories where they work, and traditionally employ a local workforce.

### RECOMMENDATIONS

- ✦ **Cohesion policy should take into account the long term stability and sustainability of services of general interest provided by WISEs, including work integration.**
- ✦ **Mainstream support for WISEs should be provided in all relevant EU policy, as they constitute an important tool for local and regional development.**



## Neighbourhood services

*Through the service voucher scheme, Belgian WISEs create good quality jobs for the most disadvantaged workers and provide local services that, up until then, were mostly done cash-in-hand.*

The Belgian service voucher scheme consists of payment coupons allowing users to pay for personal services, principally housework, which historically have often been paid for cash-in-hand. The consumers buy the vouchers for the unit price of €7.50 per hour, then choose an accredited firm, which sends a worker to their house. The firm collects the vouchers from its clients, sends them to the issuing company, and is refunded €20.80 per voucher. In consequence, for every hour worked, the state contributes €13.30 to cover social insurance charges, administrative costs, training and supervision. The scheme embraces 100,000 workers, close on 800,000 families and over 2,000 firms.

This public scheme, as stated by the law, aims to develop both 'proximity services' and employment as recommended by the European Employment Strategy. Given this twofold dimension, it is not surprising to find, alongside for-profit providers, WISEs which create temporary or long-term jobs for the most disadvantaged workers, notably those who have not reached the upper secondary school level. A recent study shows the good performance of these operators. Indicators relating to the guidance of workers and the type of contracts used (working time and contract duration) show the quite marked superiority of these enterprises in comparison to private for-profit firms, and in particular temporary work agencies. These results suggest that WISEs focus very specifically on the quality of the jobs they offer. In so doing, they broadly respect their assigned work integration mission, for which there is a specific regulatory framework.

Website: <http://www.dienstencheques-rva.be>

## 9. WISEs and the Structural Funds

The EC Communication *A Shared Commitment for Employment* clearly states that ESF support should be used to “assist unemployed and young people in starting their own business on a sustainable basis, e.g. by providing business training and start-up capital.” It also explicitly mentions that the ESF should support the promotion of entrepreneurship and self-employment, alongside a new micro-finance facility for employment, to develop micro-enterprises and the social economy. The Employment Summit Key Messages also underlined that the ESF should provide dedicated assistance for disadvantaged groups, such as people with disabilities, young people, ethnic minorities and the long-term unemployed.

The European Economic and Social Committee also maintains that the number of Structural Fund projects for social economy enterprises should be increased, especially when they are linked to creating jobs, which is precisely the main function of WISEs. The EC Recommendation on Active Inclusion states that, post-2006, the ESF will continue to promote pathways to integration into employment for disadvantaged people, while the principles of EQUAL will be “mainstreamed” into the ESF. The European Economic Recovery Plan also allows for Member States to concentrate support on the most vulnerable, and where necessary opt for full Community financing of projects during this period. Funds could be better targeted to benefit social economy initiatives, particularly WISEs.

### RECOMMENDATIONS

- ✦ **Maximise the use of the Structural Funds in the fields of inclusive entrepreneurship, subsidised employment and social economy.**
- ✦ **Facilitate the access of WISEs to the Structural Funds by tackling financial obstacles (increase of pre- and co-financing rate) and enhancing their eligibility for global grants, technical assistance and capacity-building support.**
- ✦ **Speed up the implementation of the Jeremie (Improved access to finance for micro business and SMEs) and Jessica (Sustainable development for urban areas) initiatives, including by providing strengthened information to potential beneficiaries.**
- ✦ **Develop and disseminate common guidelines, good practices and checklists on partnership in governance and delivery, building upon the positive experience of the EQUAL initiative.**



## Global grants for an integrated action

*Global grants are a positive and successful tool used throughout Italy to promote the development of WISEs, and are the sole example of integrated use of EU, national and regional funds.*

In essence, global grants (sovrvenzione globali) delegate management of a sum of money to an intermediate body in close touch with local actors. They are used, preferably, for actions in favour of local development (social integration, services to enterprises, equal opportunities, strengthening of the third sector).

ESF rules provide that intermediary bodies should be local bodies with significant experience in the field, and must know how to involve the people their measures aim to benefit. They can for example be coalitions among third sector organisations, social enterprises and their representative networks, local authorities, regional bodies and credit institutions.

“Small Subsidy” global grants operate in nearly all regions of Italy and support the integration and permanent employment of vulnerable members of the workforce. The instruments used are: business start-up, self-entrepreneurship, self-employment, the creation of branch companies and training to increase workers’ skills.

One example is the CRES global grant, which was innovative in itself, since it combined three types of financing: from the EU (ESF), Lombardy and the Fondazione Cariplo. It has supported 107 projects creating 447 jobs for vulnerable people in social enterprises. A case in point is the “Ri-Ordino” project in Como, where the social cooperative FUTURA has teamed up with a major supermarket chain to improve the e-commerce home delivery service. Created to solve the daily shopping problems of elderly and disabled people, the service will be accessible to all.

Website: <http://www.buoneprasilombardia.it/index.php?pg=43>

## 10. WISEs and governance

The public limited company model, based on the remuneration and power of shareholders, has come to dominate the EU vision of enterprise, and seems to be an irreversible trend in the development of corporate governance. According to the Internal Market DG's approach, company law and corporate governance are tools only to facilitate competition. No reference is made to workers' interests, wellbeing, protection or participation.

According to the EU corporate governance policy, "a dynamic and flexible company law and corporate governance framework is essential for a modern, dynamic, interconnected industrialised society. Essential for millions of investors, essential for deepening the internal market and building an integrated European capital market, essential for maximising the benefits of enlargement for all the Member States, new and existing". For member-based democratically controlled WISEs (e.g. cooperatives), the central concept is one of participation through joint ownership and democratic control (one person – one vote). This makes for a very high degree of stability, which will favour a long-term enterprise vision. Democratic control, plus the fact that members are owners through financial participation in the share capital that cannot be directly bought or sold among members, and, thus, is not a financial product like a conventional investment share, mean that such enterprises and their jobs are almost impossible to delocalise.

WISEs involve excluded people not only in designing and planning their work integration scheme, but also in the life and the management of the enterprise (in many cases, for instance in cooperatives, disadvantaged workers are members of the enterprise). As a central component of organised civil society, they provide a landmark for pluralism, participation, democracy, citizenship and solidarity, while supplying ample evidence that such elements are compatible with economic competitiveness, and adaptability to social and economic change.

Some WISEs are characterised by a multi-stakeholder governance structure. This means that different types of local actors (workers, users/beneficiaries of the services, other co-operatives, associations, public authorities, etc.) are considered as internal to the enterprise system and participate in the decision-making process. The multi-stakeholder governance structure guarantees the representation of various interests, ensuring rapid feedback on quality and services that are relevant to local needs.

## RECOMMENDATIONS

- **Include WISE representatives in consultations on relevant policies which might impact on their functioning.**
- **Promote the corporate social responsibility model of social economy enterprises, including WISEs, based on the common interest of different stakeholder groups throughout the entire production chain.**
- **Promote decent work and workers' interests such as wellbeing, worker protection and participation in EU corporate governance policies.**



## Fair and participative governance wins the day

*TELECSAL, a worker-owned company that took over its bankrupt predecessor, succeeds by virtue of its multi-stakeholder governance model.*

With over 20 years of experience, TELECSAL (Noves Tècniques Elèctriques SAL) is a leading Spanish enterprise producing and installing industrial electrical systems, and also offering post-sale customer and technical support and maintenance. The company was founded in 1984 as a result of the bankruptcy and closure of Boncompte Industria Eléctrica plc. The relaunch involved the subscription of 100% of the capital by the staff members, who were motivated mainly by the fear of redundancy, and the appeal of a stable and decent job. TELECSAL now has 52 employees (half the original workforce), of whom 41 are members. It maintains outstanding relationships with most of the former suppliers and customers, thanks to the solid mutual trust that allowed flexible payment terms to be introduced to overcome the crisis, as well as the unconditional trust of the bank, which backed the project at the critical moment. This multi-stakeholder governance model is the direct result of an entrepreneurial philosophy that places a high value being responsible in a sustainable manner.

The participation principle is specific to the model of Spanish employee-owned companies (*sociedades anónimas laborales – SALs*) and allows TELECSAL to face challenges in cohesive way, marrying common and individual ambitions. It is seen in the ownership structure of the enterprise as well as in its management and the results achieved. Participative management involves the principle that each person has a voice that must be listened to, and relies on the presence of a communication system so that the relevant information can circulate.

TELECSAL is firmly committed to fairness toward all its stakeholders, be they workers, consultants, providers or customers, via an equal and respectful treatment. This social commitment and responsibility defines a new concept of enterprise.

Websites: [www.telecsal.com](http://www.telecsal.com), [www.economiasocial.es](http://www.economiasocial.es)

# WISE PROJECT

## MAIN RESULTS FROM THE COUNTRY REPORTS

WHAT? – What does “WISE” mean in each country?	
AUSTRIA	<p>260 WISEs depend on a highly structured system of state subsidies.            170 <i>Sozial-ökonomische Betriebe</i> (SÖB), which provide training, guidance and temporary jobs for 11,500 long-term unemployed people.            81 <i>Gemeinnützige Beschäftigungs-projekte</i> (GBP), providing 5,000 permanent or temporary jobs.            8 <i>Integrations-betriebe</i> (IB) which provide permanent jobs for people (60%+ disabled).            1 social firm trading commercially.</p>
BELGIUM	<p>Work and social integration of target groups through a productive activity.            260 <i>integration enterprises</i>.            112 <i>work development initiatives in local services</i>.            225 <i>sheltered and social workshops</i>.            455 <i>work experience enterprises</i>.</p>
FINLAND	<p>WISEs comprise self-help co-operatives, sheltered workshops which are being obliged to become more commercial, and companies receiving wage subsidies for workers in integration.            200 socially oriented labour co-operatives which employ about 2,500 persons.            70 work centres that have 2,500 workers.            209 officially registered social enterprises that employ 111 long-term unemployed and 262 disabled people.</p>
ITALY	<p>WISEs are social enterprises whose first aim is the social inclusion of vulnerable persons through a productive activity.            There are 2,419 B-type social co-operatives, that employ 53,300 paid workers, 56% of whom are disadvantaged (30,141).            Data on WISEs created according to the 2005 law on social enterprises are not available.</p>
MALTA	<p>WISEs existed in the past as short-term pilots by social co-operatives.            The report emphasises the need for broad and more robust public policy support.</p>
POLAND	<p>There are essentially four types of WISEs.            156 Social co-operatives employing 700 people (80% disadvantaged).            55 Centres and Clubs for Social Integration employing 2,500 people.            47 Centres for Occupational Activation, employing 1,500 people (730 FTE).            350 Supported Employment Enterprises (co-operatives of disabled people).</p>
ROMANIA	<p>There are three types of organisations which fall, at least partially, under the ‘social enterprise’ definition (social purpose, entrepreneurial spirit and non-profit distribution).            Among them, there are 234 sheltered workshops, of which 28 are managed by NGOs and 21 are workers’ co-operatives.</p>
SPAIN	<p>The “<i>empresa de inserción</i>” is recognised as a transitional model for the re-entry of target groups into the labour market.            There are 212 Integration Enterprises employing approx. 5,500 workers            There exist other organizations that offer long-term employment for socially excluded persons but are not considered WISEs.</p>

## WHO? – The legal forms of the main types of WISEs

AUSTRIA	Most WISEs are non-profit associations, and a few are limited companies. The different statuses are SÖB, GBPs (which can be time-limited), IB + in the <i>Land</i> of Steiermark (Styria) the <i>Beschäftigungsgesellschaft</i> (employment company).
BELGIUM	<p><b>Integration enterprises:</b> Public scheme recognised at the level of the regions (<i>entreprise d'insertion, invoegbedrijf</i>). In Wallonia and Brussels they have to adopt the legal form of social enterprise (Société à Finalité Sociale, SFS), but in Flanders they can be “for profit”.</p> <p><b>Work development initiative in local services:</b> Public schemes recognised by the regions (<i>initiative locale de développement de l'emploi, initiative de développement de l'emploi dans les services de proximité à finalité sociale, lokale diensteconomie</i>). They are non-profit-making associations (ASBLs) or local public bodies (CPASs).</p> <p><b>Sheltered workshops:</b> public schemes recognised by the regions (<i>entreprise de travail adapté, beschutte werkplaats, sociale werkplaats</i>). The majority of adapted work enterprises are non-profit-making associations (ASBLs), some are SFSs.</p> <p><b>Work experience enterprises:</b> public schemes recognised by the regions (<i>entreprise ou atelier de formation par le travail, werkervaringsbedrijven</i>). They are non-profit-making associations (ASBLs) or local public bodies (CPASs).</p>
FINLAND	<p>Labour co-operatives have the legal form of co-operatives.</p> <p>Work centres are municipally owned or are foundations.</p> <p>Social enterprises can take any legal form and are mostly private companies.</p>
ITALY	<p>Social co-operatives of type B (<i>cooperativa sociale di tipo B</i>) fall under general co-operative law as well as their own specific legislation.</p> <p>The new form of social enterprise can take any legal form, but it is not yet very developed.</p>
MALTA	<p>There is no distinct legal form for WISEs. The closest structure is the one of social co-operatives committed to help disadvantaged and disabled people.</p> <p>A number of agencies and programmes carry out activities similar to WISEs, including training for unemployed people and youth at risk: Employment and Training Corporations, Community Work Schemes, Job Placement Support Programme, etc.</p>
POLAND	<p>Limited Liability Company of a non-profit type.</p> <p>NGOs.</p> <p>Centres for Social Integration and Clubs for Social Integration (CSI).</p> <p>Social and workers' co-operatives.</p> <p>Centres for Occupational Activation.</p>
ROMANIA	<p>Socially-oriented non-profit associations (providers of services of general interest in a variety of fields can organise training and professional reconversion courses.)</p> <p><b>Co-operatives</b> for people with disabilities.</p> <p><b>Sheltered workshops</b> (with or without legal personality; closest to the definition of WISEs; aiming at the socio-professional integration of people with physical or mental disabilities).</p>
SPAIN	<p>Since the 2007 law:</p> <p><i>Sociedad Limitada Laboral</i> (employee-owned limited company or SLL).</p> <p><i>Sociedad Anónima Laboral</i> (employee-owned company or SAL).</p> <p>Workers co-operative.</p> <p>Previous legal forms still in use: any type of commercial company with a series of requirements.</p>

## WHY? – Policy objectives

AUSTRIA	Integration of long-term unemployed and disabled people.
BELGIUM	<p><b>Integration enterprises:</b> employment of low qualified people. Work development initiative in local services: employment of low qualified people and provision of local services which are not provided by traditional private or public enterprises.</p> <p><b>Sheltered workshops:</b> employment and social inclusion of handicapped people or people with serious socio-professional disabilities.</p> <p><b>Work experience enterprises:</b> professional training for low qualified people through a productive activity.</p>
FINLAND	Addressing unemployment since the economic downturn of the 1990s; addressing labour shortages; inclusion of disabled and long-term unemployed people.
ITALY	Active inclusion of specific vulnerable target groups: disabled (physical and mental) and socially disadvantaged (drug addicts, alcoholics, offenders). The 2005 law extends the target groups to new forms of disadvantage.
MALTA	Addressing unemployment especially of vulnerable groups (women and migrants).
POLAND	Vocational and social reintegration of socially excluded groups based on an active approach (discontinuation of previous practice of social assistance based on passive and relief programmes only).
ROMANIA	Social integration and employment of disabled people (sheltered workshops). Community cohesion and sustainable development (co-operatives). Inclusion of Roma (NGOs).
SPAIN	Addressing mostly unemployment but also exclusion of persons with disabilities.

HOW? – Mode of operation	
AUSTRIA	Mainly transitional and some permanent subsidised jobs, through the establishment of defined types of enterprises and wage subsidies regimes, mostly segregated from competitive markets.
BELGIUM	<p><b>Integration enterprises:</b> open-ended employment, which could be permanent or transitional (Flanders).</p> <p><b>Work development initiatives in local services:</b> transitional employment in Wallonia and Brussels and sustainable employment in Flanders.</p> <p><b>Sheltered workshops:</b> Quasi-permanent type of sheltered employment.</p> <p><b>Work experience enterprises:</b> Transitional internship or job.</p>
FINLAND	<p>Labour co-operatives trade on the competitive market.</p> <p>Social enterprises also trade competitively and receive wage subsidies.</p> <p>Work centres have a specific subsidy regime and do some trading.</p>
ITALY	<p>Permanent and transitional work placement according to the type of disadvantage.</p> <p>Fiscal advantages. Preferential access to public and private markets.</p> <p>Personalised work integration schemes.</p> <p>Participation to decision-making, as co-operative member (where possible).</p>
MALTA	<p>Education, training and information centres.</p> <p>Reintegration into the labour market.</p>
POLAND	<p>Subsidies are available for training and integration of disadvantaged people (NGO, CSI, Centres for Occupational Activation).</p> <p>Social co-operatives receive short-term wage subsidies and trade on competitive markets.</p>
ROMANIA	<p>Improving the life of disabled people through work and training. There is some participation in management and decision-making.</p> <p>Their income consists of a mixture of grants, public contracts and sales.</p>
SPAIN	<p>Transitional jobs, with different levels of wage subsidies.</p> <p>Trade activity in public and private markets.</p>

## FOR WHOM? – Target groups

AUSTRIA	<p>Long-term unemployed (48%), handicapped persons (17%), work-returners (12%) (especially after maternity leave) migrants (7%), drug addicts (3%), benefit claimants (2%), following rehabilitation (1%), ex-prisoners (1%), other (9%).</p> <p>Mostly 25-49 years old. Slightly more men than women.</p>
BELGIUM	<p><b>Integration enterprises:</b> Low qualified unemployed people.</p> <p><b>Work development initiatives in local services:</b> Low qualified/long-term unemployed persons</p> <p><b>Sheltered workshops:</b> Disabled persons (with physical and mental disabilities) or very unstable jobseekers with serious socio-professional disabilities (sociale werkplaatsen).</p> <p><b>Work experience enterprises:</b> Low qualified unemployed people.</p>
FINLAND	<p>Labour co-operatives: unemployed and long-term unemployed aged over 35 years, typically not disadvantaged.</p> <p>Work centres: mentally, physically or socially impaired people. Also unqualified young unemployed people.</p> <p>Social enterprises: disabled (67%) and long-term unemployed.</p>
ITALY	<p>Social co-operatives integrate: physical, psychic and sensorial disabled persons, psychiatric patients, drug addicts, alcoholics, ex-offenders, minors with difficult family situations.</p> <p>The new law on social enterprises adds young unemployed under 25 years old and certain categories of dependents.</p>
MALTA	<p>Unemployed particularly at-risk youth, single mothers, victims of domestic violence, disabled people. Women and immigrants are also target groups.</p>
POLAND	<p>NGO, CSI, social co-operatives: socially excluded groups and those threatened with social exclusion (long-term unemployed, homeless, youth, elderly people, ex-prisoners, refugees).</p> <p>Centres for Occupational Activation: disabled persons.</p>
ROMANIA	<p>People with disabilities (mainly). Roma.</p> <p>Young people in disadvantaged areas.</p> <p>Homeless adults.</p> <p>People with HIV/AIDS.</p>
SPAIN	<p>Disadvantaged groups, mainly: long-term unemployed as result of social exclusion or substance dependency, and the disabled.</p> <p>Most recently, immigrants have been added.</p>

## POLICY PROPOSALS

AUSTRIA	<p>Simplify (or even merge) the SÖB &amp; GBP guidelines.          Give WISEs more flexibility, particularly discretion in the selection of workers.          Reduce the uncertainty of ever-changing target groups.          Provide multiannual funding.          Subsidise some permanent jobs for those approaching retirement (thus giving WISEs a more stable workforce).</p>
BELGIUM	<p><b>Integration enterprises:</b> broaden the target groups that can have access to these enterprises; open all the measures which are designed for the economic development of SME to WISE; provide public resources to develop the necessary social coaching for the beneficiaries.  <b>Work development initiative in local services:</b> broaden the permitted fields of activity.  <b>Sheltered workshops:</b> recognise their twofold nature as “full” economic actors developing their activities on the market and skilled in work and social integration of handicapped persons.  <b>Work experience enterprises:</b> public bodies put these WISEs in the “non-market” sphere; however the economic activity is essential as a support to the training for the vulnerable groups.</p>
FINLAND	<p>Employment, inclusion and enterprise policies should be co-ordinated so that social enterprises can be positioned in the market and in society.          A co-ordinating authority is needed and should be linked to research and development on social enterprises.          There should be strategic guidelines for public bodies, especially municipalities, in implementing social clauses in public procurement.          Appropriate support structures should be developed, which recognise the special characteristics of social enterprises.          Start-up and capital finance must be developed.</p>
ITALY	<p>Better use of social clauses in public procurement contracts to recognise the social added value that WISEs create.          Mainstreaming of innovative initiatives in favour of the development of WISEs (e.g. Fertility).          Extend exemption from social security charges to cover new categories of disadvantaged workers.          Integration of policies dealing with the different fields of action of social enterprises (employment, entrepreneurship, housing, health, etc.).          New tax and fiscal incentives for WISEs (e.g. reduced VAT).          Acknowledgement of the role of networks, with specific grant funding for social enterprise networks.          Allocation of a quota of public spending to WISEs.</p>
MALTA	<p>There are no WISEs in Malta. Broad and more robust public policy support is needed.</p>
POLAND	<p>The government should adopt a Social Economy Development Strategy, which would include a comprehensive plan of activities (financial tools, legislation, education and promotion).          New forms of partnerships should be built between public administration and social economy.          Stable and predictable financing instruments are needed.          WISEs should be included in the implementation of National Cohesion Strategy.</p>
ROMANIA	<p>There should be conditions for social enterprises to pursue their missions of general interest, while at the same time being viable economically and competitive in the market.          Public procurement should facilitate the participation of social enterprises (e.g. social clauses in public offers).          Specific financial resources should be available for the creation and the development of social enterprises (e.g. loans, guarantee funds), but also for conducting more in-depth research and for awareness rising.          Partnerships between local authorities and social economy actors should be created.          Better access to Structural Funds should be guaranteed for social enterprises, all kind of constraints should be tackled.          Social economy, and especially WISEs, need to figure more prominently in policy documents such as the NAPs/ inclusion and NRPs.</p>
SPAIN	<p>Facilitate the process of setting up and registering WISEs under the form of social economy enterprises          Collect, analyse and disseminate data about WISEs.          Provide assistance and follow-up in the creation phase of WISEs.</p>



