Active labour market measures and Work Integration Social Enterprises

European context

Since 2005, Members States are implementing political objectives designed to the creation of more and better quality jobs within the European Union in the framework of the European employment strategy. In 2010 new guidelines were adopted to contribute to a smart, sustainable and inclusive growth a defined in the Europe 2020 Strategy. At the mid-term process, the European Commission adopted a new proposition aiming a better integration of these employment guidelines in the implementation of the objectives of the European Semester of economic policy coordination.

These guidelines are focused on four objectives:

1. **Boosting demand for labour**, and in particular guidance on job creation, labour taxation and wage-setting.
2. **Enhanced labour and skills supply**, by addressing structural weaknesses in education and training systems, and by tackling youth and long-term unemployment.
3. **Better functioning of the labour markets**, with a specific focus on reducing labour market segmentation and improving active labour market measures and labour market mobility.
4. **Fairness, combating poverty and promoting equal opportunities**.

Today, long-term unemployment remains a key issue at the European Union level. In its Proposition of Recommendation to the Council from September 2015 related to the integration of long term unemployed on the labour market, the Commission observes that long term unemployment (unemployment lasting more than a year) doubled since 2007 and accounts for half of total unemployment: 12.1 million people, i.e. 5% of the active EU population, 62% of whom have been out of work for at least two consecutive years in 2014. At EU level, long-term unemployment remained at very high levels during 2013 and 2014.

In order to fight against long term unemployment, a number of instruments and initiatives at EU level are already in place, as the European Semester of economic policy coordination or the European Structural and Investment Funds and in particular the European Social Fund. Combined with effective social protection system, the **active labour market measures play an essential role in the fight against long term unemployment**. Moreover, they are pointed by the Commission as fundamental when target to the those furthest from the labour market.
Work Integration Social Enterprises (WISEs) fulfil the mission of general interest to enable the access and the integration of disadvantaged people on the labour market. It is their primary goal. To do so, work integration social enterprises position themselves in the economic system as providers of goods and services in order to generate jobs for the disadvantaged people. Considering the difficulties usually cumulated that are facing these persons, work integration social enterprises adopt a strong pedagogical dimension aiming to increase the competencies and empower the workers within the enterprise through a tailored and individualised social accompaniment.

In order to favour the development of this type of enterprises, some Member States have implemented active labour market measures designed to support social economy initiatives and in particular of work integration social enterprises as providing an adapted answer to the fight against unemployment of the persons furthest from the employment market.

In Belgium for instance, the measure ‘Economie d’insertion sociale’ (also called SINE), favour the integration of very difficult to place unemployed people into work integration social enterprises through the use of active unemployment benefits. The employers that hire ‘SINE workers’ can benefit from reduced social contribution (managed through the National Office of Social Security – ONSS) and a wage subsidy. Since 2015 it is now a regional competence previously managed at federal level.

The SINE measure is addressed to work integration social enterprises but also to other private or public entities aiming to integrate long term unemployed people. Concretely, the employer benefit from a reduced lump sum linked to the target group that is allocated when recruiting the full benefit receipt unemployed person, an integration income beneficiary or a social assistance beneficiary. The worker cannot be holder of an upper secondary education diploma. Other conditions linked to the age of the worker (more or less than 45 years old) are also to be taken into consideration.

In order to benefit from the advantages of this measure, the employer must first get a certificate précising he falls into the scope of the SINE measure beside the relevant region. To comply, the work integration social enterprises need a certification as regional work integration social enterprises which requires a specific file with

- Application form;
- The statutes of the work integration social enterprises;
- A description of the project;
- The number of workers foreseen for the project and their working regime;
- The number of workers already occupied within the project and their working regime;
- A statement of the staff that will ensure the coaching of the job seekers very difficult to integrate;
- The commitment of having, during the first year after the certification, at least 30% of occupied workers from the target group; and from the fourth year after the certification, at least 50%;
- A copy of the possible certifications as regional integration initiative.
The SINE measure is then allocated through

- Social contribution reduction: 1000€ each quarter allocated for a period between a minimum of 11 quarters and of unlimited duration at maximum. The duration of this period is related to the age of the worker and the duration of the unemployment situation before the contract under the SINE measure;
- Wage subsidy: maximum 500€ per month without exceeding the net salary. This subsidy is provided by the National Employment Office (ONEm - Office National de l’Emploi, in charge of the unemployment benefit in Belgium) or by the Public Centre for social assistance (CPAS – Centre Public d’Action Sociale, in charge of some social services and well-being of citizens) directly to the employer. The duration of the subsidy is similar to the social contribution reduction one.

In Austria, the government implemented the ‘Programme 50+’ aiming the integration of persons aged over 50 into the labour market. Indeed, the workforce aged over 50 years is steadily growing, especially the baby boomer age group born in the years 1961 to 1964 has contributed to an increase of their proportion in the labour force from 26.6 % in 2008 to over 30% in 2015. At the same time there is also a change in the retirement policy: the access to early retirement schemes has been made more difficult in recent years and consequently the share of unemployed persons over 50 has grown significantly since 2009. At present more than 25% of all unemployed persons in Austria is over 50 years of age. When persons over 50 lose their job they face great difficulties in finding a new employment, they remain unemployed for a much longer time than younger people. Therefore, this age group also constitutes almost half (46,4%) of the long-term unemployed.

Considering these facts, the Austrian government introduced a special programme that is implemented by the Public Employment Service of Austria: for 2016 an amount of 250 Mio € is dedicated to the integration of persons over 50 years of age into the labour market. 60% of this amount is earmarked for wage subsidies to private sector companies and 40% for WISEs to offer them temporary workplaces.

The wage subsidies for companies are handled quite flexible and amount to up to 2/3 of the total cost for a maximum duration of one year, but a lot of different models are possible.

WISEs have to take between 30 and 75% of their target group from the age group aged over 50 and the duration of the stay in the WISE varies between 3 to 9 months. In some cases, there are special workplaces for persons that have only 3 years before they can retire. They may stay in a WISE until they reach retirement.
Phasing-in model for persons very far from the labour market

This model provides several phases to enter into the labour market via a WISE adapted to the individual needs of the persons:

- **Phase I: Clearing (3 months)**
  - assessing the personal and professional environment of the person
  - finding the best activity for the person
  - defining the working hours
- **Phase II: part-time activity (10 hours per week) – 3 months**
  - Combination of coaching and group activities
- **Phase III: part-time activity (maximum 25 hours per week) – 6 months**
  - Combination of work, coaching and group activities
  - Preparation for a temporary employment
- **Phase IV: temporary employment (20 to 37 hours a week) – 6 months**
  - Temporary work contract
  - Regular work in the WISE
  - Preparation for a job on the regular labour market
- **Phase V: Follow-up 3-6 months**
  - When the person has no job after the temporary work contract they are assisted for another 6 months to find a job on the regular labour market, if they have a job they can still take advantage of support for 3 months to help them to keep the job

These two examples show that the governments can choose to support work integration social enterprises and thus to favour the integration of the most difficult to integrate people on the traditional labour market through active labour market measures. Both through temporary of unlimited duration employment schemes, the work integration social enterprises, due to their specific way of support, offer real opportunities for long-term unemployed: a specific professional as well as social coaching within the enterprise together with a real job contract that enable a complete integration as professional and citizen.

ENSIE thus support the implementation of active labour market measures to work integration social enterprises among the Member States. These measures encourage integration on the labour market and in the current society of people that are generally marginalised by the system while also allowing the development of a more social, sustainable and inclusive entrepreneurship.