

The social economy from the perspective of active inclusion: Employment opportunities for people far from the labour market

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Introduction

FEANTSA is the European Federation of National Organisations working with People who are homeless. FEANTSA's more than 100 members in 27 countries offer a wide range of services and support to people experiencing homelessness. These services include shelter and housing but also employment services and support to help people who are homeless to move closer to the labour market.

In 2007, employment and homelessness was the focus of FEANTSA's work. Over the course of the year, FEANTSA conducted an in-depth consultation with its members on the employment situation of people who are homeless in 16 EU countries. The findings of this consultation have been drawn together in a European Report¹ which has served as an important input to this comment paper.

The perspective of people experiencing homelessness

In its contribution to the Peer Review FEANTSA will focus on the perspective of people who are homeless and the role of the Belgian social economy policy for providing employment opportunities to a group of people who are usually not only far but *furthest* away from the labour market.

This difference is important and makes the "homelessness" perspective a particularly interesting one. The majority of people who are homeless in all EU countries are unemployed and/or economically inactive. For some access to adequate and affordable housing is the main obstacle to employment. However, many homeless people face multiple barriers to employment. These barriers include personal barriers, such as the experience of life crises, structural barriers, such as the lack of suitable training, education and employment opportunities, and societal barriers, such as stigmatisation and discrimination.

An evaluation from the perspective of people experiencing homelessness often reveals the shortcomings of policies to reach out to those groups who are faced with extreme forms of poverty and exclusion and helps to identify those practices and policies that actually work.

1 FEANTSA European Report 2007: Multiple barriers, Multiple Solutions: Inclusion into and through employment for people who are homeless. Available at: www.feantsa.org

Active inclusion, homelessness and the role of the social economy

Over the last years, the European Commission has developed active inclusion as a way to promote the inclusion of people who are furthest away from the labour market. Active inclusion is based on three pillars: labour market reintegration, minimum income and access to social services. The holistic and multi-dimensional approach of active inclusion is crucial for the employment of people with multiple needs, such as people experiencing homelessness. People who are homeless do not only require job opportunities but often also ongoing housing or health services as well as access to adequate financial resources.

Many mainstream work opportunities are also not suitable for the people furthest away from the labour market. People who are homeless often have a lower level of skills, including basic skills, and have health needs that significantly reduce their possibilities of finding a job in the mainstream labour market.

In this context, the social economy can play an important role in providing supported employment opportunities for people with multiple needs, such as homeless people. In contrast to the mainstream labour market, the social economy may compensate for the relative lack of skills and productivity of workers due to its supportive work environment which positively impacts on the lives of people.

Relevance of the Belgian social economy policy to other countries in the EU

In many EU countries there is a lack of employment opportunities which are adapted to the needs and aspirations of people experiencing homelessness². At the same time there is a growing understanding that employment should constitute a key element of an integrated homelessness strategy. The Belgian social economy policy is highly relevant for many European countries which are interested in creating job opportunities for people who usually have lower levels of skills and who require additional support, including financial, housing, health and social support.

The Belgian policy is also particularly interesting as it combines a national legal framework with clear regional frameworks. This framework is necessary in order to ensure geographical coverage of the services and evaluate and compare the quality of the different schemes. However, it would be interesting to see in more detail how the cooperation between national and regional administration is organised and if responsibilities are transparent and clearly defined.

Many Belgian social enterprises already exist for a long-time and have therefore acquired extensive experience in working with people far and furthest away from the labour market. Other countries can benefit from this long-term expertise.

However, as it is clearly stated in the introduction of the Belgian host country contribution, the aim of the social economy cannot be reduced to providing work opportunities to people far and furthest away from the labour market. The sector therefore cannot bear the sole responsibility for the

2 This is one of the key findings of the FEANTSA European Report 2007: Multiple barriers, Multiple Solutions: Inclusion into and through employment for people who are homeless.

provision of supported employment. Effective active inclusion policies will also have to look at ways to promote cooperation with other stakeholders, including the private for-profit sector, in order to offer a wide range of training, education and employment opportunities to this target group.

The potential transferability of the policy to other EU countries

Several aspects of the Belgian policy seem transferable to other countries. In particular the social economy sector in Flanders is well developed and offers a variety of schemes and work opportunities for different target groups, depending on their skills level and support needs.

Other Member States can learn from this example. Although there may be differences regarding the profiles of people far and furthest away from the labour market, the provision of a wide range of flexible and tailored employment, training and education opportunities for this group is a shared challenge of Member States.

The variety and flexibility of schemes is vital for people furthest away from the labour market. Although the majority of people faces multiple barriers to work and employment, these obstacles vary from individual to individual. Evidence from a number of employment programmes for people who are homeless in other EU countries have demonstrated that a sustainable reintegration of people will only be possible if the employment is adapted to the needs and aspirations of a person and combined with an individualised and holistic support framework.

What is more, the Belgian social economy legislative framework is potentially interesting for Member States where the social economy is a relatively new phenomenon and where there is a growing interest to develop it. This concerns in particular the new Member States. But also countries which have a long tradition of social economy, such as France, can learn from the Belgian policy when evaluating and further developing its policies. In particular the Flemish example of “work integration” and in-work support (“support at the workplace aiming at integration”) could be interesting for countries which have less of a tradition of working together with the private sector outside of the social economy.

The Belgian legislation might be less relevant for countries which traditionally do not rely on laws for policy development, such as the UK. However, all countries can learn from the concrete local examples of work reintegration in Belgium.

Important questions about the policy

All Belgian regions offer different forms of supported employment. However, not all mention schemes that specifically target people who are not only far but furthest away from the labour market. The social economy sector in Flanders refers to schemes for people with a high level of support needs who have the least chances of finding employment without support, such as social workshops, sheltered workshops and work care centres. Although many people who are homeless belong to this group, questions remain if they can - de facto - participate in these schemes.

This access problem can be described as “**creaming off**” effect. There is evidence that social economy employers tend to choose and stick to those who have the least problems among the

people furthest away from the labour market in order to fulfil obligations linked to their funding. If social enterprises employ people with multiple needs it is more difficult to comply with criteria such as an increase in productivity of the workers, for example. Social enterprises often also prefer to employ people on full-time contracts. This practice excludes more vulnerable workers who are only able to work part-time.

People who are homeless also may have problems **accessing sheltered employment**, where there are no requirements in relation to their productivity but which are usually reserved for people with disabilities. Many people experiencing homelessness do not qualify as “disabled” although they may require a similar level of support for a certain period of time or even in the long-term.

The access to different supported employment schemes may also be difficult due to the **duration of contracts**. In social workshops, for example, people need to start with a fixed contract. Some people who are homeless can comply with this requirement. However, there is a need to have more flexible forms of “contracts” or “work agreements” that allow social enterprises to work with clients on a daily basis.

Despite the variety of employment opportunities for disadvantaged workers in Belgium, there seems to be a need to develop and provide better and sustainable funding for **very low threshold services**, such as life-skills training or meaningful occupation. These services are needed for people who neither qualify for supported employment, e.g. in a social workshop, due to a lack of productivity and an unstable health situation for example, nor for sheltered employment.

Life-skills training aims to equip people with necessary skills to function in society, to manage a household or a budget, dealing with conflicts, developing social networks etc. Although the main aim of life skills training is not to improve the employability of a person, it is clear that good life skills will also be important soft skills for (supported) employment. **Meaningful occupation** refers to activities that help to (re-)build the self confidence and self esteem of people by engaging them in a purposeful activity, such as crafts, furniture making or photography.

In addition to problems of people who are homeless to access supported employment in the social economy, there is also the risk that people are “blocked” in the social economy. It is important to create incentives for social economy employers to help those people who are ready to do so to **move into the mainstream labour market** and to offer ongoing in-work support, if necessary.

The promotion of low-threshold training opportunities as well as move-on options helps to develop active inclusion policies that look at the reintegration of people in terms of **individual pathways** out of poverty and social exclusion and possibly into employment.

Such a pathway approach to the employment of people furthest away from the labour market requires the development of **cooperation** between different stakeholders. Some problems of people who are homeless in accessing supported employment in the social economy can be explained by the lack of cooperation between homelessness organisations and social enterprises. According to Steunpunt Algemeen Welzijnswerk in Flanders, only 33 % of the hostels have permanent cooperation agreements with social employment agencies.³

3 FEANTSA National Report Belgium (Flanders): Multiple barriers, Multiple Solutions: Inclusion into and through employment for people who are homeless, 2007, p. 12.

Contribution to the content of National Strategy Reports on Social Protection and Social Inclusion

This Peer Review can help to better understand and highlight the potential contribution of the social economy for the development of effective active inclusion policies, and in particular the pillar dealing with access to the labour market. Due to its supportive work environment, social enterprises could constitute a good basis for combining “activation” measures with minimum income and access to a variety of social services. This Peer Review also demonstrates the contribution of social inclusion policies to the overall objectives of the Lisbon Strategy; i.e. more and better jobs, economic growth and greater social cohesion.

Key issues for debate

A key challenge for social economy policies is to become more responsive to the needs and aspirations of those people who suffer extreme forms of poverty and social exclusion and who face multiple barriers to employment, including people experiencing homelessness. At the same time, there is a need to create more incentives for social economy employers to help those people who are able to do so to move on into the mainstream labour market.

How can these aims be better reflected in the funding regulations for supported employment in the social economy? And is there a need to revise access criteria, for example in relation to sheltered employment?

Another important challenge relates to the provision of an individualised and holistic support framework and the cooperation of relevant stakeholders. How can cooperation between the social economy and other stakeholders, such as homeless organisations be improved?

However, it is also important to reflect on the limits of the social economy. The social economy cannot compensate for the lack of employment opportunities for low-skilled workers. The mainstream labour market also has an important role to play and every debate about the active inclusion of people far and furthest away from the labour market should discuss possibilities to work together with mainstream employers.