

EMPLOYMENT THROUGH SOCIAL COOPERATION – MOVING FROM SHELTERED TO OPEN EMPLOYMENT

INTRODUCTION

The main objective of the thematic work group was to increase knowledge and experience of placement into employment within social cooperatives. It was generally thought that this type of employment can provide the two basic needs of “support” and “non-discrimination” in the workplace. It is often difficult to provide a working environment where both these needs are met. Within a sheltered workshop there is a protected working environment but a lack of integration, while in a more open or integrated employment setting there is often a lack of protection and support.

At the beginning of the work process, an analysis and comparison between the local and national experiences of the partners was undertaken. Within this initial research, it was necessary to include not only social cooperatives but a range of different organizations - which in the different partner countries have similar aims, objectives and working methods.

For this reason it was necessary to find a suitable definition for the kind of firms under consideration. The characteristics of the businesses we were interested in are the same as a social firm, but there were also some additional specific elements. To complicate this, in Europe there was not a common legal and conceptual definition. Other previous European projects had encountered a similar problem. The CEFEC project in particular, had devised a definition, which included the different kinds of social firms which work in the field of employment of disadvantaged people. This definition also differentiates between initiatives which offer real job opportunities and those which have a professional training, rehabilitation or charitable purpose. Consequently, the thematic work group decided to devise a new definition for initiatives working in our chosen field.

THE CHARACTERISTICS OF A SOCIAL FIRM

- A social firm is a business which employs disabled people or other people disadvantaged in the labour market
- It is a business which uses its production of goods and services to fulfill its chosen social purposes
- A significant number of people employed within the business must be disabled people or other people disadvantaged within the labour market
- The entire staff of the firm receives an ordinary salary or salary proportionate to the work undertaken, but not to productive ability
- The work opportunities within the firm should be the same for disadvantaged and non-disadvantaged staff i.e. all workers have the same rights and duties

SOCIAL FIRMS WITHIN THE LOCAL /NATIONAL CONTEXT

The analysis and comparison between national and local situations within the partner states has indicated the following general picture relating to social firms.

NATIONAL DIFFUSION

In some areas social firms occupy a traditional place within the economy and their numbers are significant in comparison to other enterprises within the general labour market. Alternatively, in other areas social firms are more 'experimental' in nature and their representation is small. These initiatives often occupy an intermediate position between sheltered workshops and more traditional firms, moving towards the more accepted characteristics of a social firm.

Italy and Germany have the most significant social firm tradition. In Italy there are around 2,000 social cooperatives (operating as type b enterprises), which employ approximately 44,000 people (including 16,000 employees who could be considered disadvantaged within the general labour market). In Germany there are considerably fewer firms than in Italy, but their number is still significant with over 250 firms in existence. The German social firm tradition has been built up over the past 15 years.

In Belgium a development process has been initiated to create a number of social firms. This process relates to existing sheltered workshops and seeks to create more open and integrated working environments. The process is also backed up by new legislation.

In Scotland, a small group of social firms now exists built on the initial success of a previous European funded initiative. A process of awareness raising and support has led to increased recognition at a social and political level, accompanied by an accepted definition of what constitutes a social firm.

In France, social firms do not exist. A significant national network of sheltered workshops provides employment for disabled and other disadvantaged people.

LEGAL STATUS

In the European Community a specific legal status relating to social firms does not exist. Therefore, the social firm is a type of company provided for by the laws of individual member states. Generally, their legal status is similar to commercial companies, but in some cases is also similar to state owned companies e.g. in France (law 1901) where the funding is public and the 'societies' running the sheltered workshops are private.

In Italy and Belgium there is a legislation supporting companies who operate with a social purpose. In Italy however, cooperatives can be the only firms with a social purpose. In Scotland the law provides for two kind of companies, profit making and

non-profit making. Generally the legal status of the social firm is the same as that of a non-profit making company. On the whole these businesses are similar to social cooperatives i.e. the mutual aid aim of cooperatives is similar to the social objectives of a social firm.

In countries where sheltered workshops are transforming into social firms, these companies are changing their legal status to that of a social cooperative. Some social firms a non-profit making purpose fixed in their articles and statutes. Others retain a profit motive, but generally these profits are retained to finance the development of the company. In Italy for example, social cooperatives can produce profits, but only a small part of these profits can be distributed to the staff. The majority of retained profits must be re-invested in the company. In addition, if the company ceases to trade, any monies invested by staff are returned to them. Any other funds realised on the closure of the company are placed in a common development fund used to support social cooperatives.

PROPERTY

Many co-operative organizations are private but include participation on the part of public institutions. The nature of a private business can at times contrast with the purpose of a social firm, yet, a private firm can also develop a policy of integration in addition to a having a charitable purpose. The staff, including people with disabilities, own or have shares in the property of the firm. In this way social firms are consistent with the objective of social integration.

For instance, in Italy, all social firms are cooperatives and the vast majority of employees have shares in the property of the firm. Employee participation in the ownership of the company encourages responsibility and fuller participation in the productive and commercial activities of the firm.

FUNDING AVAILABLE TO FIRMS

Public institutions often provide financial support to social firms. They can provide financial support towards investment, management and labour costs. Public institutions are often an essential element, as social firms have great difficulty in accessing private finance. These difficulties relate in some part to the profit restrictions placed on social firms.

Some specific initiatives have solved this serious funding problem. They have become specialists in gaining private and public funds, which can then be used to finance the development of social firms.

ACTIVITY FIELDS

Social firms work in many different fields and economic sectors. There is potential-

ly no restriction on the type of business activity a social firm can undertake. In practice, the availability of funds is the major business constraint. Consequently many firms work in activity areas where capital investment is small and labour is more important. Therefore the majority of social firms produce traditional rather than complex goods and services.

SIZE OF COMPANIES

In general social firms are small in size, creating a friendly and sociable of working environment which supports the integration of disabled and other disadvantaged workers. Sometimes firms remain small because they find it difficult to increase their productive capacity.

In Italy however, some firms have experienced significant growth. These examples show it is possible, starting from a position of stable funding funding and relevant experience, to build up medium size firms.

SALARY

An equal salary for all employees is a typical characteristic of a social firm. This wage equality is often quite difficult to put into practice. For example

- a) when only disabled people are employed in the firm (as in the case of sheltered workshops) this type of salary restriction is often applied, but in practice separates them from other workers;
- b) when a disabled employee's salary is different from other workers (for instance in Italy some social cooperatives reduce the salary paid to disabled employees for the initial three years of employment);
- c) when all employees receive salaries below the accepted industry standard i.e. disabled and non disabled staff.

These distinctions and variations in salaries are generally a result of lack of funds available to the firm. In Italy social cooperatives find it difficult to guarantee a standard salary because of variations in production and irregular working. In general disabled and non disabled staff perform similar duties, but it is still unusual for disabled employees to occupy managerial or other positions of responsibility.

STAFF TYPOLOGY

The proportion of disabled people employed in social firms varies from country to country. In general the number of disabled workers varies from a minimum percentage of the workforce (where this type of directive exists) through to the entire complement of staff.

Experience has shown that a significantly high proportion of disabled employees within a workforce creates two major problems. The first one is fairly obvious in that

where only disabled people are employed, social integration is not possible. The second one is that too few non-disabled employees decreases the level of additional support available to employees who have a disability. In Italy the minimum number of disabled people to be employed (in a social cooperative) is 30% of the whole workforce. Evidence shows that a good balance between the two 'categories' of workers has improved levels of productivity. Where the proportion of disabled employees is very high, there are problems with productivity levels and the firms are strongly perceived as charitable institutions (as opposed to functioning and competitive businesses).

Social firms employ people with variety of different disabilities. Some firms work only with a particular disability (as a matter of tradition or through choice), other firms employ people with a variety of different disabilities.

In general social firms are open to any disabled person, provided their abilities are compatible with the productive activities of the firm. Some social firms build up a wider range of activities, assisting with the employment of people with different disabilities.

MAJOR PROBLEMS

The analysis undertaken by the SYNJOB thematic work group indicated a number of problems which prevent social firms from

- achieving their productive and commercial objectives, and
- the effective integration of disabled employees

The following problems and organisational needs are not common to all firms in the various partner states. Some social firms have already identified solutions to some of these problems. These solutions have been identified in the good practice section of this document.

- Lack of specific legislation relating to social firms and of national policy to supporting the development of this employment sector;
- Difficulties in obtaining finance for firms through private/public investment and banks;
- Lack of management capability and experience within firms e.g. financial administrative, production control, marketing etc.;
- Salaries paid below the industry or market standard;
- Levels of productivity lower than industry or market standard due to the nature of the workforce employed, organizational problems and low levels of investment;
- Difficulties in developing and maintaining commercial relations with ordinary firms;
- Inconsistent support from public institutions;
- Company size and capabilities preventing an improvement in the competitiveness and quality of products services;

- The social difficulties and problems experienced by disabled employees which detract from their work performance and personal relations within the firm.

GOOD PRACTICE

The group of work about the social firm has identified the following good practice in the areas of Legislation, Financial Support & Investment, Professional Training and Advice, Cooperative Networks, Cooperation with Public Agencies, Workplace Support for Disabled Employees and Tax

EXEMPTIONS FOR SOCIAL FIRMS:

LEGISLATION:

BELGIUM

In Belgium there are approximately 75 social firms. In accordance with the Law of 13th April 1995 a social firm is a normal company which operates on a 'not for profit' basis. Social firms to all intents and purposes are organized and managed as regular firms, developing their own investment plans, operating in high quality fields and creating employment.

The social firms are not regarded as a new kind of commercial company, as all existing companies can become social firms by changing their existing articles / constitution. In order to become a social firm, a company must include the following elements in its articles / constitution:

- that the firm is a non-profit-making organization
- that all the activities of the firm have a social purpose
- the profits made have to be divided / apportioned according to the stated aims of the firm
- when the firm obtains a direct profit for its members / partners, it must not exceed the interest rate fixed by the law (presently the rate is 6%)
- that management must produce an annual report giving information on how the firm has performed and moved towards achieving its objectives. This annual report should also include a detailed financial section relating to the main activities of the company.

Social firms can receive public financial support to assist with business development, investment, research and innovation etc.

The categories of staff employed within the social firm can be:

- a worker: who is directly subordinate to the management / board of directors
- an associate: who owns part of the capital stock
- a mandate holder: who has independent status, is not employed by the company and can work in different firms

To create a new social firm it is necessary to incorporate the previously specified conditions in its articles / constitution, in addition to having adequate capital. Where an existing firm becomes a social firm, it is also necessary to have the unanimous approval of the associates.

In the region of Wallonia, approximately 5,300 disabled people are employed in social firms.

ITALY

In Italy, social cooperation is regulated by numerous regional Laws and by the National Law n. 381 (issued in 1991).

This legislation provides for exemption from payment of welfare contributions for disadvantaged employees, and particularly for disabled people (who have a degree of disability / impairment of at least 46%). It also provides exceptions to laws relating to the award of public contracts (within the limits fixed by the European Community).

Type B social cooperatives, which concentrate on the employment of disadvantaged people, have lower levels of economic and productive activity and organizational capability. In spite of these limitations and problems, social cooperatives represent a growing movement within the Italian economy. Their recognition within, and contribution to the economy, has been assisted by this important judicial and legislative support. There are currently about 2,000 Type B cooperatives, employing 44,000 people, of which approximately 16,000 are disabled people.

The social cooperative is a non-profit making firm, which protects work opportunities for disadvantaged people. They exhibit characteristics of self-management, employee participation and flexible working practices within the organization. They are different from sheltered workshops – not separate but part of the market, where disabled and non-disabled people work together. Founded on the notion of solidarity, the social cooperative is not charitable, but a wealth creating entity which provides its associates with decent incomes, social protection, security and confidence in the future. It also operates on the premise that a disabled associate is also an entrepreneur.

FINANCIAL SUPPORT AND INVESTMENT FOR SOCIAL FIRMS

Social firms have great difficulty in obtaining credit or loans from banks to support investment and development projects. The traditional banking system generally asks for personal guarantees from associates, prior to providing any credit or loans. In Italy, recent developments have included the creation of organisations that provide finance for (among others) socially oriented employment projects. These include the Ethical Bank and the Credit Consortium.

ETHICAL BANK

The ethical bank provides finance to non-profit making organizations. In this way it supports social and economic activity involving disadvantaged people, as well as their individual development. This type of bank can only use its funds to support ethical activities, and informs its depositors about the utilization and distribution of funds.

CREDIT CONSORTIUMS

The credit consortiums are created by non-profit organizations in the form of member cooperatives or associations. They manage (under the guidance of specific legislation), the bank savings of their associates. The money is used to finance social and economical activities which include the development of fair trade, social cooperation, protection of the natural environment, the defense of human rights, cultural and human development, specialist studies and research, professional training about other non-profit activities. These organizations make it possible to develop a range of non-profit activities which traditional banks would not normally finance.

PROFESSIONAL TRAINING AND ADVICE FOR SOCIAL FIRMS

In the UK, the Social Firm Support Group organizes a range of seminars, conferences and training events. These activities deliver practical support and advice to organizations and individuals who operate or are planning to develop social firms.

In 1999 a residential summer school for social firm managers was organized. The subjects covered included marketing, employment issues, contracting, management skills and a range of other relevant topics. Some European based social firm manager participated in this event and a range of specialists were engaged to lead the training. It has been the first forum aimed at bringing together social firms managers in the UK.

The Social Firm Resource Centre collects and stocks all available material on social firms. This includes publications, research papers and audio-visual materials. This material is generally available to interested parties throughout the UK. Examples materials held in the Resource Centre include

- "The Social Firm Handbook": first printed in 1997, this UK publication defines and describes social firms with chapters on philosophy and ethos, management, finance and recruitment
- "The Marienthal Network Summary Report": Marienthal is a Horizon funded network of European social firms. This report describes the national projects, products and outcomes of working groups held through 1996/97

In Germany, the F.A.F. (an association for work initiatives and company projects) combines and coordinates the different categories of social firms. It also has a training and advisory role, working with social firm managers and groups setting up new firms. F.A.F. also carries out research and analysis work on the employment of disabled people. Through 1995-98, F.A.F. coordinated 17 projects within the aforementioned Marienthal network.

In Italy, pools or associations of cooperatives deliver professional training and advice to social firm managers. In addition a number of Universities have now started to deliver specific courses aimed at social firm managers.

COOPERATIVE NETWORKS

A good practice example is the creation of social firm pools or networks.

In Germany the previously mentioned F.A.F. coordinates different types of firms which employ disabled people. The F.A.F., was established in Berlin in 1980 by a number of associations working in the field of employment rehabilitation and labour market insertion of disabled people.

Some of these firms are self-supporting companies, integration firms, social firms, companies offering part time jobs, service firms and sheltered workshops. The most common type of firm is the self-supporting company, which have been in existence for about 20 years and are almost all non-profit making enterprises.

In the UK, the Social Firm Support Group has facilitated the creation of a series of regional social firms networks. A good example of this is Social Firm Development Network in Birmingham. A number of new networks are in the process of being launched. The most important activities of these group are: network coordination and support, training and information provision and sourcing new funds.

In Italy pools of cooperatives create synergies through collaboration between the social firms. They have created a number of 'umbrella' associations that deliver a range of services to member firms e.g. accounting and financial services, marketing, management support etc. There is a consequent reduction in costs for member firms. The pools of firms are also able to contribute more strongly towards the development of new public policy and legislation concerning the social cooperative movement.

COOPERATION WITH PUBLIC AGENCIES

In France both sheltered workshops and 'temporary work firms' can come to an agreement with public agencies. The second category of organization in particular can only make 3-year agreements.

The agreement fixes:

- the general characteristics of the firm and the disadvantaged people placed withor

employed by the company

- the amount of the public funding
- the type of contract
- the nature of the training and support given to the disabled person in the workplace

'Intermediary Associations' make annual agreements with public agencies to 'match' disadvantaged people (disabled people, unemployed people, etc.) with companies. The association arranges contract with companies who are looking for new staff. People can be employed with contracts lasting up to 240 hours.

As previously mentioned, in Italy the Law n. 381 (issued in 1991) allows public agencies to make agreements with social firms, within limits fixed by the European Community.

WORKPLACE SUPPORT FOR DISABLED PEOPLE

In Germany, non-disabled staff within social firms give support to fellow disabled employees

- by giving practical and technical work related assistance and advice;
- by giving social support and advice which assists with personal development and the acquisition of life skills;
- through the creation of a positive social environment within the firm and the prevention and solution of conflicts.

In France, in the 'Interim d'Insertion' non-disabled staff provide support to disabled employees, helping them adapt to the place of work. This support takes the form of continuous technical assistance, professional work related training, and psychological, medical and social assistance.

In addition, the Support Centers for Work offer disabled people the possibility of trial work periods.

In this period skills and abilities are identified, and the person can try a number of activities or positions in the firm before a decision is made on the right option for them.

In Italy, generally (within type B social cooperatives) there are not specialist staff who have the task of supporting disabled employees in the workplace. This task is normally carried out by non-disabled work colleagues or volunteers. The specialist staff of social and medical services can provide support to the disabled person outside the workplace.

In the UK, disabled employees (of any company including a social firm) can take up assistance through the national Employment Service's Access to Work programme. Access to Work provides a wide range of technical, practical and personal assistance, including e.g.

- help with the costs of traveling to and from work;
- technical aids and adaptations to equipment;
- adaptations to the working environment;
- personal support in the workplace e.g. job coaching, communication assistance etc.

TAX EXEMPTIONS FOR SOCIAL FIRMS

As previously explained, in Italy, the national law n. 381 (issued in 1991) provides an exemption from payment social security related taxes for disadvantaged people, and in particular for disabled people who have been assessed with a disability / impairment of at least 46%.

CONCLUSIONS

The on-going development and promotion of the social economy must be strengthened by real political support. This has not been the experience in the majority of Europe states. Consequently, a range of complementary laws supporting the social economy does currently exist. Despite this lack of political support and legislative regulation, experience throughout Europe indicates that social firms are effective in placing disabled people into employment, encouraging integration and direct participation in the labour market.

The SYNJOB thematic work group agrees on the uniqueness of the Italian experience. The Italian model is the most advanced and is still developing at some pace. Comparison with the Italian model also underlines the considerable efforts made by other countries to develop and strengthen social firms and the their broader social economies.

In every country there is a strong trend towards increasing the number of social firm initiatives and 'umbrella' organizations that support the creation of new firms which combat segregation and the concentration of disabled people in sheltered workshops.

The thematic working group identified some important themes and needs. Implementing the elements detailed below would assist the long-term development of new and existing firms, and help consolidate the position of the social economy within the broader economy

- there should be appropriate and supportive legislation in each country which assists the development of individual social firms and the broader social economy - current Italian and Belgian legislation are examples of how this approach can be useful;
- support should be available to help increase the competitiveness of social firms within the broader market, though the implementation of a better managerial cul-

ture and increased managerial capacity within firms and improvements in the range and quality of products and services made by social firms;

- sufficient funds should be available to help social firms develop their markets and entrepreneurial abilities;
- there should be more precise definition of the percentage (of the total workforce) of disadvantaged people employed within a social firms – e.g. the social firm should not employ only people with mental health problems, and the employment opportunities on offer should also interest non-disabled people;
- more extensive training opportunities should be available to disadvantaged workers within the firm, encouraging greater participation and involvement in management activities;
- there should be greater wage parity between disabled and non disabled people who do the same kind of work, and the opportunity for disabled people to perform tasks in accordance with their abilities;
- there should be to stronger working relationships and agreements between firms and public agencies;
- there should be adequate support for business development and technological innovation through more flexible and innovative relationships with the banks and other funding agencies.



TIPOLOGY

SCOTLAND

NATIONAL SITUATION

Service enterprises, for example, tourism, cleaning, food preparation, accommodation.

LOCAL SITUATION

Edinburgh and Lothian: service enterprises, for example, tourism, cleaning, food preparation, accommodation.

GERMANY (INTEG)

NATIONAL SITUATION

In Germany, different kinds of social firms exist, focussing on different aspects corresponding to the various needs of the focus group. However, each of them is based on the model of "social firms" (about 250 total firms).

LOCAL SITUATION

In our federal country (Northrhine-Wesfalia, NRW) there are 18 social firms in different branches. They are organised in an association, which is called FAF.

ITALY

NATIONAL SITUATION

Type B social cooperatives in which work disabled and non disabled people; referring to the paragraph 1 law 391/91, they have the following characteristics.

- a) solidarity aims, as the employment of disadvantaged workers.
- b) democratic management of the enterprise, every member has the right to vote in the company meeting which elects the steering committee (board of directors) and approves the articles of association.
- c) the greater part are working associates, but there can be also volunteer associates and helping associates.
- d) there must at last be 30% disadvantaged workers
- e) the company has a commercial and economic purpose. The economic results spring from the production and marketing of goods and services.
- f) the economic results are public, the company has to draw up an annual balance sheet.
- g) the companies work in many fields.
- h) national collective contract of work of the field.
- i) non remunerated capital, it is possible only a revaluation referring to the inflation, the company sums cannot be sold; in case of dissolution the patrimony is transferred in a national solidarity fund for the development of cooperation.

LOCAL SITUATION

Veneto:

- social cooperatives working in many fields.

Lazio:

- social cooperatives

- social and integrated cooperatives working in many fields.

FRANCE (AI)

NATIONAL SITUATION

Intermediate national and local associations, connection committees connected with the local employment agency. The intermediate associations work with a network in Corrèze; every year they subscribe an agreement with the State, which provides for the activities of the association.

LOCAL SITUATION

Intermediate Associations existing since 1992.

The intermediate associations are solidarity services; there are many in the area.

FRANCE (GCAT)

NATIONAL SITUATION

Sheltered workshops, private or public organizations or companies set up by a community.

LOCAL SITUATION

The GCAT started up in 1954 a sheltered workshop working as normal enterprises (with the same management) and without any public support; consequently the company produces commercial profits.

FRANCE (INTERIM D'INSERTION)

NATIONAL SITUATION

Companies for insertion into work – interim work – temporary jobs.

There are 5 insertion enterprises in the region of Rhone:

3 of them established by intermediate associations. They ask for an agreement with the State; in the agreement is fixed:

- the general characteristics of the enterprises and of disadvantaged people
- the public economic support
- the type of contract and salary.

LOCAL SITUATION

Temporary work enterprise for the insertion in the labour market, established by 3 intermediate associations.

FRANCE (CAT)

NATIONAL SITUATION

They are social and health organization and not enterprises.
Support centres for work, reception and vocational guidance – a disabled person can work in a sheltered workshop.

LOCAL SITUATION

Support centres for employment. Sheltered workshops, adaptation centres; in the centre there is an adaptation section and workshops.

BELGIUM

NATIONAL SITUATION

Co-operatives (commercial companies following the principles of social economy)

LOCAL SITUATION

Wallonia:

- “Insertion enterprise”
- “Adapted work enterprise”

LAWS

SCOTLAND

NATIONAL SITUATION

None

LOCAL SITUATION

Edinburgh and Lothian: none.

GERMANY (INTEG)

NATIONAL SITUATION

In Germany we have neither a national nor a local law supporting for this type of enterprise.

LOCAL SITUATION

In Germany we have neither a national nor a local law supporting for this type of enterprise.

ITALY

NATIONAL SITUATION

Law 381/91 provides for the characteristics of a social cooperative and some ways of support, as the exemption from the social security taxes.

The law about onlus: tax-law which supports all the unremunerative organizations (and the social cooperatives).

Law 468/98 about the socially useful jobs: the social cooperatives can present projects for socially useful jobs and start new company-projects and new development.

New law about the compulsory employment: the companies, which are obligated to employ a restricted number of disabled workers can give an order to a social cooperative, which employ the disadvantaged person.

LOCAL SITUATION

Veneto: - social cooperatives – law 24/94:

national law about social cooperation, it sets up the regional register of the social cooperatives and provides for a development fund of the field.

Lazio: - social cooperatives - law 24/96:

national law about social cooperation, it sets up the regional register of the social cooperatives and provides for a development fund of the field.

- integrated cooperatives – law 9/87

The regional law n. 9/1987 finances integrated cooperatives which insert disabled persons in the labour market, in the following proportion: 30% of the workers must be disabled persons, 50% of this 30% must have a disability above 2/3 (above 67%).

This regional law supports the cooperatives which insert severely disabled people and provides for:

- contributions to concur to the formation of the company's capital

- contributions for development projects

- refund of expenses for the adaptation of the place of work

contributions to disadvantaged persons for a maximum value of L. 5.000.000 .

FRANCE (AI)**NATIONAL SITUATION**

Law about associations (1901) – approval of an agreement between AI and D.R.T.E.

LOCAL SITUATION

1901 law

FRANCE (GCAT)**NATIONAL SITUATION**

1957 and 1975 laws: a sheltered workshop must be approved by the Ministry of Labour.

LOCAL SITUATION

1957 and 1975 laws: a sheltered workshop must be approved by the Ministry of Labour.

FRANCE (INTERIM D'INSERTION)**NATIONAL SITUATION**

Agreements about the principal characteristics of the company and of the disadvantaged person.

LOCAL SITUATION

Association law (1901), conventions with the prefect

FRANCE (CAT)**NATIONAL SITUATION**

1957 and 1975 laws.

LOCAL SITUATION

1957 and 1975 laws, 1901 association law.

BELGIUM**NATIONAL SITUATION**

April 13th, 1995:

New law changing the former laws on commercial companies

Art. 164 bis :

The commercial companies become “companies with a social aim” when they don't exist to make profit for their owners and when their status define clearly their social aim.

LOCAL SITUATION

- July 16th, 1998 :

“Regional Law on insertion enterprise”

- October 15th, 1998 :

Order on the recognition and the subvention of insertion enterprises.

- January 23rd, 1997:

Order on the recognition and the subvention of the Adapted work enterprises

RESULTS

SCOTLAND

NATIONAL SITUATION

In Scotland, only 2 organisations have set up Social Firms, creating 6 businesses and many part-time jobs. Edinburgh Community Trust, which has set up 5 businesses, and Travel Options, which operates a travel company in Glasgow.

LOCAL SITUATION

In Edinburgh, Lothian, there is 1 organisation which has set up 5 businesses, 4 of which have been successful – 1 was not commercially viable.

GERMANY (INTEG)

NATIONAL SITUATION

Since more than 15 years “social firms” exist in Germany and offer sustainable job opportunity for disabled people.

LOCAL SITUATION

Social firms have grown up and covered new economical branches.

ITALY

LOCAL SITUATION

Veneto: the social cooperatives in Veneto were 13 in 1995, in 1997 they were 130.

Lazio: in Lazio there are 150 social cooperatives.

FRANCE (AI)

NATIONAL SITUATION

Insertion in the market.

LOCAL SITUATION

1/3 of the people have been employed for more than 6 months. Progressive employment of people who have asked for it.

FRANCE (GCAT)

NATIONAL SITUATION

Units of production.

LOCAL SITUATION

Development of the market.

FRANCE (INTERIM D'INSERTION)

NATIONAL SITUATION

- Adaptation to the place of work
- Possibility for persons with difficulties to have a support.

LOCAL SITUATION

Employment in companies. Development of the mark.

FRANCE (CAT)

NATIONAL SITUATION

Possibility of different activities, social, health and educational support.

LOCAL SITUATION

- Regular orders, benefits
- Individual rhythms of work and solutions
- Adaptation to the place of work.

BELGIUM

LOCAL SITUATION

In Wallonie, there are 65 adapted work enterprises. Some of them consider themselves as social enterprises and want to be recognised as such. They are, indeed, managed and organised as enterprises, develop investments plans in sector of high efficiency and margins, and are employment makers. They are working in agreement with the orders of social legislation, offer a worker status as a whole to disabled persons.

The only legal difference with an ordinary enterprise comes from the fact that they are created as civilian companies (non profit organisations) and not as commercial companies, which, at the economic level, involves problems of recognition, exclusion of the scope of some measures (especially aids to economic extension of enterprises, agreement for some exportation markets).

The status of "company with a social aim" has been introduced in Belgium by the law of June 13th, 1995, particularly to meet problems on employment in general. Because of the lack of advantages combined with this status, there are up to now no adapted work enterprises which have taken this status.

There are 5.300 disabled people that are working in this sector with normal wages. The Turnover is Euro 100.000.000. 34% of the total incomes are subvention.

ELEMENTS OF SUCCESS

SCOTLAND

NATIONAL SITUATION

The business are commercially valuable, creating employment in a commercial environment.

LOCAL SITUATION

The businesses are successful, offering employment in a commercial environment.

GERMANY (INTEG)

NATIONAL SITUATION

There is still a tendency to create new companies.

LOCAL SITUATION

Until now the social firms of our region realised positive annual balances.

ITALY

NATIONAL SITUATION

From a helped company to a supported one: from incentives not connected with economic results to ways of support binding on the development of production activities and the increase of employment.

A significant number of non-disadvantaged workers whose wages depend on the economic results of the company. The success of some cooperatives which have chosen a company. Strategy has spread this model.

The union trades have safeguarded the conditions of work of this kind of workers in comparison with the other fields.

The development of a network of companies: from a condition of dependence, in which the cooperative needed an indefinite help, and the public institutions had a charitable attitude to it, to an exchange relationship. Now the cooperative knows the social value of the work integration, carries out and offers this "service" to the public institution, which in return gives orders to the cooperative.

The substantial number of non disabled workers: disabled and non disabled workers do the same tasks, so that the disabled person can be helped by the other workers. **POLITIC ACTION:** the social cooperation can now show at a social level its problems, and its results in the insertion of disadvantaged people in the labour market.

LOCAL SITUATION

Veneto: in 1997 in the type B social cooperatives the employed people are 2.318, of these 1.016 are disadvantaged workers. In 1995 the social cooperatives employed 1.607 persons, 707 were disadvantaged people.

Lazio: in Lazio there are about 150 social cooperatives, which employ more than 3.000 people, a half of these are disabled people, people with psychological troubles, people in semi-custody, drug-addicts.

FRANCE (AI)**NATIONAL SITUATION**

Flexibility, swiftness, knowledge of the public, short contracts, public authority interventions.

LOCAL SITUATION

Unemployed young and adult people have been inserted in the labour market.

FRANCE (GCAT)**NATIONAL SITUATION**

The 1957 law provides for incentives to companies which buy product made in companies which employ disabled workers – public label: product made by disabled worker.

LOCAL SITUATION

Support workshops about voluntary service

3 world gold medals for quality- stability of employment - normal times of work - combination with normal people.

FRANCE (INTERIM D'INSERTION)**NATIONAL SITUATION**

Support agreements, cooperation, particular ways of employment.

LOCAL SITUATION

Analysis of demand and supply of work- identification of the situation.

FRANCE (CAT)**NATIONAL SITUATION**

Individual employment, vocational guidance organization.

BELGIUM**LOCAL SITUATION**

- For the insertion enterprises, within the 3 last months, we have had 20 projects started and receiving the recognition
- For the Adapted work enterprise there is a transformation of the old sheltered workshops in real social firms.

NEEDS AND PROBLEMS

SCOTLAND

NATIONAL SITUATION

Needs – more information and advice – there is much interest throughout Scotland in setting up social firms, but not much experience. Recently, the UK Social Firms Support Group was set up, which will help – WWW.ERMIS.CO.UK.

Problems – mostly part-time work because of the UK welfare benefits system.

All social firms in Scotland, so far, are for people with mental health problems – no other disabilities.

LOCAL SITUATION

Needs – capital investment, for example, Edinburgh Community Trust operates a guest house and wanted to set up a hotel, but could not find sufficient capital to invest.

Problems – mostly part-time work because of the welfare benefits system.

GERMANY (INTEG)

NATIONAL SITUATION

Problems – high personnel costs due to the need of high qualified staff to coach the disabled colleagues.

No legislation.

LOCAL SITUATION

There is a need for more social firms employing physically disabled people with communication and sensory disabilities.

ITALY

NATIONAL SITUATION

Limited management abilities: it is difficult to apply effective management and control strategies because the managers have competence in the social field and not management skills.

Difficulties in the capitalization of the company and problems to carry out development projects. Generally the working associates cannot give capital to the company. For this reason some actions have been started in order to involve banks and public institutions as financiers. Difficulty to combine economic and social needs. It is important to modify the model of the ordinary company for the specific needs of the disadvantaged workers.

Insufficient documentation of the results. Many cooperatives control only the economic results and have not an informative system which can show the results of the insertion in the labour market and its costs.

Many companies work almost only with public institutions, but it is necessary to increase the number and type of private customers.

Difficulties to guarantee high standards of quality of the products: difficulties in investing money in new technologies in having qualified personell and in making use of control systems.

FRANCE (AI)**NATIONAL SITUATION**

Labour costs – a contract lasts 240 hours.

LOCAL SITUATION

Labour costs – a contract lasts 240 hours.

FRANCE (GCAT)**NATIONAL SITUATION**

Competition – limited places – it is necessary to wait a long time before entering.

LOCAL SITUATION

Competition – limited places – it is necessary to wait a long time before entering.

FRANCE (INTERIM D'INSERTION)**NATIONAL SITUATION**

Study of the public – statute of “ETTI”

LOCAL SITUATION

Study of the public – statute of “ETTI”

FRANCE (CAT)**NATIONAL SITUATION**

Development of activities – organization, vocational guidance.

LOCAL SITUATION

Individual solutions - Adaptation to autonomous kind of work.

BELGIUM**NATIONAL SITUATION**

There are no specific laws to give advantages for the commercial companies which become social firms.

LOCAL SITUATION

It's always difficult to manage this kind of enterprise pursuing both a social and an economic aim. To keep viable, those enterprises require more and more productivity from their workers, and there are less and less places left for heavy disabled people.

POSSIBLE STRATEGIES OF DEVELOPMENT

SCOTLAND

NATIONAL SITUATION

Further support mechanisms for the setting up of social firms; Government financial initiatives to encourage the setting up of social firms.

LOCAL SITUATION

Further support from local authorities – for example, giving contracts to social firms. Financial investment – a different attitude by banks.

GERMANY (INTEG)

NATIONAL SITUATION

There is a need to improve the public financial support.

LOCAL SITUATION

We need also better financial support and new ideas to cover new lines of economy.

ITALY

NATIONAL SITUATION

Management training so that to develop skills about organization, stages in companies or in successful social cooperatives. Developing an experimental organization of work to make easier the integration of disadvantaged workers. New methods of work organization in the more innovative companies, as flexibility, decentralization of responsibilities quality etc, which has the aim to improve the conditions of work and the utilization of the abilities of the disadvantaged worker. Development of specific financial instruments:

- a) pools of credit guarantee
- b) ethical bank.

Investing the public institutions with responsibility. Involving directly the public authority which should finance the development of the companies for their social utility. Developing a network strategy for the quality of products. The systems for a better quality of the products are very expensive for many social cooperatives which are small-medium enterprises. This problem may be solved by a consortium strategy for the development of quality systems.

LOCAL SITUATION

Lazio: it is necessary a greater economic support.

FRANCE (AI)

NATIONAL SITUATION

- Developing the balance between demand and supply of work
- general agreement with ANPE.

LOCAL SITUATION

Development of the marketing - methods of professional training corresponding to the needs of the employers.

FRANCE (GCAT)

LOCAL SITUATION

Establishing of a paper-mill, development of the mark – research of customers in the whole France.

FRANCE (INTERIM D'INSERTION)

NATIONAL SITUATION

Development of mark.

LOCAL SITUATION

Development of the mark.

FRANCE (CAT)

NATIONAL SITUATION

Increase of orders.

LOCAL SITUATION

Enlargement of orders.

BELGIUM

NATIONAL SITUATION

We need specific laws specifying the advantages of this type of enterprise.

LOCAL SITUATION

We need to train “social manager” and to maintain the balance between the social and the economic point of view.