INTEGRATION SOCIAL ENTERPRISES IN THE EUROPEAN UNION: 
AN OVERVIEW OF EXISTING MODELS

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Work integration social enterprises (WISEs) have existed in Europe for nearly 50 years, though many were born in the last 20 years in the framework of policies set up to fight unemployment. Despite the fact that they are often linked to such public policies, WISEs are autonomous economic entities whose common aim is the occupational integration, within the social enterprise or elsewhere, of people who are handicapped or disadvantaged in the labour market.

Through the analysis of a thorough listing of 39 categories of WISE carried out by researchers from ten countries of the European Union, we have sought to apprehend both the diversity of models and the convergences among them.

WISEs as work organisations

First of all, we have shown that the various categories of WISE address, through various modes of integration, the problems of long-term unemployment and occupational inactivity of disadvantaged people in the labour market. This can be explained by the fact that the target groups themselves are also varied. For example, integration cannot be achieved in the same manner for the severely handicapped as for young low-qualified people. These variations in the modes of integration and in the target groups imply the existence of various types of work contract and diversity in the importance given to occupational training. We have also shown that the types of resources mobilised (market resources, subsidies, volunteering etc.) vary greatly among WISEs.

Despite the diversity of the organisations presented in this European overview, we deem it possible to define four main categories of WISE, which are most clearly distinguished by the mode of integration they adopt.

The first group includes enterprises offering occupational integration supported by permanent "subsidies". This group includes mostly the oldest forms of WISE, i.e. those for the handicapped. These organisations exist in most European countries and aim to remedy the discrepancy between the productivity required by the "classical" labour market and the capacities of the handicapped. Nowadays, these organisations, which are mostly recognised and subsidised by public authorities, offer open-ended work contracts. The occupational training they offer is often on-the-job training. Owing to their increasing professionalisation, these WISEs generally mobilise few volunteers, and the share of their resources that comes from the market is ever increasing (more than 50% of resources comes from the market). Among these WISEs, we can mention sheltered workshops in different European countries.

1 The working paper corresponding to this abstract may be downloaded on www.emes.net.
2 This paper is partly based on data collected as part of the ELEXIES research project (2002-2003) and of the PERSE research project (2001-2004), which were carried out by various members of the EMES European Research Network (www.emes.net). The main goal of these researches project is to analyze more than 150 work integration social enterprises in 11 countries of the European Union.
A second group is constituted by the types of WISE that provide permanent, self-subsidised employment, i.e. stable jobs, economically sustainable in the medium term, to people who are disadvantaged in the labour market. Most often, they offer open-ended work contracts. Their target group is constituted of able-bodied long-term unemployed people, benefit recipients, young low-qualified people or people discriminated against in the labour market (ethnic minorities, women etc.). Some only offer on-the-job training, while others provide qualifying training to their workers. The pressure to be profitable is higher than in any other type of WISE. These enterprises are thus strongly market-oriented and mobilise little volunteer work.

A third large group comprises the types of WISE that mostly aim to (re)socialise people through productive activities. These WISEs target able-bodied workers with serious psycho-social problems or handicapped people. They generally do not provide real work but rather an occupational activity, and not a work contract but rather an occupational status (food and, most often, shelter in exchange for work, for example). The training offered is usually on-the-job training, volunteering is significant and resources from the market rather limited.

The fourth group – the largest among the WISEs studied – comprises WISEs offering transitional employment or traineeships. These initiatives, even though they all share a common goal – namely to help workers in integration find work in the mainstream labour market – are sometimes very different in the way they implement this goal. For example Belgian on-the-job training enterprises offer qualifying training, while French work integration enterprises provide a real job, of one year’s duration. These differences generate a different mobilisation of resources. Some survive nearly exclusively on subsidies. Conversely, others are practically independent from any public subsidies. The importance of volunteering also varies greatly. As far as training is concerned, some enterprises clearly favour qualifying training, while others choose to offer only work experience, sometimes with on-the-job training. These WISEs mainly concentrate on a target group of low-qualified young people, or able-bodied long-term unemployed people. The handicapped or people with serious social problems are generally not targeted by these organisations. The main reason for this is that the goal in these WISEs is a relatively quick reintegration of the workers into the mainstream labour market. Consequently, most work or traineeship contracts are fixed-term contracts.

Finally, it should be mentioned that several types of WISE are difficult to classify in any of these four main groups because they implement simultaneously several modes of integration. For example, type B social co-operatives in Italy and neighbourhood enterprises in France pursue several integration goals for very varied target groups.

WISEs as social enterprises

Another way to go beyond the diversity of WISEs is to analyse them on the basis of the EMES Network definition of the social enterprise. Since it appears that the various criteria that make up this definition are very often met – even though to a variable extent – by European WISEs, it seems that a common profile of the social enterprise combining these criteria can be defined. All forms of WISE share the goal of producing an explicit benefit for the community or at least for a disadvantaged group within it. To achieve this goal, they develop an entrepreneurial logic with a continuous activity producing goods and services, a certain level of paid work, a largely autonomous management and a significant level of
economic risk. But what is the most original feature is that this economic organisation is serving an explicitly social goal serving groups who are disadvantaged in the labour market. This project is generally born from collective dynamics involving various types of people, and the primacy of this social goal accounts for the fact that the ownership of share capital is not determinant in the decision-making structures nor for the distribution of any profits.

However, unlike what is the case for social enterprises in other fields, the economic realism necessary to achieve the social goal does not allow the workers to be deeply involved in management, be it because of their disabilities or because they are in the enterprise only for a limited period of time.

This analysis of some 40 types of WISE on the basis of the EMES Network "social enterprise" approach also offers a convincing confirmation of the relevance of this approach and of its operationality. It is also striking that this new social enterpreneurship does actually appear in the two ways highlighted by the EMES Network: in some cases new productive organisations are created, while in others new entrepreneurial dynamics appear within existing social economy organisations.

Finally, a series of recent legal developments surely recognise and support this emergence of the social enterprise in Europe: after the Italian "social co-operative" (1991) and the Belgian "social purpose company" (1995), the last few years have seen the creation of the "collective interest co-operative society" in France, the "social solidarity co-operative" in Portugal and the "social initiative co-operative" in Spain. Other legal proposals are being prepared, for instance in the UK, where a status of "community interest company" is currently being discussed, and also in Finland and elsewhere. All these initiatives bear witness to an ever more widespread wish to promote and develop real entrepreneurial projects with a social vocation throughout Europe.