1. Social Economy: a Way of Occupational And Social Integration

The concept of social economy has been used very often lately, although there isn't a unanimous definition to refer to all the organizations which are included in this notion. This concept started being used in the 19th century as opposed to the so-called political economy. According to Charles Gide, social economy should deal with productive mechanisms. But this formal distinction was later on corrected by himself, as he stated that social economy has to do with "the institutions that have the improvement of the status of the working class as a main goal" (1).

So the social economy organizations emerge as a mean to fight against poverty and social exclusion, and therefore we can find a wide range of cooperatives and mutual benefit societies linked to the working class movements, as it happens in such countries as Spain, Portugal, Italy, France and many others.

Nowadays, it is generally acknowledged that the social economy organizations belong to the Third Sector, although not all the organizations of the Third Sector are related to social economy.

Thus, we could say that the social economy organizations are those which are in the market, producing goods and services with the aim of benefitting their own workers and consumers and/or achieving a goal of general interest.

In the definition above, we can see that within the Third Sector there two types of organizations: the ones that want to be in the market (social economy) and those which don't have that aim (not social economy).
The distinction between social economy organizations and non social economy organizations is, for example, a cooperative or an association can offer his services to elderly people, or offer gardening services done by mentally or physically disabled people, or make shoes as a way of occupational integration for unemployed people. All these types of organizations can be included within the concept of social economy. Whereas, on the other hand, an association or foundation which has mutual help or vindication of a whole collective as a goal, can be considered an organization belonging to the Third Sector but can not be labeled as economical.

The social economy organizations can take different juridical shapes such as cooperatives, associations, foundations or even a mutual benefits society. All of them have the same ultimate aim.

Although social economy organizations is a form of productive economy, there are many differences with the private sector entreprises, like their organization patterns, their management and their social purposes. For example, a "cooperative of workers" has as a main goal that the workers/associates get an income, being them also able to take decisions within the organization. This example states clearly that social economy organizations are different from the private sector ones as far as objectives, organization patterns and management are concerned.

There are some other cases in which social economy organizations follow a certain type of purpose -what we could call a redistributive purpose- that is characteristic of the public institutions. A case in point is the attention to the underprivileged or the poor. However, Public Administration has gradually delegated non-profitmaking organizations to be the providers of this kind of services, being or not these non-profitmaking organizations totally or partially financed with funds from the public budget. Some of the main reasons for this delegation are the agility in the management of these organizations, their closeness to the citizen and their efficiency.

Social economy organizations have grown in number and importance, specially from the decade of the sixties on. New forms of enterprising with different social values started to spring up, as a consequence of the rising poverty and exclusion, as an alternative to the administrative routines, and as a reaction to the disequilibrium that the market generates (2).
These new forms of business organizations put into practice new organizing schemes and new forms of participation, by which workers could eventually manage the firm themselves. A socially useful job and a kind of service that had into account the proximity necessities were some of the motivations of these new forms of social and economical intervention. In some cases, it was the will to help young people to find a job, in other cases, it was the need of workers made redundant to reorganise themselves. Also, new forms of business organizations with social purposes came out such as "especial work centers (CET)" which aim is looking for a solution to social and occupational exclusion problems of handicapped people.

In Spain, in the decade of the eighties, social economy organizations acquired a relevant importance, specially in the context of social policy, as a result of the restructuring of the Welfare State, which affected all the industrialized countries. The particular evolution of social policies in the European Community shows how the emerging model- designed by Rodríguez Cabrero (1994) as the second restructuring of the Welfare State- is a mixed model in which the State grants the basic financing of the social services, while the Third Sector organizations deal with most these services. So, social economy organizations help, or rather, substitute for the State in their attention to risk groups or collectives with occupational and social exclusion problems. (3)

Thus, social economy organizations are not just for people excluded from the labour market, but for groups with problems to have access to the regular labour market, such as handicapped people. In that sense, the CET (especial work centers) are non-profitmaking organizations of the social economy which have as a ultimate goal the total integration of the mentally disabled in the market. The process towards full integration has a first stage in which they receive professional training so that they can start working in the very same CET to join a normal firm later on.

2. Characteristics of the CET - Especial Work Centers

The reason for the creation of these kind of companies is that the mentally handicapped encounter serious difficulties to find work in "normal" companies, and, in case they find it, its continuity becomes almost impossible due to the difficulties of social relation between the mentally handicapped person and their superiors and colleagues, and also due to adaptation problems to their workplace.
Thus, in Spain there are NPOs that function as productive companies, and where the handicapped person is considered as a company worker, earns a salary, enjoys social security benefits, and receives social and psychological treatment to ensure their social and work integration.

In many cases, the salary of the handicapped person is an important complement to the family income, because many of them come from families whose head of the family is unemployed or on a very low wage.

The Especial Work Centers receive subsidies and fiscal discounts, otherwise they would be unable to compete in the market, given that staff costs are higher than those of a "normal company" due to the lower productivity rate of the "mentally handicapped" workers.


The CET are protected "companies" for mentally handicapped people. The staff will be totally made up of handicapped people, excepting those jobs that are necessary to guarantee the activity of the company. (Art. 42 of the LISMI Law)

The targets of the CET are twofold: first, to ensure a paid job to handicapped people, and, second, to offer personal and social help to the handicapped. To be able to work in a CET the person has to prove their legal situation as handicapped, and, moreover, the handicap as regards their working capacity, compared to a normal person, has to be of the 33%, minimum, and of the 65%, maximum.

The CET require a number of characteristics:

The structure, organization and working methods have to be similar to those of normal companies.

The management will be subject to the same rules and requirements that affect any other company of the same sector.
The staff will totally be made up of handicapped people, except for those non handicapped workers that are necessary for the development of the activity.

The handicapped people work has to be productive and paid for.

The CET have to be acknowledged as such, and must be registered in a Public Register of Centers.

The CET will be able to issue any kind of contract of employment for the handicapped people, but they will always benefit from the social security system (Art.44 LISMI). Notwithstanding, the contracts of employment are subject to the following restrictions:

Home contracts of employment are forbidden.

Any contract will have to be formalized in writing.

In case the handicapped worker's performance is 25% lower than the normal, it is planned that contracts of low performance can be issued.

It is established that contracts for an indefinite period are to be favoured, but contracts for a limited period of time will also be authorized. Likewise, a trial period of adjustment to the job, which will last a maximum of six months, can also be negotiated.

The CET, in order to benefit from public subsidies, have to adopt the legal formula of "non lucrative entity" -association, foundation, cooperative. The argument used is that of the social service provided by the CET, and, therefore, it must be guaranteed that their benefits are reinvested.

The CET may receive, from the Civil Service, subsidies to create new jobs and to keep them, as well as to balance their budgets; these helps will allow the fulfillment of the social performance required of the CET (Art.43 LISMI). The Civil service will foster the creation of jobs for handicapped people, and will make sure that the working conditions of the handicapped are adequate. (Art.45 LISMI).
The main subsidies currently available from the civil service (Order of March 26, 1996; BOE num.77) are the following:

a) Subsidies for the creation of employment.

Subsidies up to 2,000,000 pts for steady job. To benefit from these helps, it has to be proved that the company's project works at technical, economic and financial level, and, that it really creates new steady jobs.

b) Subsidies to keep up jobs

Subsidy of 50% of the salary cost that corresponds to the job performed by the handicapped person. This amount will be, at the most, 50% of the minimum wage specified by the law.

100% Discount in the employer's contribution to the social security. These discounts will be directly deducted by the Especial Work Centers from their monthly contribution to the social security.

Subsidies up to a maximum of 300,000 pts per job for the adaptation of workplaces and the elimination of architectural barriers; these subsidies cannot cover more than 80% of the aforementioned adaptation or elimination cost.

Subsidies, to be given just once, to balance and reorganize the CET financially when they have accumulated deficit produced by structural problems or by lack of productivity. These helps are granted provided that the CET guarantee their viability and stability in the future.

Subsidies to make up for the expenses resulting from employing handicapped people. This kind of subsidy will not cover the adverse outcome due to inadequate management, as considered by the civil service.

The CET may receive after-sales service, as well as financial help to carry out viability, organization and diagnosis researches; auditions and financial reports; assessment and research in the various lines of the company's activity, etc.

3. Production and employment of the CET (especial work centers)
The Handicapped People Social Integration Law (LISMI) created the legal frame for the creation of jobs for handicapped people. The CET were created to this end, that is, to provide employment for people whose handicap level was superior to the 33% and inferior to the 66% compared to a normal person.

The aim of this study is to prove that the existence of Especial Work Centers (CET) is profitable both to the handicapped person -social and work integration- and to the country -creation of new jobs and added value-, as well as to the civil service -saving in economic and social costs. This study has been done in Catalonia-Autonomous Community of Spain- with a population of six millions people.

The descriptive analysis consists of the description of the Especial Work Centers characteristics, of the number of handicapped and non handicapped workers that are employed, and of the assessment of the amount of "added value" that, as a whole, the CET generate.

The amount of the added value generated by the CET has been obtained on the basis of a sample of CET that include 1,372 handicapped workers. The results thus obtained have been extrapolated to the total number of the mentally handicapped workers. In Catalonia, the number of mentally handicapped people working with a contract of employment in the CET is about 5,140, December 31, 1997. That is to say, the sample includes the 27% of the total number of handicapped people working in the CET.

In respect of the handicapped population there is a 3.1% of handicapped people over the total population, this amounts up to 188,166 people. The percentage of handicapped people with a handicap level between the 33% and the 65% is of 53.1% of the handicapped population (99,869 people). This means 1.7% of the total population of Catalonia (6 million people).

The main lines of activity of the CET are those in the public service sector, like handling -finishing of products, changing of labels, adding up, transforming, garden services, printing, etc.

The boost to the creation of employment can be observed in the following table
Thus, we see that there has been an increase of 3,283 people in five years, which is equal to say that the figures of 1992 have been multiplied by 2.77 times. Consequently, the 140 CET take active part in the creation of employment, both as regards to handicapped people and to "non" handicapped people.

Concerning the handicapped population, we have already seen that the CET are currently employing 5,120 people, but they are also employing "non" handicapped people in a ratio of, approximately, 0.20 20% of the total- of which, 10% are managers, assistant managers, and people working in marketing in the CET, and the remaining 10% are people in the administration and management. This means creating employment to 1,028 "non" handicapped people.

If we compare the number of jobs in the CET with those in the public service sector we observe that:

Service sector:

1992..............................................1,187,700
1996..............................................1,298,400

Variation +9.32%

CET sector:

1992..............................................1,857
1996..............................................4,935
Variation +165.755

Ratio CET population / service sector population

1992..............................................1.56 thousand workers
1996..............................................3.8 thousand workers

As far as production is concerned (see Table 1), we can say that a turnover of 17 thousand million pts (103 million EUROS) is esteemed, of which the "salary subsidy" subsidy for the employment of handicapped people- is regarded as income, and amounts to 4 thousand million pts (28 million EUROS). Thus, the "real" amount of business done is 12 thousand million pts (75 million EUROS).

The added value is 5 thousand million pts (34 million EUROS), that is **45% of the "real" volume of business**; the operating costs amount to one thousand million pts (6 million EUROS), which is an 8% of the "real" volume of business, and, finally, the economic result is of 364 million pts (2 million EUROS), which means a performance of the economic activity of the 3%.

In terms of production indicator pts per worker- the CET produce an added value of, approximately, **1 million pts per year and per worker (5,975 EUROS)**.

Thus, it can be seen that the CET produce wealth employment and added value to the production- and therefore function as "normal" companies, and, at the same time, the perform a social task the work and social integration of handicapped people.

4. Conclusions

The NPOs called CET can function as productive companies, generating an added value of almost a six thousand EUROS per worker and year and giving employment
to almost 6,000 people (5,711 including handicapped and "non" handicapped).

The ratio of handicapped people employed in the CET with respect to the working population in the public service sector is of 3.8 per thousand workers. That is to say, without these NPOs these handicapped people would probably be unemployed.

The CET carry out an important task as regards work and social integration, reducing the risks of the "social costs" that would be caused by the non existence of these Especial Work Centers.

Notes


Bibliography

"Pla d´inserció sociolaboral de les persones amb disminució" Generalitat de Catalunya. Departament de Benestar Social. 1.998.

"Pla interdepartamental d´integració laboral de les persones amb disminució" (1.990). Departament de Benestar Social. Generalitat de Catalunya.


Ley 13/1.982, de 13 de marzo, de Integración Social de los Minusválidos (LISMI).

Ley 26/1990, de 20 de diciembre, por la que se establecen las pensiones no contributivas en la Seguridad Social.

Montserrat, J. (1.991): Comentarios a la Ley de Pensiones no contributivas desde una perspectiva económica en "Las pensiones no contributivas de la Seguridad Social". Jornada de estudio de la Coordinadora de Tallers per a Minusválids Psíquics de Catalunya.
