

## **Abstract work integration social enterprises**

In the Netherlands the public and professional opinion on working with disabilities has changed considerably over the last years. The Dutch government policy aims to involve as many people from disadvantaged labour market groups as possible in regular work. A large number of these persons work for one of the approximately 100 state companies engaged in sheltered employment and labour integration. However, Dutch employers in the private sector find hiring those persons unattractive. So, there still exists a shortage of job possibilities in private enterprises for those groups. At the same time, legislation on sheltered jobs and on income provisions for disabled young people is reconsidered by the government. Social economy approaches could offer interesting possibilities for the creation of jobs in special enterprises for disadvantaged groups (e.g. disabled, long-term unemployed). However, so far, work integration social enterprises are relatively unknown in the Netherlands.

### **Subject of research**

Behind this background TNO has analyzed the experiences with private work integration social enterprises in five European countries in a recent study comparing (1) Germany: Integrationsfirmen, (2) Belgium: Invoegbedrijven, (3) United Kingdom: Social firms, (4) Sweden: Social co-operative firms and (5) Italy: Co-operative re-integration firms. The central research questions are: What are the experiences with work integration social enterprises in these five countries; what is the role of the government and what can the Netherlands learn from these experiences? The study is part of a TNO research program called Social Cohesion which is subsidized by the Dutch Ministry of Social Affairs and Employment.

### **Results**

We found that most firms aim at offering target groups a normal salary and a permanent position. Further, most firms employ workers from disadvantaged groups as well as regular employees. Employing both groups at the same time seems to stimulate the integration of disadvantaged groups and increases the chance to become a financially healthy company. Being commercially successful also enlarges the possibilities to further employ these groups. The government stimulates the establishment of social enterprises in all five countries, although by different means. Sometimes the measures are part of the labour market policy, sometimes of SME policy or developing rural areas. Overall, we found five types of government measures: (1) financial compensation of lower productivity rates and other additional costs; (2) support, investment funds and advice; (3) making the sector more widely known and improving the image of the sector; (3) special legal forms or recognition and (4) statutory quota to employ disadvantaged groups.

In all countries we discerned a similar background of the interest in social economy. Expenditures on subsidized jobs were cut down and up-lifting into regular jobs was boosted. Re-integration firms were established. Social enterprises had hard times. This kind of policy proved to be an insufficient solution for the labour participation of the most disadvantaged groups. For that reason social economy and subsidized jobs came into focus again. In some countries this goes along with the innovation of the concept of sheltered employment, i. e. the provision of new financially supported employment possibilities in regular companies. Trends like the adoption of corporate social responsibility, a tighter labour market and outsourcing together with new interest in social economy results in innovative forms of collaboration.

In the Netherlands private work integration social enterprises resemble the state sheltered workshops because both provide jobs for persons furthest from the labour market. Changing the workforce into a mix of workers from the target group and others would be a revolutionary innovation. When selecting the most effective policy to bring about such a change we have to distinguish two different concepts: stimulating regular employment of disadvantaged groups in private enterprises and organizing special arrangements, workplaces and enterprises in order to employ them. The first concept means more disadvantaged groups in regular jobs, but also severe difficulties to employ the most disadvantaged. This group may actually be better off in specially arranged jobs. The existence of special work integration social enterprises may, however, discourage regular companies to hire workers from target groups. Maybe the truth lies somewhere in the middle.

Aukje Smit, Joost van Genabeek, Mike Klerkx. European experiences with social economy. TNO: Hoofddorp, 2008. Contact: [aukje.smit@tno.nl](mailto:aukje.smit@tno.nl).