WISEs in post-socialist countries

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Baturina, Danijel, Ph.D, postdoctoral researcher
Faculty of Law, Zagreb
danijel.baturina@pravo.hr
Introduction


- Presentation at glance
  - Work integration social enterprises- characteristics
  - WISE in post-socialist countries- short overview
  - Social entrepreneurship in Croatia-brief intro
  - WISE in Croatia- old and new perspective
  - Conclusion- reality of WISE and social integration of marginalized groups in Croatia
Work integration social enterprises (WISE)

- Social entrepreneurship – relative focus on integration of disadvantaged (marginalized) people.

- **Europe**- long tradition of social enterprises for work integration (WISE)

- **WISE main purpose** - help individuals who are at risk of permanent social exclusion from the labor market to integrate into the world of work and society through productive activities and their employment (Defourny and Nyssens, 2008; Spear and Bidet, 2008).

- WISE integrate disadvantaged people by providing them with a range of services: training, social support and employment-development of working skills and competence, work habits and economic independence (Defourny and Nyssens 2008.; Davister et al., 2004).

- WISE - generally do not have prejudices and do not stigmatize people.

- Employment/establishment of work - adjusting working environment to needs of marginalized groups

- **Davidster et.al (2004)**- typology of WISE in Europe:
  - modes of integration,
  - status of the workers in integration,
  - modes of social and professional training,
  - main characteristics and resources
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<th>Country</th>
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| Poland             | • Law on Social Rehabilitation and Employment of Persons with Disabilities(1997,)  
• newly created legal types such as social cooperatives (2006),  
• Draft Act on Social Enterprise | Paczynski et al., 2014.  
• the problem of financial sustainability of some WISE types that are dominantly financed by local budgets;  
• insufficient awareness of the community about the activities of social enterprises;  
• insufficient level of knowledge and competence in solving business problems  
• limited demand for products and services of social enterprises | • The Polish Employment Fund has decided to allocate significant funds for the activities of social enterprises.  
• The Fund for Professional Rehabilitation has outlined significant resources to motivate disabled people to engage in WISE |
| Slovenia           | • Program for Persons( with dissabilities 2007-2013)  
• Act on Social Entrepreneurship (2011.) | Kadunc et al., 2014.)  
• insufficient education of workers, management, and other relevant stakeholders  
• weak and inadequate public awareness of social entrepreneurship | • Differentiation of WISE from social enterprises from other types of social enterprises  
• 2.530,000€ for subsidizing employment of vulnerable groups. |
| Slovakia           | • The Law on Employment Service Providers (2008)  
(Andruszkiewicz et al., 2014) for the first time defined social entrepreneurship and set conditions for the development of WISE social enterprises | Andruszkiewicz et al., 2014.  
• insufficient funds to finance social enterprises, especially the reduction of the highest level of co-financing of wages  
• inadequate degree of competence and expertise of social enterprises  
• insufficient awareness and understanding of the concept | • Physical and legal persons can devote a certain amount of income tax (2-3% for physical and 1.5% for legal persons) to devote and assign to civil society organizations |
• National Plan for the Integration of Persons with Disabilities for 2010-2014 (Caisl et al., 2014.)  
But noting specific related to social entrepreneurship public schemes Ministry of Labor and Social Affairs towards WISE | Caisl et al., 2014  
• the lack of a continuous source of funding for social-entrepreneurial projects at the national level,  
• insufficient education of civil society organizations on social entrepreneurship  
• confidence in the state in solving all problems(Heck et.al, 2007) | • People, Planet, Profit (2013)  
72% of social enterprises in the Czech Republic focused on people with disabilities.  
• People, Planet, Profit, 2014  
WISE is actually the most developed and widespread type of social enterprise in the Czech Republic |
Work integration social enterprises in post-socialists countries; key points

• **Normative framework:**
  - All countries have some institutional framework that enables WISE
  - But: not particularly or specifically developed (general SE weak spot in this countries)

• **Weaknesses:**
  - Awareness and recognition of SE and WISE
  - Financial sustainability
  - Insufficient level of knowledge and competence of SE

• **Strong sides**
  - Some countries have decided special funds to WISE (Poland)
  - In some WISE most developed and widespread type of social enterprise (Czech Republic)
  - Could also be a „double-edged sword”// are public policy seeing WISE as the main component of SE?

• “Problems such as inadequate promotion, lack of awareness and adequate skills affect that WISE in post-socialist European countries are characterized by delayed development” (Marković et al., 2017)
Social entrepreneurship in Croatia-brief intro

• In our context generally, social entrepreneurship is still in its infancy phase (Vidović, 2013; Vidović and Baturina, 2015)

• Lack of awareness and recognition of SE // misunderstandings about what kind of positive impact could have on the society. (Vidović, 2013.; Baturina, 2016.)

• Besides that identified problems relate to: (Vidovic, 2012 .; Vincetić, et al., 2013; Baturina, 2016).

• The financing is a limiting factor in ensuring the autonomy of action

• Lack of capacity of human resources and expertise needed to set up a social enterprise.

• Key moment: First Strategy for development of Social entrepreneurship (2015-2020)
  • Provides official definition
  • Plans of Social enterprises registry (90 SE in 2014- Šimlesa et al, 2016)
  • Significant funding (around 35 mil Euros)
  • And much more….
“Old perspective” - Work integration in Croatia

- Framework - Some positive legislative and institutional changes


- Significant **drop in the number of jobs and sheltered workshops** in the last 20 years - 39 workshops with a total of 3,500 employees in 90-ties to 6 sheltered workshops and 4 working units with a total of 560 employees in 2010 (Human Dynamics, 2010).

- National strategy for equalization of opportunities for persons with Disabilities from 2007 to 2015 - chapter: "Professional rehabilitation, employment and work"; measures to determine models in the employment of people with disabilities.

- New strategy 2017-2020: Develop a model of non-profit (social) entrepreneurship - **measure introduced but generally defined**

- Center for professional rehabilitation - public institution – **space for developing third sector WISE partnerships**?

- **Active labour market policies** - directed towards marginalized groups, but innovative attempts of work integration questionable (public works and training without establishing a working relationship now in focus)

- **Strategy for combating poverty and social exclusion 2014 – 2020** - entrepreneurship for socially disadvantaged persons and PWD and fostering **social cooperatives** employing persons with limited work abilities – strategic activities
“New perspective”- possibilities for WISE in Croatia

- WISE in post-socialist European countries delayed development - in Croatia, that is also prominent.
- But;
- Employment with the (government) support stand out as the most effective model for the promotion of employment of PWD (Kiš Glavaš, 2009) and work integration of other marginalized groups- possibilities of WISE
- Active labor market policies- opening some space to CSO and SE/ WISE not integral part; opportunity?
- Social Work Act- “workfare” obligation (receivers of minimal income benefit obligated to work for public good when called by local government; 30-80 hours)- WISE social innovations?

- Strategy for development of Social entrepreneurship- partly orientated towards social and work integration of disadvantaged groups
- Civil society- developing programs in wider conceptualization of WISE (acquiring skills-education, support to employment, social integration)
- WISE examples of good practice- Humana nova; researched impact on human resources (Baturina, 2016)
Conclusion- reality of WISE and social integration

• Social entrepreneurship and groups in need of work integration-both on the margins of society
• That is a problem but also **opportunities as:**
  
  **Support in public discourse** for issues related to some of the marginalized groups: **people with disabilities and NEET**- could foster promotion of WISE

• Insufficient public space for promotion of social enterprises and sensibilization of the public could be also **changed but EU policy support and new funding.**

• First Strategy for development of Social entrepreneurship (2015-2020) and relatively “**big “funds available**

  **Proactive third sector, more prone to social innovation** (Bežovan, et, al, 2016), especially in providing social services and innovations in employment

• Opening the space for third sector initiatives- development of **welfare mix approach?**

• **Education reform**- introducing volunteering and civic virtues (possible social entrepreneurship themes)

• **Youth as developmental “fuel”**- highly educated young persons starting to get familiar with social entrepreneurship (and WISE)- possible starters of community based initiatives?
Thank you for the attention!