

The Social economy from the perspective of active Inclusion

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Introduction

ENSIE (European Network for Social Integration Enterprises) links 13 national social economy integration networks and federations around Europe whose main aim is the integration of people furthest from labour market. They represent 2.000 enterprises and more than 220.000 workers. Networks and federations are made up of social integration enterprises (Work Integration Social Enterprises in Roger Spear's document). ENSIE recognizes the EMES definition of social enterprise and its criteria but for the "social integration enterprise" it emphasis three main elements:

- Enterprises whose social objective is social and professional integration of individuals who have due to their exclusion and their relegation to a marginal role in society have fallen victim to increasing social and professional barriers. The enterprises offer such individuals the opportunity to train on the job for their integration back into the labour market, returning their access to employment and providing the right conditions for acquiring needed and in some cases new skills. This takes them away from being recipients passive transfer benefits to becoming active contributors on the employment market. The social integration enterprises do, in effect, represent true potential for "citizen" involvement. They bank on the values of participation, solidarity, and respect for the aptitudes and abilities of every individual to make his or her personal contribution.
- Enterprises at the core of the economic system: the social integration enterprises have decided to carry on their activities at the very core of what is most frequently a major factor in the phenomenon of exclusion: the economic system. Faced with concrete situations and their inherent pressures, all of the actors involved in social integration enterprises are forced to overcome the challenges of productivity and, by this fact, of integration.
- Enterprises of a strong pedagogical dimension: the social integration enterprises initiate training programs designed on the basis of existing potential and develop the individual's potential within the enterprise.
 - Programs of socialisation based, on the one hand, on the rights and privileges of the employed persons with reference to the labour codes and collective agreements and, on the other hand, on the human entrepreneurial community.
 - Programs designed for professional training within a concrete production environment where professional know-how is learned, initiated, and acquired by and through professional practical experiences, taking part in real work processes.
 - Programs covering the scope for integration based, on the one hand, on the necessity for dealing with problems and, on the other hand, on the management of integration at the workplace or place of production.

- Programs of citizenship based on information and the training of the role of the employed individuals within the activity and the administration of the enterprise and on the practice of democratic economy.

In Europe, there is no special common legal status for social integration enterprises; the legal status changes depending on which European country they are in. The companies can register themselves according to national or regional legislation from non-profit organization to company with limited liability. In some States there are specific statutes, created ad hoc for social integration enterprises: the social cooperative in Italy, the company with social purpose in Belgium, etc. but all companies are part of the economic system.

The social integration enterprises are part of the social economy.

The social integration enterprises have already existed for more than 25 years; they provide employment opportunities for those excluded from the labour market.

Relevance of the social integration economy and its transferability

Partially solved problems

The social integration enterprises contribute to opening up opportunities for all men and women to exercise their rightful claim to participation in society and to be part of the economic changes across the whole spectrum of employment

Nowadays the labour market is in the throes of drastic and significant changes. Gainful employment in the industrial sector is progressively giving way to opportunities offered in the growing sectors of the economy including communication and information and service provisions. Habitual forms of employment for our target group in the manufacturing industry etc. are on the decline. Career interruptions, which in the past were « the preserve » of women, have now become the norm. Today's and tomorrow's, forms of gainful employment have become more demanding than they ever were in the past. New working opportunities involve a greater demand for autonomy and better qualifications from employees, processes are complex and more is demanded from simple skills.

For a growing number of individuals, this changing nature of today's employment forms constitutes in the first instance a higher risk factor. Lacking the necessary qualifications and adequate job training, without linguistic skills, often encountering additional problems because of ill health or adversity in their personal lives, these individuals are not capable of satisfying the growing demands of an employment market. After years of social exclusion, some amongst them have developed multiple barriers so that their re-admission into the working society may at times seem even impossible.

The social integration enterprises are actively combating social exclusion by offering such individuals opportunities for employment and retraining, at their pace and for their markets. Their social and professional integration is supported by an employment contract of limited duration and a training program that serves as a bridge towards the employment market. In some enterprises permanent employment is generated¹.

The social integration enterprises according to the capacity of the regional employment market promote up to 40% of their temporary employees into employment in the other sectors as well as creating job opportunities as an economic sector themselves (this percentage must be added to 40% and it is between 15% and 45%, it depends on the social integration enterprise). The social integration enterprises play a key role in helping to maintain and develop the skills of the individual during unemployment.

Points to be strengthened or avoided

Personalised scheme of social integration

The successful activation schemes of social integration enterprises have been running for over 25 years. Whilst in many countries there is an established activation process during unemployment very often the sustainability of this investment in individuals falls short when they leave the activation schemes to take up employment in the private economy. Follow-up schemes which monitor and help the individual to continue his/her integration process are not funded and there is no structured process of follow-up. Thus activation often ends in recurring unemployment as the individual may fail to meet up to expectations, may need further training or the company he/she has joined may make their workforce redundant. A personalised action plan should be established in the first month of unemployment and each action plan should be continuously reviewed and updated. The action plan must be a common agreement between the advisor and adviser and should be the result of appropriate and intensive case management/ profiling into their real employment possibilities, their training needs and their need for support and guidance with social problems. This needs to be done professionally and reviewed when long-term unemployment cannot be prevented

Enterprises in the labour market

The social economy operates in almost all craftsmen, service branches and recycling... not as a risk to the private economy rather as their partner as the supplier of their future workforce. Therefore it is absolutely necessary to allow these enterprises to operate within the economy and not to force them into peripheries where the learning experience for the individual becomes artificial. The further the enterprise and the scheme are from real labour market conditions the higher the investment and risk for the public promoter.

1 In Europe the social integration enterprises can be oriented in training people and creating employment in other private enterprises or in creating employment in the same social integration enterprise. This different legal framework influences this orientation

Holistic approach

For many long-term unemployed people work opportunity in a social integration enterprise will not be enough to get them out of the effects of many years of exclusion during which they may have incurred debt, health, housing or addiction problems. The services needed for this need to be well coordinated and linked with each other as well as to the work integration enterprises and schemes. They need to be networked and operating in an environment where they also have constant access to life-long learning practices such as sharing of best practice. These services must be part of the personalised action plan and they need also to be available to individuals after “real” work integration in to other sector or in the same social integration enterprises. In many cases it is a failed integration of the person when the support stops at the company door. The reoccurrence of unemployment in the working biographies of the long-term unemployed is due to this significantly high.

Evaluation

The quality of schemes offered by social integration enterprises need to be monitored with an evaluation of the schemes effectiveness and with such instruments as social return on investment (SROI), social audit and social balanced scorecard. They measure processes within individual social integration companies but also to measure local and regional services and programmes. These instruments need to be developed further. They can play in intrinsic part in measuring the benefits of integration schemes and structuring dialogue and planning procedures both in local, regional and national authorities as well as with the private sector and general public

Duration of Employment

Unemployment is an individual issue. Social integration enterprises need flexible integration instruments which allow a person to be employed for the length of time needed to be reintegrated. For some this may be of short duration, for others it may be necessary for them to stay in the schemes for many years, for some it may be necessary to stay permanently in the companies. These options are necessary. An individual pathway linked to a human resources development scheme is needed.

Important questions about policy that are being raised and debated in ENSIE

The definition of disadvantaged people and the general block exemption Regulation

If we compare the European definition of “disadvantaged worker” and the target of our social integration enterprises, it is striking that the concept used by the EU is a very wide one, but that no differentiation is made in terms of the gravity of the problem. If subsidies were differentiated depending on the gravity of the problem, it would be possible to integrate more people into the labour market.

Our comments on the general block exemption Regulation underline the need of subsidies differentiation and, for workers who will be always underproductive workers because of the gravity of their problems, permanent subsidies. For these reasons we suggest pragmatically:

- A new category for the definition of 'disadvantaged worker'
- The introduction of the definition of 'multi-disadvantaged worker'

The revision of the reduced VAT rates

ENSIE asks a reduced rate of 6% for the enterprises working in labour intensive conditions with the aim of social reintegration through and in work.

The Small Business Act

Not all member states have adopted Common European policy on this as standard practice.

Key issue and main questions

Definition of the "people far from the labour market" - For ENSIE this definition doesn't include all its target groups and, at the same time, it's not linked with the too wide "disadvantaged worker" definition.

The social integration enterprises and the legal framework – The social integration enterprises are commonly the result of solidarity-based initiatives launched by the civil society and the citizens. In the past, many initiatives were born in framework without legislation and just after many years the States answered to the social integration enterprises' needs with some laws.

The social and professional integration of people far from the labour market needs a holistic approach.

The social integration enterprises in Europe present different schemes to provide employment opportunities.

The social integration enterprises are enterprises whose main interest is to the person.